

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- Required and attached to this report As Exhibit "G" Not required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

- No prior reports have been issued by the developer.
- Changes made are as follows:

The Developer hereby amends the Final Public Report to reflect the construction of residential structures that replaced the shade structures on Unit A and Unit B of the Project. The Declaration and Condominium Map have been amended to reflect the floor/elevation plans for the structures and their location in the Project. Accordingly, the following pages are have been amended:

1. Page 5 has been amended to delete reference to Regency Pacific Realty as the Broker for this Project (the Listing Agreement expired in 1998) and disclose the fact that a replacement Broker has not been selected yet and disclose that Developer is filing this report pro se.
2. Page 6 has been amended to reflect the subsequent recording of amendments to the Declaration and Condominium Map. The First Amendment to the Declaration amended the Condominium Map to identify the Subdivision lot number for the Project. The Second Amendment to the Declaration and Condominium Map reflected the construction of residences on both Unit A and Unit B and the Third Amendment to the Declaration corrected the acreage of each limited common element.
3. Page 7 has been amended to delete the Developer's reservation
4. Page 9 has been amended to reflect the issuance of separate Tax Map Key Numbers and addresses for the units
5. Pages 10, 11, and Exhibit C have been amended to reflect the construction of residences instead of Ag. Sheds
6. Page 14 has been amended to reflect the listing of the limited common element in Exhibit E and to indicate a current title report for the Project
7. Page 16 was amended to reflect the construction dates for the residences on Unit A and Unit B
8. Exhibit F has been amended to reflect the current encumbrances against title
9. Exhibit G has been amended to reflect a current Project disclosures
10. Exhibit H has been amended to reflect a current estimate of Maintenance fees and disbursements
11. Page 12 has been amended and Exhibit J has been added to reference an Architect's Condition report for the residences

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

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General Information On Condominiums

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

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment 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: Harold William Seager & Monika Faupua Seager Phone: (808) 245-7212
Holt H. Blanchard & Cydney L. Blanchard (Business)
Name*

c/o Kuleana Development, LLC
4365 Kukui Grove Street, Suite 103
Lihue, Hawaii 96766
Business Address

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):

N/A

Real Estate Broker*: none selected (see page 20 and Exhibit G) Phone: _____
Name (Business)

Business Address

Escrow: Security Title Corporation Phone: (808) 245-6975
Name (Business)

4370 Kukui Grove St., Suite 203
Lihue, HI 96766
Business Address

General Contractor*: Russell L. Boyer Phone: (808) 822-9818
Name (Business)

4-1525 Kuhio Highway
Kapaa, HI 96746
Business Address

Condominium Managing Agent*: Self managed by the Association Phone: _____
of Apartment Owners (Business)
Name

Business Address

Attorney for Developer: This Report was prepared Pro Se by Phone: _____
Developer and his agent (Business)
Name

Business Address

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

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 98-181449
Book Page
 Filed - Land Court: Document No. _____

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

First Amendment to Declaration of Bill's Space Condominium dated May 28, 1999, recorded in the Bureau of Conveyances as Document No. 99-088834, and Second Amendment to Declaration Bill's Space Condominium and Condominium Map No. 2833 dated November 28, 2006, recorded in the Bureau of Conveyances as Document No. 2007-004155; and Third Amendment to Declaration dated March 15, 2007, recorded in the Bureau of Conveyances as Document No. 2007-059605.

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 2833 (see **Exhibit "A"**)
 Filed - Land Court Condo Map No.

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

First Amendment to Declaration of Bill's Space Condominium dated May 28, 1999, recorded in the Bureau of Conveyances as Document No. 99-088834 Second Amendment to Declaration Bill's Space Condominium and Condominium Map No. 2833 dated November 28, 2006, recorded in the Bureau of Conveyances as Document No. 2007-004155.

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 98-181450
Book Page
 Filed - Land Court: Document No. _____

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

First Amendment to Bylaws of Bill's Space Condominium dated March 2, 1999, recorded in the Bureau of Conveyances as Document No. 99-039358.

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%*	100%
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:

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit_____contains a schedule of the lease rent for each apartment per Month Year

For Sub-leaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit_____contains a schedule of the lease rent for each apartment per: Month Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 5233 Kapaka St. (Unit A) Tax Map Key: (TMK): (4) 5-3-008-021-001 (Unit A)
5271-A Kapaka St. (Unit B) (4) 5-3-008-021-002 (Unit B)
Princeville, HI 96722

[] Address [] TMK are expected to change because: _____

Land Area: 5.0 [] square feet [X] acre(s) Zoning: Ag/Open

Fee Owner: Holt H. & Cydney Blanchard (Unit A) Harold William & Monika Faupua Seager (Unit B)
Name

Lessor: N/A
Name

Business Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building: Unit A: 1 floors, Unit B: 2 floors

Exhibit "C" contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other: shade structures constructed principally of metal 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>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other:	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

- Pets: Household pets may be kept consistent with any applicable law and restrictive covenants applicable to the Project. Animals shall not include those defined as pests under §150-A-2 H.R.S. and prohibited from importation under §141-2, §150-5, or §150-6 H.R.S.
- Number of Occupants: _____
- Other: No hotel or timeshare use; House rules dated November 20, 1998.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>Identify</u>
Unit A	1	1/1	768	192 768	lanai garage
Unit B	1	3/3	1,670	536 687	workshop lanai

Total number of Apartments: 2

***Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. Other documents and maps 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 11a). Developer has not elected to provide the information in a published announcement or advertisement.

Parking Stalls:

Total Parking Stalls: 4

	<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) Guest	2 (Unit A)	2 (Unit B)					4
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:							4

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

Commercial parking garage permitted in condominium project.

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

* There is ample space for parking of two or more vehicles on each Unit's Limited Common Elements

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):

Pursuant to the Architect's Condition Report prepared by Ron Agor, a Hawaii licensed Architect, bearing the registration number 5921, the expected useful life of the structural components, mechanical and electrical installations is 20 years of Unit A and 15 years for Unit B. See **Exhibit "J"** attached hereto.

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 "C"**.

as follows:

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

There are no limited common elements in this project.

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

described in **Exhibit "E"**.

as follows:

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

described in Exhibit "C".

as follows: Unit A: 50%, Unit B: 50%

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 December 19, 2006, 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.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
MORTGAGE	LENDER HAS PRIORITY OVER A BUYER'S RIGHTS UNDER A SALES CONTRACT, AND HAS A RIGHT TO TERMINATE SALES CONTRACT UPON FORECLOSURE OF ITS MORTGAGE BEFORE AN APARTMENT SALE IS CLOSED. IN SUCH EVENT BUYER SHALL BE ENTITLED TO A REFUND OF ALL DEPOSITS, LESS ESCROW CANCELLATION FEES.

F. Construction Warranties:

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

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

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

The shade shed on Unit A was replaced with a residence that was constructed in 1999, and the shade shed on Unit B was replaced with a residence that was constructed in 2000.

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):

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 November 23, 1998.
Exhibit "D" contains a summary of the pertinent provisions of the escrow agreement.
- Other: Specimen Apartment Deed

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

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

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

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

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

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

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

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

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

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

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

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

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

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

This Public Report is a part of Registration No. 4094 filed with the Real Estate Commission on December 21, 1998.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. **Additional Information Not Covered Above:**

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.

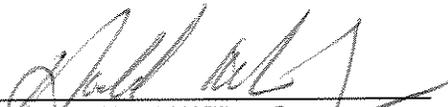
Except as limited specifically by the condominium documents and subdivision restrictive covenants (if any), all uses permitted in the agricultural and open zones are permitted. Uses in one zone are not the same as in the other, and the prospective purchaser should consult the appropriate county agency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

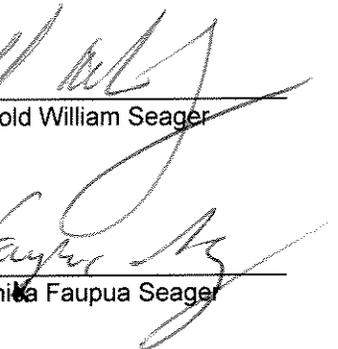
Pursuant to section 16-99-3(g) and 16-99-11(d),, Hawaii administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner, Cydney L. Blanchard, RS4118, is a current and inactive Hawaii licensed real estate salesperson. Pursuant to Section 16-99-11(c), HAR, "no licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', For Lease by Owner', or 'For Exchange by Owner'."

The Developer plans to sell the apartment 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 an apartment. Prior to entering into a binding contract for such sale, 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 the public report.

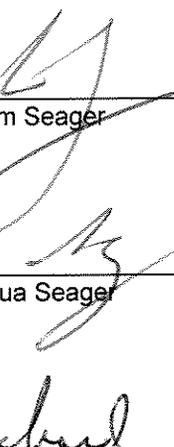
- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The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


 Developer: Harold William Seager

100-27/06
 Date


 Developer: Monika Faupua Seager

100-27/06
 Date


 Developer: Holt H. Blanchard

11/28/06
 Date

 Developer: Cydney L. Blanchard

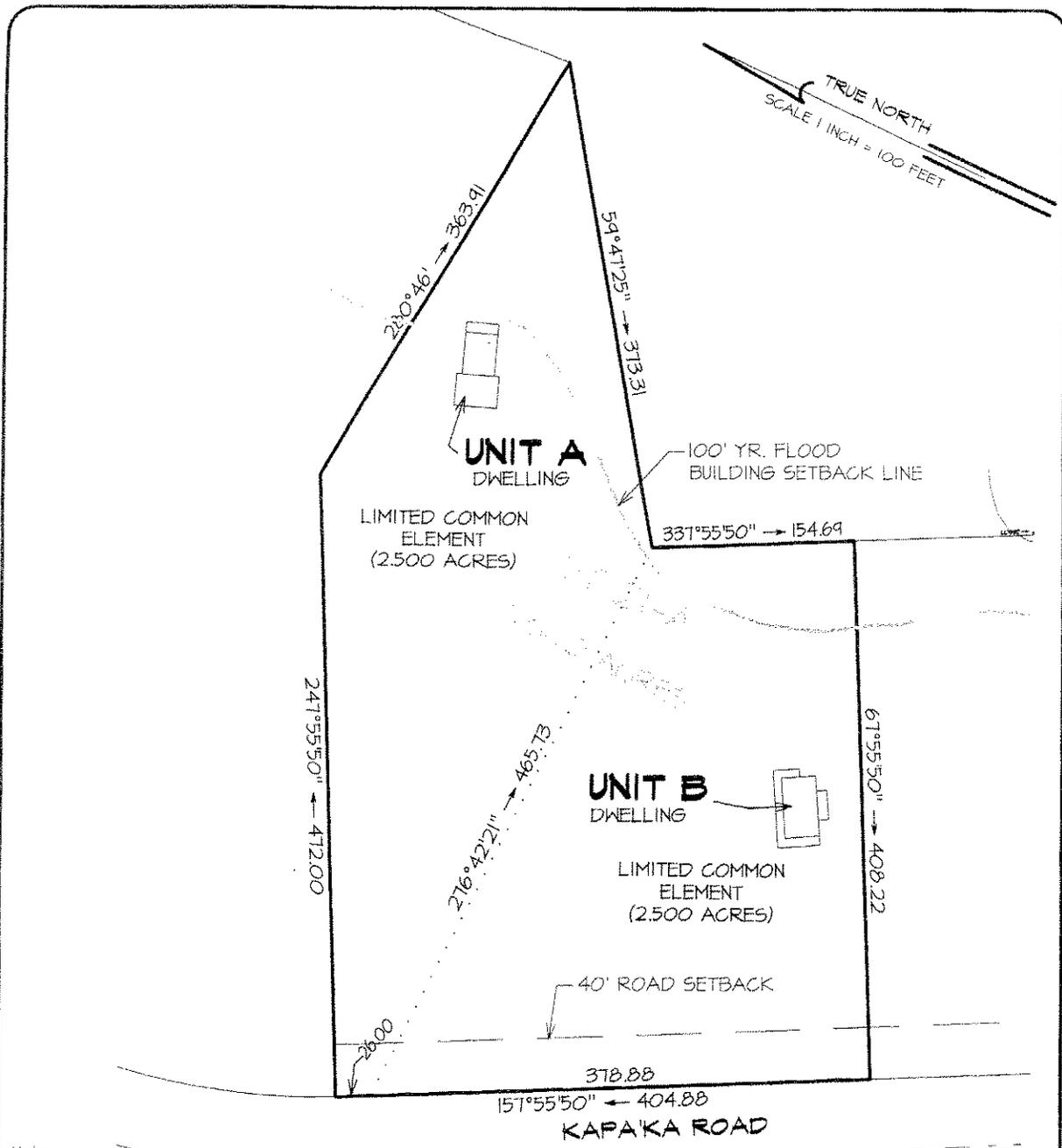
11/28/06
 Date

Distribution:

Department of Finance, COUNTY OF KAUAI

Planning Department, COUNTY OF KAUAI

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



Note:
This project does not involve the sale of individual lots. The dotted lines on the Condominium Map are for illustration purposes only. They represent either a limited common element or common element.

PREPARED FOR:
DR. WILLIAM SEAGER
P.O. BOX 1305
HANAIEI, HI 96714
HOLT BLANCHARD
P.O. BOX 3
HANAIEI, HI 96714
JUNE 16, 2006

AMENDED CONDOMINIUM MAP NO. 2833
"BILL'S SPACE" CONDOMINIUM
SHOWING
UNIT A & UNIT B
being
LOT 21-A
PRINCEVILLE AT HANAIEI, PARCEL 3
(FILE PLAN 1574)
situated at



This map was prepared by me or under my direct supervision.



KALIHIKAI, HANAIEI, KAUAI, HAWAII

Wagner Engineering Services, Inc.
P.O. Box 851 Hanalei, HI 96714 (808) 826-7256

Ronald J. Wagner
RONALD J. WAGNER
Licensed Professional Land Surveyor
Certificate Number 5074

EXHIBIT B

SUMMARY OF SALES CONTRACT

The BILL'S SPACE CONDOMINIUM Contract and Receipt (the "contract"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. The method of payment of the purchase price to the escrow agent, subject to the other terms.
2. The closing date for the purchase.
3. Whether, at the time of execution of the contract, an effective date for a final public report has been issued.
4. The terms and conditions of the sale which include, among other provisions, the following:
 - 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.
 - c. Seller has a right to extend the closing date by 31 days or by 31 days after the public report effective date is issued, which ever is later.
 - d. After issuance of the Final Public Report effective date and buyer's waiver of its right to cancel under Hawaii Revised Statutes Section 514A-62, Purchaser shall not have the right to rescind the contract.
 - e. Purchaser has received a copy of the Escrow Agreement for the Project.
 - f. If purchaser defaults, Seller may cancel the contract or bring legal action against Purchaser to force sale, obtain money damages, and will retain Purchaser's deposit money held in escrow and treat such as liquidated damages. Seller may also recover attorney's fees and costs upon purchaser's default.
 - g. The unit the Purchaser is purchasing will be shown on a condominium map prior to closing and will have the right to cancel if it is different from that shown on the Exhibit A.
 - h. That a deed conveying clear title will be given at closing, subject to certain obligations.
 - i. The Purchaser agrees to give future easements if reasonable required for the project.

- j. The Purchaser will accept the Unit "AS-IS", including, but not limited to, Purchaser assumes all risks regarding any potential hazardous materials on the condo property or property adjoining or in the vicinity, including liability for suits by third parties Seller is, however, unaware of any such materials, chemicals or conditions on the property.
- k. The payment of commissions, if any, is set out in the contract.
- l. Time is of the essence of the obligations of Purchaser under the contract.

SPECIAL NOTICE: THE FOREGOING SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL 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 OF DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL NOT THIS SUMMARY.

END OF EXHIBIT B

EXHIBIT "C"

DESCRIPTION OF APARTMENTS AND COMMON INTERESTS

Unit A contains a one story single family residence constructed primarily of wood with one bedroom, a bathroom, family room, dining room and kitchen with a net interior living area of 768 square feet, together with a 192 square foot lanai and a 768 square foot garage. The residence is located in the northern portion of a 2.500 acre limited common element.

Unit B contains a two story single family residence constructed primarily of wood with three bedrooms, three bathrooms, living room, kitchen/dining room, recreational room, office and storage area with a net interior living area of 1,670 square feet together with a 536 square foot workshop and a 687 square foot lanai. The residence is located in the eastern portion of a 2.500 acre limited common element.

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Unit A and Unit B will each burden the common elements as shown above. Therefore, the assessment of undivided interest both for common expense and for voting is 50% for Unit A and 50% for Unit B.

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 ("Agreement") between **Security Title Corporation** (the "Escrow") and **Harold William Seager, Monika Faupua Seager, Holt H. Blanchard and Cydney L. Seager** (the "Seller") contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow. If the Buyer is an owner-occupant, the buyer shall deliver an affidavit in the approved form, to escrow.
2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.
3. Escrow will not release from the trust fund and disburse Buyer's funds at closing, unless: (a) the Real Estate commission has issued a Final Report on the Project and the Buyer has acknowledged receipt of the same, (b) Seller has delivered a written opinion to Escrow stating that Sections 514A-62, 514A-63 or 52 1-38, Hawaii Revised Statutes, as amended, if applicable, have been complied with, (c) Seller has given escrow a written waiver of any option reserved in any sales contract to cancel said sales contract, (d) Seller has delivered to Escrow, a certificate from Seller's architect stating that the project is in compliance with the Federal Fair Housing Amendments Act of 1988, (e) If it is intended that the sale of a unit will be made to Buyers as owner-occupants, the required affidavits of the buyers must be reaffirmed and delivered to Escrow with proof of the date of receipt by the buyer of the final public report, upon receipt of the final public report by the Buyer or no later than closing of escrow for the unit.
4. Escrow will return deposited sums to the buyer without interest if: (a) Seller and buyer give Escrow written notice to return the funds to Buyer, (b) If there is a right to cancellation and refund of moneys under the sales contract or otherwise and Seller has notified Escrow of his/her exercise of said right, (c) If Buyer's funds were obtained prior to the issuance of the Final Report and Buyer has exercised buyer's right to cancel the contract, (d) The Buyer has exercised the Buyer's right to rescind the contract under Section 5 14A-63, Hawaii Revised Statutes, as amended or (e) The Seller of Buyer has requested in writing, that the funds be returned to Buyer and one of the following has occurred: (i) No sales contract has been offered to the prospective owner-occupant within six months of the issuance of the first public report or public lottery or (ii) the prospective owner-occupant has requested to be removed from the final reservation list, or (iii) the prospective owner-occupant has elected not to execute the sales contract or (iv) the prospective owner-occupant has not obtained adequate financing within the required period of time. Thereafter, in the event of a

cancellation as a matter of agreement of right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00.

5. If Buyer does not claim any returned funds within sixty (60) days after receiving adequate notice, Escrow shall deposit the funds into a special account, in a bank under the name of Seller as trustee for the benefit of such purchaser. Escrow's duties with respect to such funds shall thereafter be released.
6. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract and shall promptly and diligently close the transaction.
7. Seller may close any or all sales at different times and Escrow agrees to cooperate with Seller to facilitate its performance of such partial closings.
8. If all documents necessary to effect each sales transaction are accurate and in no way defective, Escrow shall, within five (5) business days (exclusive of the day of closing) file and record the documents necessary to effect the transfer of legal title to the purchaser. If the documents are defective, Escrow shall file the documents within five (5) business days after learning that the reason that prevented their filing or recording no longer exists.
9. If purchaser fails to make the required payments to Escrow in a timely manner, Escrow shall notify Seller of purchaser's failure. If the contract has been terminated, Seller shall provide, in writing, certification of such termination. Upon written request by Seller thereafter, Escrow shall return all funds to Seller, less the cancellation fee, along with any partially executed documents. The buyer's funds shall be treated as liquidated damages and shall be returned to Seller as herein specified.
10. Escrow is relieved from all liability for acting in accordance with the terms herein, unless otherwise notified to the contrary by the Seller of purchaser. If any dispute involving Escrow should arise, Escrow may take no action but instead may await settlement by the appropriate legal proceeding or may file a suit for adjudication and shall thereafter be fully released and discharged from further obligations with respect to the moneys deposited. Seller and purchaser shall indemnify and hold Escrow harmless.
11. Where a material house bond guarantees completion of construction of improvement of unit(s), no sale of any such unit shall be closed until 45 days after publication of notice of completion of all construction on any affected unit(s) unless: (a) cash sums equivalent to the bond is retained in escrow for the 45 day period, (b) an indemnity and title policy are executed by a title company to the purchaser, and (c) a surety bond is posted with the Real Estate commission.
12. The Escrow Agreement shall be binding and may only be terminated by either party upon fifteen (15) days written notice to the other. This Agreement shall be interpreted under Hawaii Law, which shall control in all instances.
13. Escrow shall provide Seller with semi-monthly report covering the status of each sales contract in escrow and if certification is received, bill each purchaser for payments due under the sales contract.

14. As Escrow's compensation for its performance under this Agreement, Escrow will receive payment, as per Security Title's current rate schedule for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of conveyances of the State of Hawaii. Escrow will record all applicable documents. The cost of title insurance will be an additional amount, based upon schedule rate.

SPECIAL NOTE: 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 OF DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

END OF EXHIBIT D

EXHIBIT "E"

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- (a) The land in fee simple;
- (b) Access and utility easements: and all future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone; and
- (c) Any and all other elements and facilities in common use or necessary to the Project.

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 A and B are located, shown and designated on the Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element*</u>
Unit A	2.50 Acres
Unit B	2.50 Acres

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common element are appurtenant

*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:

AS TO UNIT A:

1. For any and all Real Property Taxes, that may be due and owing, reference is hereby made to the Department of Finance for the County of Kauai, State of Hawaii for the following:

Tax Key: (4) 5-3-008-021 C.P.R. No. 0001 Apt. No. A

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Reservation of water rights for kuleanas as set forth in Land Commission Award 11215, Apana 3, and in Land Commission Award 8559-B, Apana 39.
4. Location of the boundary of Anini Stream and the effect, if any, upon the area of the land described herein, and the free flowage thereof.
5. UNRECORDED PASTURE LEASE in favor of John H. Johnston, dated May 28, 1970, terminable as to the area being developed, upon nine months written notice, as disclosed in Deed dated November 30, 1977, recorded in LIber 12661 at Page 1.
6. AGREEMENT for rock quarrying purposes in favor of Grove Farm Company, Limited, dated October 18, 1961, recorded in Liber 4228 at Page 139, covering the makai east side of Kalihiwai Valley, terminable upon 60 days written notice, as contained in instrument dated December 2, 1977, recorded in Liber 13501 at Page 313.
7. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION

DATED : November 25, 1977

RECORDED : Liber 12660 Page 690

8. The terms and provisions contained in the following:

INSTRUMENT : DEED

DATED : November 30, 1977

RECORDED : Liber 12661 Page 001

9. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT

DATED : December 6, 1982

RECORDED : Liber 16891 Page 505

PARTIES : CONSOLIDATED OIL & GAS, INC., a Colorado corporation and CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP

RE : electrical service

10. RIGHT-OF-ENTRY

TO : CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP

DATED : May 13, 1983

RECORDED : Liber 17251 Page 782

GRANTING : a right-of-entry for utility purposes over and across the land described therein

11. SETBACK (40 feet wide)

PURPOSE : Building

ALONG : Kapa'ka Road

SHOWN : on the survey map prepared by Cesar C. Portugal, Registered Professional Land Surveyor No. 2225-SE

12. SETBACK

PURPOSE : building and flood

ALONG : on the easterly side of Lot 21-A

SHOWN : on survey map prepared by Cesar C. Portugal, Registered Professional Land Surveyor No. 2225-SE

13. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION REGARDING AVAILABILITY OF WATER
TO SUBDIVISION

DATED : August 11, 1997
RECORDED : Document No. 97-121235

14. WAIVER AND RELEASE

DATED : August 28, 1998
RECORDED : Document No. 98-136103
BY : HOLT H. BLANCHARD, CYDNEY L. BLANCHARD,
HAROLD WILLIAM SEAGER and MONIKA FAUPUA
SEAGER
WITH : BUILDING DIVISION OF THE DEPARTMENT OF
PUBLIC WORKS OF THE COUNTY OF KAUAI
RE : to indemnify the County of Kauai regarding
water services

15. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME
FOR
"BILL'S SPACE" CONDOMINIUM PROJECT

DATED : --- (acknowledged November 20, 1998)
RECORDED : Document No. 98-181449
MAP : 2833 and any amendments thereto

Said Declaration was amended by Instrument dated May 28,
1999, recorded as Document No. 99-088834, by Instrument
dated November 28, 2006, recorded as Document No. 2007-
004155, and by Instrument dated March 15, 2007, recorded
as Document No. 2007-059605.

16. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT
OWNERS

DATED : --- (acknowledged November 20, 1998)
RECORDED : Document No. 98-181450

Said By-Laws were amended by Instrument dated March 2,
1999, recorded as Document No. 99-039358.

17. The terms and provisions contained in the following:

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : February 26, 1999
RECORDED : Document No. 99-038169
PARTIES : HAROLD WILLIAM SEAGER, MONIKA FAUPUA
SEAGER, HOLT BLANCHARD, CYDNEY BLANCHARD
and the COUNTY OF KAUAI PLANNING DEPARTMENT

18. WAIVER AND RELEASE

DATED : --- (acknowledged March 5, 1999 and March 8, 1999)
RECORDED : Document No. 99-049209
BY : HOLT H. BLANCHARD, CYDNEY L. BLANCHARD,
HAROLD WILLIAM SEAGER and MONIKA FAUPUA
SEAGER
WITH : BUILDING DIVISION OF THE DEPARTMENT OF
PUBLIC WORKS OF THE COUNTY OF KAUAI
RE : to indemnify the County of Kauai regarding
water services

19. The terms and provisions contained in the following:

INSTRUMENT : BILL'S SPACE CONDOMINIUM APARTMENT DEED

DATED : May 20, 1999
RECORDED : Document No. 99-088835

20. GRANT

TO : CITIZENS UTILITIES COMPANY, whose interest
is now held by KAUAI ISLAND UTILITY CO-OP

DATED : May 4, 1999
RECORDED : Document No. 99-197609
GRANTING : a perpetual right and easement for utility
purposes, including also the right of entry
over and across Easements "E-1" and "E-2"

21. THE EFFECTS, IF ANY, OF QUITCLAIM DEED

DATED : October ____, 2005 (acknowledged October 17, 2005)
RECORDED : Document No. 2005-216687
MADE BY : HOLT H. BLANCHARD and CYDNEY L. BLANCHARD,
husband and wife
IN FAVOR OF: HOLT H. BLANCHARD and CYDNEY L. BLANCHARD,
Trustees of the Blandchard Family Revocable
Trust dated October 17, 2005, with full
powers to sell, mortgage, lease or
otherwise deal with the land, as to an
undivided 50% interest

AS TO UNIT B:

1. For any and all Real Property Taxes, that may be due and owing, reference is hereby made to the Department of Finance for the County of Kauai, State of Hawaii for the following:

Tax Key: (4) 5-3-008-021 C.P.R. No. 0002 Apt. No. B

-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. Reservation of water rights for kuleanas as set forth in Land Commission Award 11215, Apana 3, and in Land Commission Award 8559-B, Apana 39.
4. Location of the boundary of Anini Stream and the effect, if any, upon the area of the land described herein, and the free flowage thereof.

5. UNRECORDED PASTURE LEASE in favor of John H. Johnston, dated May 28, 1970, terminable as to the area being developed, upon nine months written notice, as disclosed in Deed dated November 30, 1977, recorded in Liber 12661 at Page 1.

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8. The terms and provisions contained in the following:

INSTRUMENT : DEED

DATED : November 30, 1977
RECORDED : Liber 12661 Page 001

9. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT

DATED : December 6, 1982
RECORDED : Liber 16891 Page 505
PARTIES : CONSOLIDATED OIL & GAS, INC., a Colorado corporation and CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP
RE : electrical service

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TO : CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP

DATED : May 13, 1983
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GRANTING : a right-of-entry for utility purposes over and across the land described therein

11. SETBACK (40 feet wide)

PURPOSE : Building
ALONG : Kapa'ka Road
SHOWN : on the survey map prepared by Cesar C. Portugal, Registered Professional Land Surveyor No. 2225-SE

12. SETBACK

PURPOSE : building and flood
ALONG : on the easterly side of Lot 21-A
SHOWN : on survey map prepared by Cesar C. Portugal, Registered Professional Land Surveyor No. 2225-SE

13. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION REGARDING AVAILABILITY OF WATER TO SUBDIVISION

DATED : August 11, 1997
RECORDED : Document No. 97-121235

14. WAIVER AND RELEASE

DATED : August 28, 1998
RECORDED : Document No. 98-136103
BY : HOLT H. BLANCHARD, CYDNEY L. BLANCHARD, HAROLD WILLIAM SEAGER and MONIKA FAUPUA SEAGER

WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS OF THE COUNTY OF KAUAI
RE : to indemnify the County of Kauai regarding water services

15. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "BILL'S SPACE" CONDOMINIUM PROJECT

DATED : --- (acknowledged November 20, 1998)
RECORDED : Document No. 98-181449
MAP : 2833 and any amendments thereto

Said Declaration was amended by Instrument dated May 28, 1999, recorded as Document No. 99-088834 by Instrument dated November 28, 2006, recorded as Document No. 2007-004155, and by Instrument dated March 15, 2007, recorded as Document No. 2007-059605.

16. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : --- (acknowledged November 20, 1998)
RECORDED : Document No. 98-181450

Said By-Laws were amended by Instrument dated March 2, 1999, recorded as Document No. 99-039358.

17. The terms and provisions contained in the following:

INSTRUMENT : FARM DWELLING AGREEMENT

DATED : February 26, 1999
RECORDED : Document No. 99-038169
PARTIES : HAROLD WILLIAM SEAGER and COUNTY OF KAUAI PLANNING DEPARTMENT

SUBORDINATION AGREEMENT

DATED : July 20, 2005
RECORDED : Document No. 2005-160747

Subordinates said above FARM DWELLING AGREEMENT to the lien of that certain MORTGAGE recorded as Document No. 2005-160745.

18. WAIVER AND RELEASE

DATED : --- (acknowledged March 5, 1999 and March 8, 1999)
RECORDED : Document No. 99-049209
BY : HOLT H. BLANCHARD, CYDNEY L. BLANCHARD, HAROLD WILLIAM SEAGER and MONIKA FAUPUA SEAGER
WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS OF THE COUNTY OF KAUAI
RE : to indemnify the County of Kauai regarding water services

19. The terms and provisions contained in the following:

INSTRUMENT : BILL'S SPACE CONDOMINIUM APARTMENT DEED

DATED : May 18, 1999
RECORDED : Document No. 99-088836

20. GRANT

TO : CITIZENS UTILITIES COMPANY, whose interest
is now held by KAUAI ISLAND UTILITY CO-OP

DATED : May 4, 1999

RECORDED : Document No. 99-197609

GRANTING : a perpetual right and easement for utility
purposes, including also the right of entry
over and across Easements "E-1" and "E-2"

21. NOTICE OF DEDICATION

DATED : January 28, 2000, effective January 1, 2000

RECORDED : Document No. 2000-016558

BY : HAROLD W. SEAGER and MONIKA F. SEAGER

RE : dedication of land for agricultural purposes

PERIOD : ten (10) years

22. MORTGAGE

LOAN/ACCOUNT NO. 2175762

MORTGAGOR : HAROLD WILLIAM SEAGER AND MONIKA FAUPUA
SEAGER, HUSBAND AND WIFE

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

DATED : August 10, 2005

RECORDED : Document No. 2005-160745

23. MORTGAGE

LOAN/ACCOUNT NO. 00090285838/1

MORTGAGOR : HAROLD WILLIAM SEAGER AND MONIKA FAUPUA
SEAGER, HUSBAND AND WIFE

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

DATED : August 10, 2005

RECORDED : Document No. 2005

EXHIBIT "G"

DISCLOSURE ABSTRACT

Pursuant to Hawaii Revised Statutes, Section 514A-61, the Developer of BILL'S SPACE CONDOMINIUM makes the following disclosures:

1. The Developers of the Project are Holt H. & Cydney Blanchard, whose mailing address is P.O. Box 3, Hanalei, HI 96714 and Harold William & Monika Faupua Seager, whose mailing address is P.O. Box 1305, Hanalei, HI 96714, and phone number is (808) 826-7109.

2. See Exhibit "H" to the Final Public Report for the projected annual maintenance fees. The Developer hereby certifies that the estimations have been based on generally accepted accounting principles.

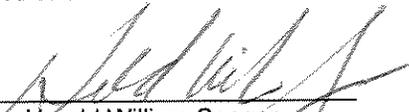
3. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition

4. Each of the units of the Project are to be used for permitted residential purposes only. No units shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by county ordinance.

5. The Developer plans to sell the unit(s) 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 each unit. Prior to entering into a binding contract for such sale, 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 the public report

6. The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in the Project.

7. The Developer discloses Common Interest has been divided as shown: Units A is entitled to 50% interest and Unit B is entitled to 50 % interest.


Developer: Harold William Seager

Nov-27/06
Date


Developer: Monika Faupua Seager

Nov-27/06
Date


Developer: Holt H. Blanchard

11/28/06
Date


Developer: Cydney L. Blanchard

11/28/06
Date

Estimate of Maintenance Fee Disbursements:

Monthly Fee x 12 months = Yearly Total

Utilities and Services

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

Maintenance, Repairs and Supplies

- Building
- Grounds
- Roadway

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(*)

Taxes and Government Assessments \$25.00 x 12 = \$300.00

Audit Fees

Other

TOTAL \$25.00 x 12 = \$300.00

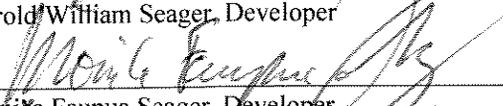
The undersigned Developers, for the BILL'S SPACE CONDOMINIUM, condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



 Harold William Seager, Developer

Nov. 27/06

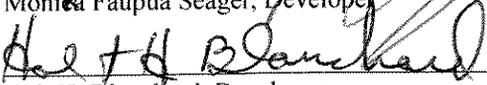
 Date



 Monica Faupua Seager, Developer

Nov. 27/06

 Date



 Holt H. Blanchard, Developer

11/28/06

 Date



 Cydney L. Blanchard, Developer

11/28/06

 Date

EXHIBIT I

COPY

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

M E M O R A N D U M

DATE: January 11, 1999

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

702 FROM: Dee M. Crowell, Planning Director *DC*

Subject: Certification of Inspection of Existing Buildings for

PROJECT NAME: BILL'S SPACE CONDOMINIUM PROJECT
TAX MAP KEY: (4) 5-3-08:21

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

- a. That the existing buildings on the proposed project referred to as Bill's Place Condominium Project 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
January 11, 1999

- e. The subject property is situated in the agriculture and open district.

- f. WAIVER
The foregoing certification is not a warranty as to any compliance with all applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulation of condominiums under Subsection a-40 (b)(1), Hawaii revised Statutes.

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

cc: Helene Taylor, Esq.

END OF EXHIBIT I

EXHIBIT J

AGOR ARCHITECTURE

4374 Kukui Grove St. Suite 204

Lihue, Kauai, Hawaii 96766

ARCHITECT'S CONDITION REPORT

The undersigned, being a licensed Architect within the State of Hawaii, and bearing Registration Number 5921, has inspected Units A and B of "Bill's Place Condominium" project, Tax Map Key, 4th Division, 5-3-008: 021.

Unit A: A residence consisting of 1 bedroom, 1.5 baths, dining, family, kitchen, lanai and 2 car garage.

Unit B: A residence consisting of 3 bedrooms, 3 baths, living, dining, kitchen, lanai, workshop, office, storage and a recreation room.

The inspection included the exterior roof, foundation, walls, visible electrical and plumbing systems, and I find as follows:

1. The systems and components, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in good and sound condition.
2. Without conducting invasive examinations of covered structural, electrical, and plumbing components, the apartments appear to be constructed in conformity with the County of Kauai Zoning Ordinances, Building Code, and Rules and Regulations applicable to the construction at the time of construction thereof for each Unit.
3. The apparent useful life of the Unit, provided that proper maintenance is applied to the Units, are as follows:

Unit A: 15 years.

Unit B: 20 years.

4. There are no non-conforming uses existing on the property and no variances from any zoning or building codes have been granted for structures or uses on the property.

THIS IS NOT A WARRANTY OF COMPLIANCE WITH ALL CODES, RULES, AND REGULATIONS, ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APPARENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCRUE TO ANY THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODES.

DATED: Lihue, Kauai, Hawaii October 4, 2006.

RON AGOR
Registered Professional Architect
No. 5921

STATE OF HAWAII)
) s.s.
COUNTY OF KAUAI)

RON AGOR, being first duly sworn, deposes and says: That he is Registered Professional Architect No. 5921 in the State of Hawaii, has read the foregoing Certificate, knows the contents thereof and the same is true.



RON AGOR
Registered Professional Architect
No. 5921

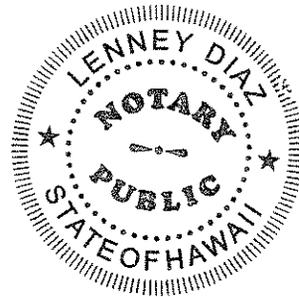
Subscribed and sworn to before me
this 4th day of October, 2006.

NOTARY PUBLIC, STATE OF HAWAII



Print Name Lenney Diaz

My commission expires: Jan 1, 2010



LENNEY DIAZ
Expiration Date: January 1, 2010