

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: Rae-Marie May, Victor Hershon, Steven A. Seiden and David A. Klass

Address: c/o Rae-Marie May, P.O. Box 223355, Princeville, Hawaii 96722

Project Name(*): KAUAIANA

Address: 4873 Kapa'ka Street, Hanalei, Hawaii 96714

Registration No. 4093
(Conversion)

Effective date: October 21, 2004
Expiration date: November 21, 2005

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: The developer may not as yet have created the condominium but has filed with the (yellow) Real Estate Commission minimal information sufficient for a Preliminary Public Report. A final Public Report will be issued by the developer when complete information is filed.
- FINAL: The developer has legally created a condominium and has filed complete information (white) with the Commission.
 No prior reports have been issued.
 This report supersedes all prior public reports.
 This report must be read together with
- SUPPLEMENTARY: This report updates information contained in the:
(pink)
 Preliminary Public Report dated:
 Final Public Report dated: April 29, 1999
 Supplementary Public Report dated:
- And Supersedes all prior public reports
 Must be read together with
 This report reactivates the Public Report which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

SPECIAL NOTICE:

THIS IS A CONDOMINIUM PROJECT, NOT A SUBDIVISION. THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF DWELLINGS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING A UNIT WITH THE EXISTING DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE GOVERNMENTAL AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. There are presently NO RESIDENTIAL STRUCTURES on Units 2, 3, 4, or 5 of the Project. The only buildings on these Units are agricultural structures, each of which may be defined as an "apartment" under the Condominium Property Act. Unit 1 has a farm dwelling in place, which may be used for residential purposes. It is subject to a Farm Dwelling Agreement, as noted elsewhere in this Public Report. Any owner of a dwelling on land zoned "Agricultural" must agree to engage in agricultural activities providing income to the owner, or the County of Kauai may require removal of the dwelling, among other remedies. Please see the appropriate agency of the County of Kauai or review the recorded Farm Dwelling Agreement (Document No. 96-131138) for any additional needed information.
2. Buyers are advised that the Comprehensive Zoning Ordinance allows only five (5) farm dwellings for this Project. The guesthouse on Unit 6 is not a farm dwelling unit. The Comprehensive Zoning Ordinance prohibits quest houses from being a dwelling unit by prohibiting the construction of a kitchen. See Exhibit "K", Guesthouse Restrictions.
3. Only Units 2, 3, 4, and 5 may be sold under the current Public Report. Units 1 and 6 are in the process of constructing additional improvements and may not be sold until either one year after the issuance of a final inspection from the County of Kauai, in the event said improvements/renovations are performed by the owner/builder, or within 45 days after final inspection from the County of Kauai, in the event said improvements/renovations are completed by a contractor licensed in the State of Hawaii. Within thirty (30) days from the date of completion of the buildings, as defined by Hawaii Revised Statutes Section 507-43, or from the date of the occupancy of the building, whichever shall come first, the owner of the unit(s) shall file an amendment to the Declaration to which will be attached a set of the floor plans and elevations of the buildings showing the layout, location, apartment numbers and dimensions of the improvements together with a statement of a registered architect or professional engineer certifying that the final plans therefore to be filed, or being filed simultaneously with such amendment, fully and accurately depict the layout, location, apartment numbers and dimensions of the improvements as approved by the county or city and county officer having jurisdiction over the issuance of permits for the construction of buildings, and as built.
4. Issuance of an effective date for this Public Report does not constitute an approval of the project by the Real Estate Commission or other agency, nor does it imply that all County codes, ordinances or other requirements have been complied with.
5. This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit, as shown on the Condominium Map, is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Condominium Map merely represent the location of the limited common element assigned to each unit.
6. 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 may not be available for interior roads and driveways.
7. The Department of Water does not have domestic water service in the area. The Project is serviced by Princeville's private water system. Prior to the Department of Water recommending building permit approvals for development of units, buyers applying for permits will be required to sign and execute a "Waiver and Release Agreement" with the Department of Water, agreeing that County water service is not available.

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: Condominium Map and Limited Common Element Locations	
EXHIBIT B: Summary of Addendum to Sales Contract	
EXHIBIT C: Summary of Portions of Escrow Agreement	
EXHIBIT D: Encumbrances Against Title	
EXHIBIT E: Amended Disclosure Abstract	
EXHIBIT F: Estimate of Initial Maintenance Fees and Disbursements	
EXHIBIT G: Architect's Condition Report	
EXHIBIT H: Memorandum from the County of Kauai Planning Department	
EXHIBIT I: Summary of Guest House Restrictions	
EXHIBIT J: Farm Dwelling Agreement	

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: Rae-Marie May, Victor M. Hershon, Steven A. Seiden and David A. Klass Phone: (808) 826-9525

c/o Rae-Marie May
P.O. Box 223355
Princeville, Hawaii 96722

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

Real Estate Broker*: See Amended Disclosure Abstract (Exhibit E) and page 20 Phone:

Escrow: Title Guaranty Escrow Services, Inc. P. O. Box 223330 Princeville, HI 96722 Phone: (808) 826-5300

General Contractor*: Owner Builder (Victor Hershon for Units 1 & 6)

Condominium Managing Agent*: Self managed by the Association of Apartment Owners

Attorney for Developer: Steven R. Lee, Esq. 4473 Pahe'e St., Suite L Lihue, HI 96766 Phone: (808) 246-1101

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

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

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

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

The Declaration for this condominium is:

<input type="checkbox"/> Proposed		
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances:	Document No. <u>98-098006</u>	
	Book	Page
<input type="checkbox"/> Filed - Land Court:	Document No.	

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

First Amendment to Declaration of Condominium Property Regime of Kauaiana, dated September 12, 2003, and recorded with the Bureau of Conveyances as Document No.2003-222228; and

Second Amendment to Declaration of Condominium Property Regime of Kauaiana, dated July 19, 2004, and recorded with the Bureau of Conveyances as Document No.2004-146261.

Third Amendment to Declaration of Condominium Property Regime of Kauaiana, dated October 4, 2004, and recorded with the Bureau of Conveyances as Document No.2004-2038884

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

The Condominium Map for this condominium project is:

<input type="checkbox"/> Proposed		
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances Condo Map No. <u>2768</u>	(see Exhibit "A")	
<input type="checkbox"/> Filed - Land Court Condo Map No.		

The Condominium Map referred to above 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 Kauaiana, dated July 19, 2004, and recorded with the Bureau of Conveyances as Document No.2004-146261.

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

The Bylaws for this condominium are:

<input type="checkbox"/> Proposed		
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances:	Document No. <u>98-098007</u>	
	Book	Page
<input type="checkbox"/> Filed - Land Court:	Document No.	

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

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%*	75%
Bylaws	65%	65%
House Rules	-----	NA

*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:

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: 4873 Kapa'ka Street
Hanalei, Hawaii 96714

Tax Map Key: (TMK):

- Unit 1 (4) 5-3-008-014-0001
- Unit 2 (4) 5-3-008-014-0002
- Unit 3 (4) 5-3-008-014-0003
- Unit 4 (4) 5-3-008-014-0004
- Unit 5 (4) 5-3-008-014-0005
- Unit 6 (4) 5-3-008-014-0006

Address TMK

is expected to change because: each Unit is entitled to its own street address

Land Area: 25.0

square feet acre(s)

Zoning: Agricultural/ Open

Fee Owners: Rae-Marie May Trust (Units 3 & 5)
P.O. Box 223355
Princeville, HI 96722

Steven A. Seiden (Unit 4)
10120 E. Alondra Blvd.
Bellflower, CA 90706

David A. Klass (Unit 2)
1720 Wellesley Dr.
Santa Monica, CA 90405

Victor M. Hershon (Units 1 & 6)
P.O. Box 1520
Hanalei, HI 96714

Lessor: N/A

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 13 Floors Per Building : 1

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other: metal posts and shade cloth

4. **Uses Permitted by Zoning:**

	No. of <u>Apts.</u>	<u>Use Permitted by Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	<u>6</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other: sheds	_____	<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

NOTE: The subject property is within the State Land Use Agricultural District, and is zoned Agricultural by the County of Kauai. "Farm Dwellings" and other structures appropriate to agricultural usage are permitted, subject to certain guidelines. See the disclosures on Page 20 of this Final Public Report.

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:
- Number of Occupants: _____
- Other: The Units of the Project may only be occupied and used only for agricultural uses. Residential uses currently require the execution of a Farm Dwelling Agreement with the County of Kauai.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt.</u> <u>Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net</u> <u>Living Area (sf)**</u>	<u>Net</u> <u>Other Area (sf)</u>	<u>Identify</u>
----------------------------	-----------------	----------------	---	--------------------------------------	-----------------

SEE PAGE 11a

Total number of Apartments: 6

* These structures are currently being constructed and/or renovated

** These structures are temporary and will be removed upon completion of construction

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

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

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by County of Kauai zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime will be required to disclose actual improvements as a matter of public record.

Apartments Designated for Owner-Occupants Only:

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

<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>
Unit 1	1	2/3	1,479	1,265	Ianai / carport / laundry-storage
	1	0	0	328	Ag. Accessory. Building*
	1	0	0	308	Utility Building *
	1	0	0	656	Art Studio/ Workshop*
	1	0	0	24	Tool Shed*
	1	0	0	24	Worker's Building*
Unit 2	1	0	0	96	shed
Unit 3	1	0	0	96	shed
Unit 4	1	0	0	120	shed
Unit 5	1	0	0	96	shed
Unit 6	1	0	0	444	Lounge/Office
	1	0	0	576	Storage Building
	1	2/1	500	0	Guesthouse*

Total number of Apartments: 6

* These structures are currently being constructed and/or renovated

11a). Developer has N/A elected to provide the information in a published announcement or advertisement.

Parking Stalls:

Total Parking Stalls: 2*

		<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)	Unit 1:2							2
Guest								
Unassigned								
Extra for Purchase								
Other:	* Units 2, 3, 4, & 5 have ample area within their limited common element for parking purposes							
Total Covered & Open:		<u>2</u>		<u>0</u>		<u>0</u>		<u>2</u>

Each apartment will have the exclusive use of at least 1* parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

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

8. **Recreational and Other Common Facilities:**

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis court Trash Chute/Enclosure(s)
- Other: _____

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

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

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

See Exhibit "I"- Architect's Condition Report for Unit 1 Farm Dwelling. .

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	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 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 “___”**.

as follows:

The common elements of the Project include:

- (a) The land herein in fee simple;
- (b) The portion of the roadway shown on the Condominium Map as “Common Element”;
- (c) All pipes, wires, conduits or other utility or service lines running through one apartment or house site which are utilized for or serve more than one apartment or house site and other appurtenant installations for common services;
- (d) All other apparatus and installations existing for common use;
- (e) All other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

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 "_____".
- as follows:
- (a) The area of the yard adjoining the front, rear and sides of each building on the Condominium Map;
 - (b) The land over which each apartment is constructed;
 - (c) The end of the driveway as shown on the Condominium Map shall be appurtenant to and for the exclusive use of Apartment 3 and 4, for ingress or egress. The owner of Apartments 3 and 4 shall be responsible for the maintenance of the driveway.
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 "C".
- as follows:

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

Exhibit "F" describes the encumbrances against the title contained in the title reports dated July 29, 2004 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 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>
---------------------	---

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:

When the developers later decide to sell, the apartments will be sold together with appliances and other personal property in an "AS IS" condition, without benefit of warranties. The buyers may have their own architects, engineers, and other personnel examine the apartments with sufficient thoroughness to enable the buyers to decide if they want to purchase the apartment. The purchase of apartments by the buyer shall be deemed to include (i) a complete and comprehensive assumption of all liabilities arising with respect to the apartments from and after closing, including all claims based on faulty planning, design, engineering, construction, or defective materials or workmanship; and (ii) a release and discharge of the sellers, their respective heirs, assigns, devisees and personal representatives, from all claims, obligations and liabilities arising out of the condition of the apartments, and any disclosures made or not made with respect thereto. The buyers recognize that the foregoing itemization of potential claims or liabilities is not intended to be exclusive, or to limit the generality of the buyer's acceptance of the apartments in an "AS IS" condition, given the most expansive interpretation of those words.

2. Appliances:

The buyers will have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartment, if any exist at the time of the sale.

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

The Residence located on Unit 1 was constructed in 1970 and moved onto the property in 1993. Unit 1 is also currently in the process of constructing a Utility Building, an Art Studio/Workshop, a Tool Shed, and a Worker's Building and is adding a deck to an Accessory Building. Construction of the improvements on Unit 1 is anticipated to be completed by June 2006.

The Sheds located on Units 2, 3, 4 & 5 were completed in 1994.

The Lounge/Office (previously referred to as a Shed) located on Unit 6 was completed in 1994 and a Storage Building was relocated to this unit in 2004. Unit 6 is also in currently in the process of converting a previously existing a Shed into a Guesthouse. Construction of the Guesthouse is anticipated to be completed by June 2006.

H. **Project Phases:**

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

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

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 affiliated 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.
 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 "F", if any, contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

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

V. MISCELLANEOUS

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

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "B" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated April 15, 1998
Exhibit "C" contains a summary of the pertinent provisions of the escrow agreement.
- Other: Specimen Apartment Deed & Farm Dwelling Agreement

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

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

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all 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) Delete, there are no House Rules.
 - 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: Declaration of Restrictive Covenants, Farm Dwelling Agreement; Waiver and Release(s); and Notice of Dedication(s)

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 4093 filed with the Real Estate Commission on December 21, 1998, as supplemented with materials filed simultaneously with the filing of Developer's current public report application.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. Additional Information Not Covered Above:

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. To determine whether your expectations can be realized, you should carefully review the contents of this Report, especially the recorded restrictive covenants for the subdivision within which this project is located. Among other things, the restrictive covenants govern land use, building type and materials, possession of animals, and cultivation of crops. You should also conduct your own investigations and ascertain the validity of information provided.

It is anticipated that the initial improvements on Units 2, 3, 4 and 5 will be replaced by or supplemented with a farm dwelling. The prospective purchaser shall have the right to build such farm dwelling at purchaser's expense. The purchaser shall also, in such event, file the "as-built" certificate within thirty days of completion of the farm dwelling in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment of the Declaration of Condominium Property Regime ("Declaration") to describe the farm dwelling. The County of Kauai Planning Department requires, in order to process the necessary permits for the construction of a farm dwelling and the processing of a farm dwelling agreement, authorization from at least 75% of the legal and equitable ownership of the entire project, consistent with the Declaration and the Bylaws ("condominium documents"). In most cases a farm dwelling may not be constructed unless a unit owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval.

Except as limited specifically by the condominium documents and subdivision restrictive covenants (if any), all uses permitted in the agricultural zone is permitted. Uses in one zone are not the same as in the other, and the prospective purchaser should consult the appropriate county agency for information on uses and construction in the respective zones.

A buyer should understand that all development and use of the property shall be in compliance with County codes and ordinances, that owners in this condominium project will not necessarily receive the same County benefits as owners of approved subdivided lots and that owners who develop their limited common element later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations.

Disclosure regarding selection of Real Estate Broker. The Developer plans to sell the apartments in the Project, but is not prepared to make any current offerings of sale. When the Developer begins selling or offers to sell, the Developer will use a real estate broker for the sale of the apartment, prior to entering into a binding contract for such sale. The developer has not selected a real estate broker for the sales of the apartments in the Project. In the event of sale the Developer will choose a real estate broker for the sale of an apartment prior to entering into a binding contract for such sale, and the Developer shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed disclosure abstract identifying the designated broker, and (2) provide a copy of the disclosure abstract to the purchaser together with a copy of this public report.

Assignment of Guesthouse rights. The Project is entitled to one Guesthouse. The right to construct the guesthouse is assigned to Unit 6. All provisions of the County of Kauai Comprehensive Zoning Ordinance and any other laws, ordinances or regulations applicable shall be observed by the owner of the apartment to which the guest house applies. For further information refer to Section "I" and "B" of the Declaration of Condominium Property Regime of Kauaiana.

Tax Lien against Unit 4. Purchaser is advised to refer to Exhibit "F" with respect to Unit 4 which is subject to a judgment, writ of attachment and tax lien.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that Units 2-5 of the Project are in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] Units 1 and 6 are under development at this time, and permits for specific improvements are in place. (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Printed Name of Developer

By: Rae Marie May
Duly Authorized Signatory*

1-29-04
Date

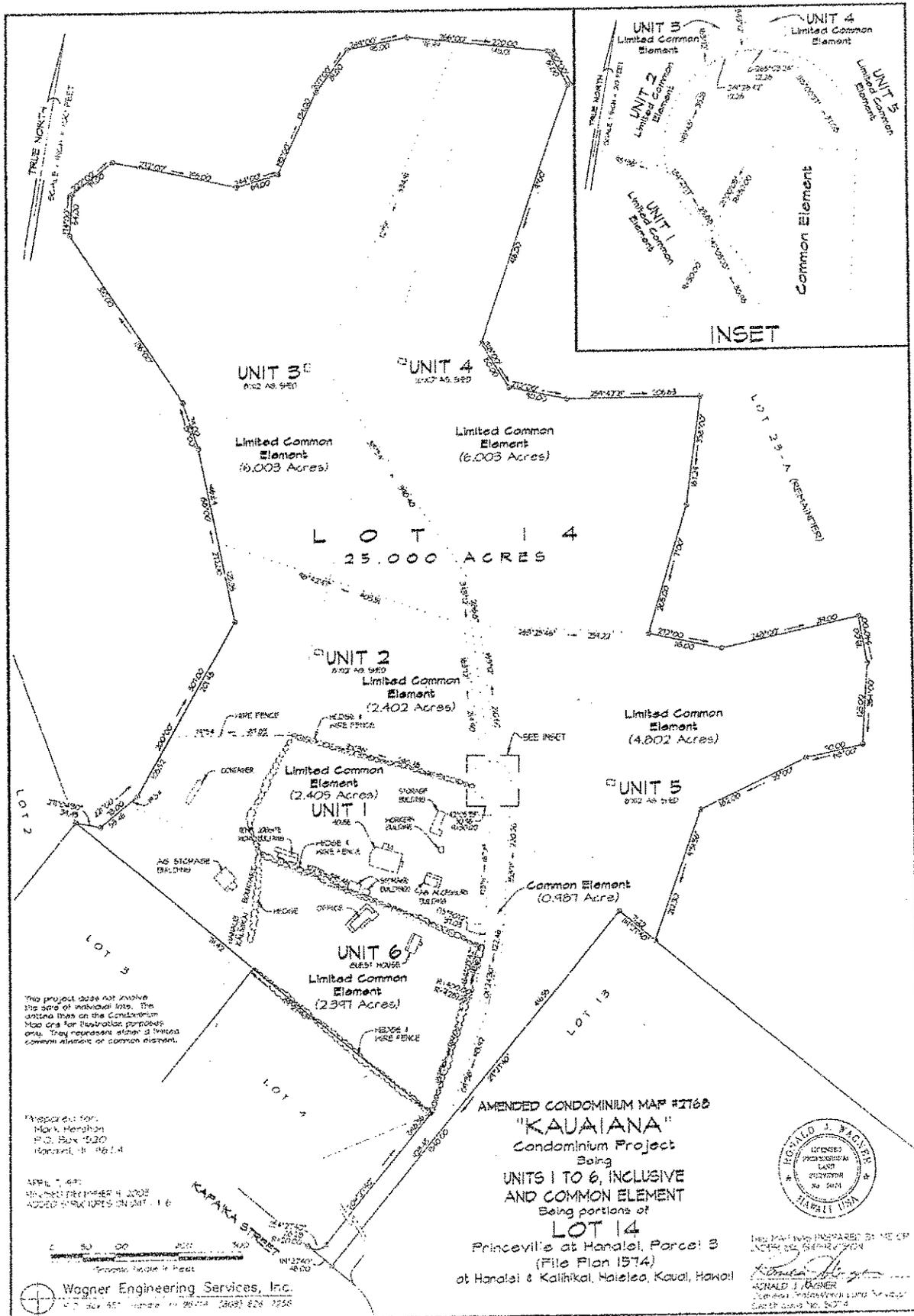
RAE-MARIE MAY, PRESIDENT, AOA O KAUAIANA
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, COUNTY OF KAUAI

Planning Department, COUNTY OF KAUAI

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



This project does not involve the sale of individual lots. The units shown on the Condominium Map are for illustrative purposes only. They represent either a limited common element or common element.

Prepared for:
Mark Marshall
P.O. Box 1520
Hanalei, HI 96714

APRIL 7, 1997
REVISED DECEMBER 4, 2002
ADDED MARKERS ON UNIT 1 & 6

Wagner Engineering Services, Inc.
1120 Kalia Ave. Honolulu, HI 96813 (808) 826-7258

AMENDED CONDOMINIUM MAP #2768
"KAUAIANA"
Condominium Project
Being
UNITS 1 TO 6, INCLUSIVE
AND COMMON ELEMENT
Being portions of
LOT 14
Princeville at Hanalei, Parcel 3
(File Plan 1574)
at Hanalei & Kalihihi, Hanalei, Kauai, Hawaii



This map was prepared by me or under my supervision and I am a duly Licensed Professional Land Surveyor in the State of Hawaii.
RONALD J. FISCHER
LICENSED PROFESSIONAL LAND SURVEYOR
No. 5403
State of Hawaii

EXHIBIT "A"

EXHIBIT "B"

SUMMARY OF SALES CONTRACT

This Project Utilized a Condominium Addendum to Sales Contract (the "Addendum") to be utilized in conjunction with a standard printed form contract provided by the Hawaii Association of Realtors. The Addendum protects the rights of the Purchasers and the handling of the funds under the Condominium Property Act (the "Act"), as well as the insuring compliance with the Act by all parties. Relevant portions of the Addendum are summarized as follows:

1. The fact that the Act controls over any portion of a contract to sell a condominium unit.
2. That an effective date for a final or supplementary public report must be in place and a receipt for the same signed by the buyer to have an effective date.
3. That all purchaser funds must be held in escrow until the law allows closing and disbursement of the funds.
The conditions precedent to release of the funds are enumerated, including in part:
 - (a) That Purchaser will receive a copy of the final public report for the project.
 - (b) Purchaser agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow agreement, and Purchaser is subject to all of the terms of the Escrow Agreement.
 - (c) If there is a dual agency by a single broker, it will be disclosed in the contract.

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

EXHIBIT "C"
SCHEDULE OF APARTMENTS AND COMMON INTERESTS

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	% of Common Int.
1	1	2.405	2/3 0/0 0/0 0/0 0/0 0/0	1,479 0 0 0 0 0	1,265 328* 308* 656* 24* 24*	10%
1	2	2,402	0/0	0	96	10%
1	3	6.003	0/0	0	96	25%
1	4	6.003	0/0	0	120	25%
1	5	4.802	0/0	0	96	20%
1	6	2.397	0/0 0/0 0/0	0 0 500	444 576* 0	10%

*These structures are currently being constructed and/or renovated.

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. The Developer has determined the assignment of each unit's percentage interest in the common elements based on the approximate proportionate percentage said limited common element has in the overall acreage of the Project. Therefore, the assessment of undivided interest both for common expenses for voting is as follows: Units 1, 2, & 6 –10%; Units 3 & 4 –25%, and Unit 5 –20%.

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use the unit, alter or add to it in any manner deemed desirable, so long as it is permitted by law and the Declaration of Protective Covenants and House Rules, if any. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime together with their respective signatures.

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

EXHIBIT "D"

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

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

1. Escrow will let purchasers know when payments are due.
2. Escrow will arrange for purchasers to sign all necessary documents.
3. The Escrow Agreement says under what conditions a refund will be made to the purchaser.
4. The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain changes with which the purchaser should become acquainted.

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

EXHIBIT "E"

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- (a) the land in fee simple;
- (b) The portion of the roadway shown on the Condominium Map as "Common Element";
- (c) all pipes, wires, conduits or other utility or service lines running through one apartment or house site which are utilized for or serve more than one apartment or house site and any other appurtenant installations for common services;
- (d) all other apparatus and installations existing for common use; and
- (e) al other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, referred to as the "limited common elements," have been designated and set aside for the exclusive use of one or more units, and such unit(s) have appurtenant exclusive easements for the use of such limited common elements. The limited common elements set aside, reserved and deemed a limited common element appurtenant to and for the exclusive use of each respective unit is that certain land area upon and around which Units 1-6 are located, shown and designated on the Condominium Map and the table below.

Unit Number	Area of Limited Common Element*
Unit 1	2.405 acres
Unit2	2.402 acres
Unit 3	6.003 acres
Unit 4	6.003 acres
Unit 5	4.802 acres
Unit 6	2.397 acres

*Land areas referenced herein are not legally subdivided lots.

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

The following documents are listed in this Exhibit "F" as encumbrances against title:

UNIT 1

EXCEPTIONS

1. Real Property Taxes - Information pending.
Tax Key: (4) 5-3-008-014 C.P.R. No. 0001 Apt. No. 1
Land Classification: HOMESTEAD
Street Address: 4873 KAPA'KA STREET, PRINCEVILLE, HAWAII 96722
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:
INSTRUMENT : DECLARATION
DATED : November 25, 1977
RECORDED : Liber 12660 Page 690
4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:
INSTRUMENT : DEED
DATED : February 13, 1979
RECORDED : Liber 13509 Page 251
5. Reservation of rights to Anini Stream of the kuleanas or Land Commission Award at Anini and water privileges for the Government reservation near the sea shore, containing an area of 21 acres, as contained in Land Patent Grant No. 4846.
6. Free flowage of water in and to all streams and stream beds, if any, as set forth in DEED dated February 13, 1979, recorded in Liber 13509 at Page 251.

7. WAIVER AND RELEASE

DATED : January 25, 1994
RECORDED : Document No. 94-016855
BY : VICTOR HERSHON
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS
OF THE COUNTY OF KAUAI
RE : no county supplied water service

8. WAIVER AND RELEASE

DATED : --- (acknowledged August 17, 1995, July 28, 1995 and
August 21, 1995)
RECORDED : Document No. 95-121572
BY : ROGER A. and BARBARA A. ROSS, STEVEN A. SEIDEN,
SCOTT PASSEROFF and DAVID KLASS
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS
OF THE COUNTY OF KAUAI
RE : no county supplied water service

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

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : September 10, 1996
RECORDED : Document No. 96-131138
PARTIES : STEVEN A. SEIDEN, SCOTT PASSEROFF, VICTOR M.
HERSHON, DAVID ALLAN KLASS, ROGER A. ROSS,
"Applicants", and the COUNTY OF KAUAI PLANNING
DEPARTMENT, "Department"

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR
"KAUAIANA" CONDOMINIUM PROJECT

DATED : April 15, 1998
RECORDED : Document No. 98-098006
MAP : 2768 and any amendments thereto

Said Declaration was amended by instrument dated September 12, 2003, recorded as Document No. 2003-222228, and dated June 18, 2004, recorded as Document No. 2004-146261.

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : April 15, 1998
RECORDED : Document No. 98-098007

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

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated July 7, 1998, recorded as Document No. 98-105359.

14. NOTICE OF DEDICATION

DATED : March 20, 2000
RECORDED : Document No. 2000-040213
BY : VICTOR M. HERSHON
RE : dedication of land for agriculture purposes
PERIOD : 10-year

UNIT 2

EXCEPTIONS

1. Real Property Taxes - Information pending.

Tax Key: (4) 5-3-008-014 C.P.R. No. 0002 Apt. No. 2

Land Classification: AGRICULTURAL

-Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

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

INSTRUMENT : DECLARATION

DATED : November 25, 1977

RECORDED : Liber 12660 Page 690

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

INSTRUMENT : DEED

DATED : February 13, 1979

RECORDED : Liber 13509 Page 251

5. Reservation of rights to Anini Stream of the kuleanas or Land Commission Award at Anini and water privileges for the Government reservation near the sea shore, containing an area of 21 acres, as contained in Land Patent Grant No. 4846.

6. Free flowage of water in and to all streams and stream beds, if any, as set forth in DEED dated February 13, 1979, recorded in Liber 13509 at Page 251.

7. WAIVER AND RELEASE

DATED : January 25, 1994
RECORDED : Document No. 94-016855
BY : VICTOR HERSHON
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS
OF THE COUNTY OF KAUAI
RE : no county supplied water service

8. WAIVER AND RELEASE

DATED : --- (acknowledged August 17, 1995, July 28, 1995 and August 21, 1995)
RECORDED : Document No. 95-121572
BY : ROGER A. and BARBARA A. ROSS, STEVEN A. SEIDEN, SCOTT PASSEROFF and DAVID KLASS
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS
OF THE COUNTY OF KAUAI
RE : no county supplied water service

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

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : September 10, 1996
RECORDED : Document No. 96-131138
PARTIES : STEVEN A. SEIDEN, SCOTT PASSEROFF, VICTOR M. HERSHON, DAVID ALLAN KLASS, ROGER A. ROSS, "Applicants", and the COUNTY OF KAUAI PLANNING DEPARTMENT, "Department"

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KAUAIANA" CONDOMINIUM PROJECT

DATED : April 15, 1998
RECORDED : Document No. 98-098006
MAP : 2768 and any amendments thereto

Said Declaration was amended by instrument dated September 12, 2003, recorded as Document No. 2003-222228, and dated June 18, 2004, recorded as Document No. 2004-146261.

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : April 15, 1998
RECORDED : Document No. 98-098007

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

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated July 7, 1998, recorded as Document No. 98-105360.

14. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

-Note:- Before issuance of an ALTA policy, verification is required that there is no renovation or construction in progress at the present time, nor has there been any renovation or construction during the past year, nor has any material been delivered to the site for purposes of renovation or construction in the past year.

UNIT 3

EXCEPTIONS

1. Real Property Taxes - Information pending.

Tax Key: (4) 5-3-008-014 C.P.R. No. 0003 Apt. No. 3

Land Classification: AGRICULTURAL

--Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

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

INSTRUMENT : DECLARATION

DATED : November 25, 1977
RECORDED : Liber 12660 Page 690

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

INSTRUMENT : DEED

DATED : February 13, 1979
RECORDED : Liber 13509 Page 251

5. Reservation of rights to Anini Stream of the kuleanas or Land Commission Award at Anini and water privileges for the Government reservation near the sea shore, containing an area of 21 acres, as contained in Land Patent Grant No. 4846.

6. Free flowage of water in and to all streams and stream beds, if any, as set forth in DEED dated February 13, 1979, recorded in Liber 13509 at Page 251.

7. WAIVER AND RELEASE

DATED : January 25, 1994
RECORDED : Document No. 94-016855
BY : VICTOR HERSHON
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS
OF THE COUNTY OF KAUAI
RE : no county supplied water service

8. WAIVER AND RELEASE

DATED : --- (acknowledged August 17, 1995, July 28, 1995 and August 21, 1995)
RECORDED : Document No. 95-121572
BY : ROGER A. and BARBARA A. ROSS, STEVEN A. SEIDEN, SCOTT PASSEROFF and DAVID KLASS
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS OF THE COUNTY OF KAUAI
RE : no county supplied water service

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

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : September 10, 1996
RECORDED : Document No. 96-131138
PARTIES : STEVEN A. SEIDEN, SCOTT PASSEROFF, VICTOR M. HERSHON, DAVID ALLAN KLASS, ROGER A. ROSS, "Applicants", and the COUNTY OF KAUAI PLANNING DEPARTMENT, "Department"

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KAUAIANA" CONDOMINIUM PROJECT

DATED : April 15, 1998
RECORDED : Document No. 98-098006
MAP : 2768 and any amendments thereto

Said Declaration was amended by instrument dated September 12, 2003, recorded as Document No. 2003-222228, and dated June 18, 2004, recorded as Document No. 2004-146261.

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : April 15, 1998
RECORDED : Document No. 98-098007

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

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated July 7, 1998, recorded as Document No. 98-105361.

14. NOTICE OF DEDICATION

DATED : February 7, 2000
RECORDED : Document No. 2000-019596
BY : RAE-MARIE MAY
RE : dedication of land for agriculture purposes
PERIOD : 10-year

15. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

-Note:- Before issuance of an ALTA policy, verification is required that there is no renovation or construction in progress at the present time, nor has there been any renovation or construction during the past year, nor has any material been delivered to the site for purposes of renovation or construction in the past year.

UNIT 4

EXCEPTIONS

1. Real Property Taxes - DELINQUENT. (see tax statement attached)

Tax Key: (4) 5-3-008-014 C.P.R. No. 0004 Apt. No. 4

Land Classification: AGRICULTURAL

-Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

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

INSTRUMENT : DECLARATION

DATED : November 25, 1977

RECORDED : Liber 12660 Page 690

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

INSTRUMENT : DEED

DATED : February 13, 1979

RECORDED : Liber 13509 Page 251

5. Reservation of rights to Anini Stream of the kuleanas or Land Commission Award at Anini and water privileges for the Government reservation near the sea shore, containing an area of 21 acres, as contained in Land Patent Grant No. 4846.

6. Free flowage of water in and to all streams and stream beds, if any, as set forth in DEED dated February 13, 1979, recorded in Liber 13509 at Page 251.

7. WAIVER AND RELEASE

DATED : January 25, 1994
RECORDED : Document No. 94-016855
BY : VICTOR HERSHON
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS
OF THE COUNTY OF KAUAI
RE : no county supplied water service

8. WAIVER AND RELEASE

DATED : --- (acknowledged August 17, 1995, July 28, 1995 and August 21, 1995)
RECORDED : Document No. 95-121572
BY : ROGER A. and BARBARA A. ROSS, STEVEN A. SEIDEN, SCOTT PASSEROFF and DAVID KLASS
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS OF THE COUNTY OF KAUAI
RE : no county supplied water service

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

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : September 10, 1996
RECORDED : Document No. 96-131138
PARTIES : STEVEN A. SEIDEN, SCOTT PASSEROFF, VICTOR M. HERSHON, DAVID ALLAN KLASS, ROGER A. ROSS, "Applicants", and the COUNTY OF KAUAI PLANNING DEPARTMENT, "Department"

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KAUAIANA" CONDOMINIUM PROJECT

DATED : April 15, 1998
RECORDED : Document No. 98-098006
MAP : 2768 and any amendments thereto

Said Declaration was amended by instrument dated September 12, 2003, recorded as Document No. 2003-222228, and dated June 18m 2004, recorded as Document No. 2004-146261.

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : April 15, 1998
RECORDED : Document No. 98-098007

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated July 7, 1998, recorded as Document No. 98-105362.

13. EXEMPLIFIED FOREIGN JUDGMENT

AGAINST : STEVEN ALLEN SEIDEN

IN FAVOR OF: HATTIE L. WILSON

DATED : February 10, 1997

AMOUNT : \$25,000.00

FILED : Circuit Court of the Fifth Circuit, State of
Hawaii, S. P. No. 99-0037 (Other Civil Action), on
October 25, 1999

FILED : Municipal Court of the Whittier Judicial District,
County of Los Angeles, State of California,
96C03605 and 94C00235 on February 10, 1997

RECORDED : Document No. 99-177746 on November 5, 1999

14. WRIT OF ATTACHMENT

PLAINTIFF : HATTIE L. WILSON

DEFENDANT : STEVEN A. SEIDEN

DATED : January 13, 2000

FILED : Circuit Court of the Fifth Circuit, State of
Hawaii, Case No. S. P. No. 99-0037, on January 13,
2000

RECORDED : Document No. 2000-016654 on February 7, 2000

RE : to attach so much of the premises described herein
as will be sufficient to satisfy the demands of
Plaintiff in the amount of \$32,261.00

15. MORTGAGE

MORTGAGOR : STEVEN A. SEIDEN
MORTGAGEE : HATTIE L. WILSON, a single person
DATED : March 6, 2000
RECORDED : Document No. 2000-045466
AMOUNT : \$32,000.00

16. TAX LIEN

BY : REAL PROPERTY DIVISION, DEPARTMENT OF FINANCE,
COUNTY OF KAUAI
AGAINST : SEIDEN, STEVEN A
DATED : May 8, 2003
RECORDED : Document No. 2003-095658
AMOUNT : \$9,998.95

17. TAX LIEN

BY : UNITED STATES OF AMERICA, DEPARTMENT OF TREASURY,
INTERNAL REVENUE SERVICE
AGAINST : STEVEN A SEIDEN
DATED : July 18, 2003
RECORDED : Document No. 2003-151172
AMOUNT : \$142,356.60

(Note: Title Guaranty of Hawaii, Incorporated is unable to determine whether said above STEVEN A SEIDEN and STEVEN A. SEIDEN, Vendee herein, are one and the same person.)

18. TAX LIEN

BY : UNITED STATES OF AMERICA, DEPARTMENT OF TREASURY,
INTERNAL REVENUE SERVICE

AGAINST : STEVEN A SEIDEN, STEVEN SEIDEN ATTORNEY

DATED : July 18, 2003

RECORDED : Document No. 2003-151174

AMOUNT : \$9,447.54

(Note: Title Guaranty of Hawaii, Incorporated is unable to determine whether said above STEVEN A SEIDEN, STEVEN SEIDEN ATTORNEY and STEVEN A. SEIDEN, Vendee herein, are one and the same person.)

19. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
20. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

-Note:- Before issuance of an ALTA policy, verification is required that there is no renovation or construction in progress at the present time, nor has there been any renovation or construction during the past year, nor has any material been delivered to the site for purposes of renovation or construction in the past year.

UNIT 5

EXCEPTIONS

1. Real Property Taxes - Information pending.

Tax Key: (4) 5-3-008-014 C.P.R. No. 0005 Apt. No. 5

Land Classification: AGRICULTURAL

Street Address: 4873 KAPA'KA STREET, PRICEVILLE, HAWAII 96722

-Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

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

INSTRUMENT : DECLARATION

DATED : November 25, 1977

RECORDED : Liber 12660 Page 690

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

INSTRUMENT : DEED

DATED : February 13, 1979

RECORDED : Liber 13509 Page 251

5. Reservation of rights to Anini Stream of the kuleanas or Land Commission Award at Anini and water privileges for the Government reservation near the sea shore, containing an area of 21 acres, as contained in Land Patent Grant No. 4846.

6. Free flowage of water in and to all streams and stream beds, if any, as set forth in DEED dated February 13, 1979, recorded in Liber 13509 at Page 251.

7. WAIVER AND RELEASE

DATED : January 25, 1994
RECORDED : Document No. 94-016855
BY : VICTOR HERSHON
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS
OF THE COUNTY OF KAUAI
RE : no county supplied water service

8. WAIVER AND RELEASE

DATED : --- (acknowledged August 17, 1995, July 28, 1995 and August 21, 1995)
RECORDED : Document No. 95-121572
BY : ROGER A. and BARBARA A. ROSS, STEVEN A. SEIDEN, SCOTT PASSEROFF and DAVID KLASS
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS OF THE COUNTY OF KAUAI
RE : no county supplied water service

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

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : September 10, 1996
RECORDED : Document No. 96-131138
PARTIES : STEVEN A. SEIDEN, SCOTT PASSEROFF, VICTOR M. HERSHON, DAVID ALLAN KLASS, ROGER A. ROSS, "Applicants", and the COUNTY OF KAUAI PLANNING DEPARTMENT, "Department"

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KAUAIANA" CONDOMINIUM PROJECT

DATED : April 15, 1998
RECORDED : Document No. 98-098006
MAP : 2768 and any amendments thereto

Said Declaration was amended by instrument dated September 12, 2003, recorded as Document No. 2003-222228, and dated June 18, 2004, recorded as Document No. 2004-146261.

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : April 15, 1998
RECORDED : Document No. 98-098007

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

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated July 7, 1998, recorded as Document No. 98-105363.

14. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

-Note:- Before issuance of an ALTA policy, verification is required that there is no renovation or construction in progress at the present time, nor has there been any renovation or construction during the past year, nor has any material been delivered to the site for purposes of renovation or construction in the past year.

UNIT 6

EXCEPTIONS

1. Real Property Taxes - Information pending.

Tax Key: (4) 5-3-008-014 C.P.R. No. 0006 Apt. No. 6

Land Classification: AGRICULTURAL

-Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

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

INSTRUMENT : DECLARATION

DATED : November 25, 1977

RECORDED : Liber 12660 Page 690

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

INSTRUMENT : DEED

DATED : February 13, 1979

RECORDED : Liber 13509 Page 251

5. Reservation of rights to Anini Stream of the kuleanas or Land Commission Award at Anini and water privileges for the Government reservation near the sea shore, containing an area of 21 acres, as contained in Land Patent Grant No. 4846.

6. Free flowage of water in and to all streams and stream beds, if any, as set forth in DEED dated February 13, 1979, recorded in Liber 13509 at Page 251.

7. WAIVER AND RELEASE

DATED : January 25, 1994
RECORDED : Document No. 94-016855
BY : VICTOR HERSHON
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS
OF THE COUNTY OF KAUAI
RE : no county supplied water service

8. WAIVER AND RELEASE

DATED : --- (acknowledged August 17, 1995, July 28, 1995 and August 21, 1995)
RECORDED : Document No. 95-121572
BY : ROGER A. and BARBARA A. ROSS, STEVEN A. SEIDEN, SCOTT PASSEROFF and DAVID KLASS
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS OF THE COUNTY OF KAUAI
RE : no county supplied water service

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

INSTRUMENT : FARM DWELLING AGREEMENT
DATED : September 10, 1996
RECORDED : Document No. 96-131138
PARTIES : STEVEN A. SEIDEN, SCOTT PASSEROFF, VICTOR M. HERSHON, DAVID ALLAN KLASS, ROGER A. ROSS, "Applicants", and the COUNTY OF KAUAI PLANNING DEPARTMENT, "Department"

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KAUALANA" CONDOMINIUM PROJECT
DATED : April 15, 1998
RECORDED : Document No. 98-098006
MAP : 2768 and any amendments thereto

Said Declaration was amended by instrument dated September 12, 2003, recorded as Document No. 2003-222228, and dated June 18, 2004, recorded as Document No 2004-146261.

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS
DATED : April 15, 1998
RECORDED : Document No. 98-098007

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

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated July 7, 1998, recorded as Document No. 98-105359.

14. NOTICE OF DEDICATION

DATED : March 20, 2000
RECORDED : Document No. 2000-040214
BY : VICTOR M. HERSHON
RE : dedication of land for agriculture purposes
PERIOD : 10-year

15. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

-Note:- Before issuance of an ALTA policy, verification is required that there is no renovation or construction in progress at the present time, nor has there been any renovation or construction during the past year, nor has any material been delivered to the site for purposes of renovation or construction in the past year.

AMENDED DISCLOSURE ABSTRACT

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

1. The President of the Association of Unit Owners of KAUIANA is Rae-Marie May, P.O. Box 223355, Princeville, HI 96722.
2. The Project's Declaration was amended (See First Amendment to Declaration) to more clearly require compliance with condominium property maintenance and accountability and to implement enforcement procedures for noncompliance. The Condominium Map was not amended at this time. Subsequently, the Declaration and Condominium Map were amended (see Second Amendment to Declaration) to reflect the issuance of a final inspection for the residence located on Unit 1, the relocation of a shed to Unit 6 and the commencement of construction/improvements to several structures on Units 1 and 6. Additionally, the owner of Unit 1 has two temporary structures (a school bus and Matson container) that are intended to be removed upon completion of the construction of the new structures and improvements. The Condominium Map was amended to depict the current location of all structures located on the Project.
3. Currently the Association has not required the payment of set annual maintenance fees and assessments are made only for extraordinary expenses, such as legal fees, road maintenance and insurance costs.
4. The Association of Unit Owners has been formed. Application for registration was submitted to the Real Estate Commission on January 9, 2004.
5. Only Units 2, 3, 4 and 5 may be sold under the current Public Report, as Units 1 and 6 are in the process of completing improvements to the units. A further amendment to the Declaration and Condominium Map together with an amended Disclosure Abstract must be filed with and approved by the Real Estate Commission before Units 1 and 6 may be sold.
6. Currently the project does not have a listing agreement with a licensed Real Estate Broker; however, prior to any sale, a broker will be selected, and Developer shall file an amended Disclosure Abstract and a listing agreement with the Real Estate Commission along with an amended disclosure abstract to be provided to all purchasers.
7. On December 11, 2003, title to Unit 5 passed from Developer/Fee Owner Scott Passeroff to Developer/Owner Rae Marie May, as Trustee of the Rae-Marie May Trust, a copy of which conveyance was forwarded to the Real Estate Commission concurrently herein. As a result of said transfer of ownership, Scott Passeroff is no longer associated with the development of the Project. The Public Report will otherwise be unaffected, and further transfer of title of said Unit 5 will be subject to the Public Report then in effect for the Project.
8. The Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and said reserves are funded as scheduled.

The undersigned President of the Association of Condominium Owners of Kauaiiana hereby certifies the accuracy of the foregoing.

Rae-Marie May
By Rae-Marie May, President

1-29-04
Date

RECEIPT

The undersigned has received a copy of the foregoing Disclosure Abstract this ____ day of _____, 2004.

Purchaser(s): _____

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>
1, 2, 6	\$12.50				\$150.00
3, 4	\$31.25				\$375.00
5	\$25.00				\$300.00

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 Fee x 12 months = Yearly Total

Utilities and Services		
Air Conditioning		
Electricity		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Elevator		
Gas		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building		
Grounds		
Roadway	\$83.335 x	12 = \$1,000.02
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	\$41.665 x	12 = \$ 499.98
Reserves(*)		
Taxes and Government Assessments		
Audit Fees		
Other		
TOTAL	\$125.00 x	12 = \$1,500.00

I, RAE-MARIE MAY, President AOA, for KAUIIANA condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Rae Marie May
Signature

1-29-04
Date

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

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

EXHIBIT G

KAUAIANA CONDOMINIUM ARCHITECT'S CERTIFICATION

STATE OF HAWAII)
)
COUNTY OF KAUAI) SS.

The undersigned, being a licensed architect within the State of Hawaii and bearing Registration Number 3576, hereby certifies that the attached floor plans and elevations of the Unit 1 Dwelling of the KAUAIANA CONDOMINIUM Project show the layout and dimensions of the apartment and are true and accurate copies of portions of the plans filed with and approved by the County of Kauai Building Division for issuance of building permits. I have inspected the structural, electrical and mechanical components of the project and it appears to be in conformity with all ordinances, codes, rules, regulations, laws and other requirements in force at the time of its construction.

Unit 1 Dwelling was constructed in 1970, and moved onto this property in 1993. A Building Permit was issued in 1995 for a carport/storage/bath and lanai addition and a second story bedroom/bath addition. As of this date, these additions are not complete. Unit 1 Dwelling has a remaining useful life of 40 years.

This is not a warranty of compliance with all rules and regulations, only a warranty that inspection was made and no apparent violations appear to exist, the project conforms to present zoning requirements and no variances have been applied for or granted for any uses or structures on the property. No right shall accrue to any third party for subsequent discovery of any problems with code compliance or for future changes in such code (s)

Within thirty (30) days of completion of construction of the structure depicted in the attachments, the owner/developer shall file an amendment to the Declaration of Condominium Property Regime certifying the placement of such structure upon the project, as well as completion thereof.



AVERY H. YOUN

Subscribed and sworn to before me
this 11 day of July 1998.



Notary Public, State of Hawaii
my commission expires: Sept. 5, 1996



EXHIBIT H

MEMORANDUM FROM THE COUNTY OF KAUAI PLANNING DEPARTMENT

COUNTY OF KAUAI
PLANNING DEPARTMENT
4444 Rice Street, Suite 473, Bldg. A,
Lihue, Hawaii 96766

M E M O R A N D U M

DATE: August 24, 1998

TO: Senior Condominium Specialist
Real Estate Commission
PAVLD/DCCA
250 South King Street, Suite 702
Honolulu, Hawaii 96813

FROM: *Dee M. Crowell*, Planning Director 

Subject: Certification of Inspection of Existing Buildings for

PROJECT NAME: KAUAIANA CONDOMINIUM PROJECT
TAX MAP KEY: (4) 5-3-08:14

The developer of the above-mentioned condominium project has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai (Section 514A-40 (b)(1), HRS). Subject to the disclosures and waiver (item "g" below) specified herein, we certify the following:

- a. That the existing buildings on the proposed project referred to as Kauaiana is in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by this department.
- b. There were no variances approved for the subject property.
- c. The parcel does not contain any outstanding legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.
- d. There are no notices of violation of County Building or zoning codes outstanding according to our records.

Senior Condominium Specialist

Page 2

August 24, 1998

- e. The subject property is situated in the agriculture and open district.
- f. Kauai Electric and the Department of Water requested that this department inform them of new CPRs so they can make their comments on existing facilities and on additional and future service requirements for the project. Their comments herewith enclosed.
- g. The limited common elements proposed exceeds the number of farm dwellings that is allowed by the Comprehensive Zoning Ordinance (CZO). There shall be only five (5) farm dwellings allowed to be constructed on the parcel. The guest house is an "accessory to" a farm dwelling unit and cannot occur alone. Locating a guest house on a unit which does not contain a farm dwelling could mislead a potential buyer that the guest house is a legal farm dwelling unit. The CZO prohibits guest houses from being a dwelling unit through the prohibition of a kitchen.
- h. WAIVER
The foregoing certification is not a warranty as to any compliance with all applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulation of condominiums under Subsection a-40 (b)(1), Hawaii revised Statutes.

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

cc: Cynthia K. Ching

EXHIBIT I

COUNTY OF KAUAI PLANNING DEPARTMENT

GUEST HOUSE REQUIREMENTS

1. It is located on a parcel of Land of at least 9,000 square feet.
2. It is physically separate from the dwelling unit and observes all required setbacks.
3. It is used only by guests and may not be rented out as a separate dwelling.
4. It does not contain a kitchen or any room used for cooking or preparing food.
5. It contains no more than 500 square feet of gross floor area, including all living space, storage, decks and garages under a single roof structure.
6. Decks and storage areas which are not covered by a roof need not be included as part of the floor area calculations.
7. If a garage exists on the main dwelling of a lot, an additional garage can be attached to the guesthouse provided that the garage area be included as part of the gross floor area.
8. If no garage exists on the main dwelling, then a garage or other accessory use to the main dwelling can be added to the guest house, without including the added area as part of the gross floor area, provided that the applicant sign a form stating that the garage or accessory use is for the purpose of servicing the main dwelling only.
9. It complies with all applicable State and County laws and regulations, including all of the above requirements.

NOTE: Servants' quarters must conform to the guesthouse requirements.

EXHIBIT J

FOR ILLUSTRATION ONLY



AFTER RECORDATION RETURN BY MAIL TO:

COUNTY OF KAUAI
Planning Department
Building A, Suite 473
4444 Rice Street
Lihue, HI 96766

Document contains ____ pages

FARM DWELLING AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____,
20___, by and between _____,
_____, whose residence and post office address
is _____,
_____, hereinafter called the "APPLICANT(S)", and the COUNTY OF
KAUAI, Planning Department, its business and mailing address being 4444 Rice street, Building
A, Suite 473, Lihue, Hawaii 96766, hereinafter called the "DEPARTMENT".

WITNESSETH:

WHEREAS, the APPLICANT(S) warrant and represent that he/she/they is/are the
_____ of that certain parcel of land, Tax Map Key No. (4) _____,
more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, this document pertains only to Unit(s) _____ as shown in Exhibit "B" and
made a 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. (4) _____, 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 “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 describe 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 principle place of business is 4444 Rice Street, Suite 473, 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 _____, 20__.

APPROVED:

APPLICANT(S)

Planning Director

APPROVED AS TO FORM AND LEGALITY:

County Attorney

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this ____ day of _____, 20__, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this ___ day of _____, 20___, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this day of _____, 20___, before me appeared _____ to me personally known, who being by me duly sworn, did say that (s)he is the _____ of the PLANNING DEPARTMENT of the COUNTY OF KAUAI; and that said instrument was executed on behalf of said PLANNING DEPARTMENT; and that said _____ acknowledged that (s)he executed the same as his/her free act and deed of the PLANNING DEPARTMENT of the COUNTY OF KAUAI. Said Department has no seal.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____