

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Stuart A, Wayne A, Brian L, Denis J, Chris A & Derek L Souza *
Address: 4341 Punee Road, Omao, Hawaii 96756/PO Box 50918 Eleele, HI.96705
ProjectName(*): Punee Condominium
Address: 4341 Punee Road, Omao, Hawaii 96756
Registration No. 4117 (Conversion)
* hereinafter referred to as "The Souzas"
Effective date: April 26, 1999
Expiration date: May 26, 2000

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

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

SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[] Supplementary Public Report dated: _____
And [] Supersedes all prior public reports.
[] Must be read together with _____
[] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

As Exhibit G

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

- 1. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.**
- 2. Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.**

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

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General Information On Condominiums

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

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment 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: The Souzas Phone: 808 742 9412
Name PO Box 50918 (Business)
Business Address
Eleele, Hawaii 96705

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

N/A

Real Estate Broker: (To be determined later, see page 20) Phone: _____
Name _____ (Business)
Business Address

Escrow: Security Title Corp. Phone: 808 245 6975
Name 4370 Kukui Grove St, Ste 207 (Business)
Business Address
Lihue, Hawaii 96766

General Contractor: Kenneth A. Souza, Jr. Phone: 808 742 9446
Name PO Box 1101 (Business)
Business Address
Lawai, HI. 96765

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

Attorney for Developer: Helene Taylor Phone: 808 245 8928
Name 4414 Kukui Grove St, Ste 104 (Business)
Business Address
Lihue, Hawaii 96766

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded -Bureau of Conveyances: Document No. 99-001579
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]:

- 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. 2846
 Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

Proposed
 Recorded -Bureau of Conveyances: Document No. 99-001580
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

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

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

2. **Developer:**

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For 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: 4341 Punee Road Tax Map Key (TMK): (4) 2-7-06:70
Omao, Hawaii 96756
 Address TMK is expected to change because each unit has not yet been assigned
an address.
Land Area: 1,6913 square feet acre(s) Zoning: Rural R2

Fee Owners: Stuart A. Souza, Wayne A. Souza, Brian L. Souza,
Denis J. Souza, Chris A. Souza and Derek L. Souza.

Name
PO Box 50918
Address
Eleele, Hawaii 96705

Lessor: _____
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 5 Floors Per Building One

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted by Zoning:

| | No. of <u>Apts.</u> | Use Permitted <u>By Zoning</u> | | No. of <u>Apts.</u> | Use Permitted <u>By Zoning</u> |
|---|------------------------|---|---------------------------------------|------------------------|--|
| <input checked="" type="checkbox"/> Residential | <u>3</u> | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Ohana | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Commercial | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Industrial | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Mix Res/Comm | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Agricultural | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Hotel | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Recreational | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |
| <input type="checkbox"/> Timeshare | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No | <input type="checkbox"/> Other: _____ | ___ | <input type="checkbox"/> Yes <input type="checkbox"/> No |

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

5. Special Use Restrictions:

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

- Pets: Household pets consistent with any applicable laws/covenants
- Number of Occupants: _____
- Other: No hotel or timeshare use: House Rules dated: December 12, 1998.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

| Apt. Type | Quantity | BR/Bath | Net Living Area (sf)* | Net Other Area (sf) | (Identify) |
|-----------|----------|--------------|-----------------------|---------------------|---------------------------|
| A | <u>1</u> | <u>3/1.5</u> | <u>1010</u> | <u>408</u> | <u>Entry & Garage</u> |
| A | <u>1</u> | <u>0</u> | <u>0</u> | <u>4230</u> | <u>Workshop/Storage</u> |
| B | <u>1</u> | <u>2/1</u> | <u>981</u> | <u>400</u> | <u>Garage</u> |
| C | <u>1</u> | <u>3/1</u> | <u>1310</u> | <u>784</u> | <u>Laundry/Garage</u> |
| C | <u>1</u> | <u>0</u> | <u>0</u> | <u>1048</u> | <u>Storage</u> |

Total Number of Apartments: 3

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

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

Boundaries of Each Apartment:
See Exhibit A

Permitted Alterations to Apartments:

As allowed by Kauai County 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 and the Condominium Map will be required to disclose actual improvements as a matter of public record.

7. Parking Stalls:

Total Parking Stalls: 6

| | <u>Regular</u> | | <u>Compact</u> | | <u>Tandem</u> | | <u>TOTAL</u> |
|--------------------------|----------------|-------------|----------------|-------------|----------------|-------------|--------------|
| | <u>Covered</u> | <u>Open</u> | <u>Covered</u> | <u>Open</u> | <u>Covered</u> | <u>Open</u> | |
| Assigned (for each unit) | <u>2</u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u>6</u> |
| Guest | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Unassigned | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Extra for Purchase | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Other: | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> | <u> </u> |
| Total Covered & Open: | <u>6</u> | <u> </u> | <u>0</u> | <u> </u> | <u>0</u> | <u> </u> | <u>6</u> |

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

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

8. Recreational and Other Common Facilities:

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

According to a statement by Peter N. Taylor, Engineer, the condition of the structural components and other installations is sound and has an expected useful life in excess of twenty years.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

| | <u>Conforming</u> | <u>Non-Conforming</u> | <u>Illegal</u> |
|------------|-------------------|-----------------------|-------------------|
| Uses | <u> x </u> | <u> </u> | <u> </u> |
| Structures | <u> x </u> | <u> </u> | <u> </u> |
| Lot | <u> x </u> | <u> </u> | <u> </u> |

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

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

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

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

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

described in Exhibit E .

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: The portion of land set aside for the use of each owner of a unit as set forth in Exhibit A, subject to the roadway and utility easement.

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

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium 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 or your purchase and ownership of an apartment in the project.

Exhibit F describes the encumbrances against the title contained in the title report dated January 20, 1999

and issued by Security Title Corporation.

Developer represents that since that date there have been no further encumbrances.

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> |
|---------------------|--|
| Mortgages | The buyer's contract may be cancelled and the buyer may lose all rights to acquire the unit. Buyer's deposit, less escrow cancellation fee, will be returned if default and foreclosure occur before conveyance. However, in the event the buyer's deposit is disbursed by Escrow and the lien is foreclosed prior to conveyance to buyer, buyer may not be able to recover any deposit. |
| Judgements | |
| State Tax Liens | |

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

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

Unit A: Construction completed in 1987
Unit B: Construction completed in 1984
Unit C: Construction completed in 1984 and 1998

H. **Project Phases:**

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

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

N/A

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 January 8, 1999
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

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

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

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

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

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

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

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final 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 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 issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs (DCCA). Supporting documents for this registration are on file with the DCCA for a period of ten years and one day from the effective date of the last public report. After that time, the DCCA will destroy the supporting documents except for the last public report. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4117 filed with the Real Estate Commission on February 5, 1999.

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

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

C. Additional Information Not Covered Above

1. The Developers do not plan to sell the apartments to the public in the immediate future. When and if they do, and should they use a broker, they understand that they must first inform the Real Estate Commission and any prospective purchaser of the licensed Hawaii real estate broker they have designated, submit to the Commission a copy of the listing agreement authorizing such broker to serve as the listing agent for any properties in the Project, and amend this report to reflect such agency.
2. No notices have been sent to tenants since the units are owner occupied and are not being offered for sale at this time.

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


Stuart A, Wayne A, Brian L, Denis J, Chris A & Derek L. Souza

Printed Name of Developer



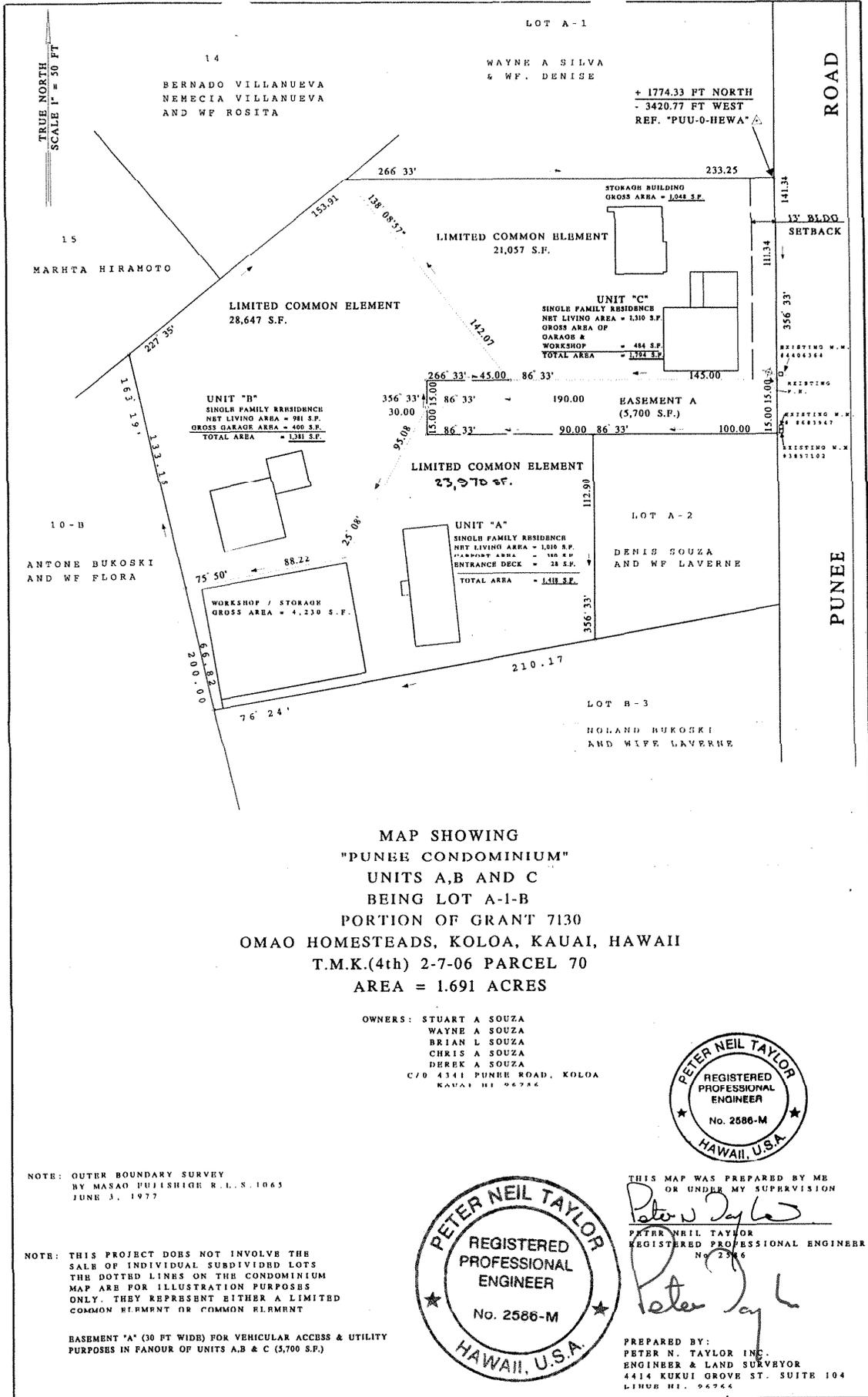
By: _____
Duly Authorized Signatory

11/12/98 11/24/98 12/12/98
Date

Printed Name & Title of Person Signing Above

Distribution:

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



MAP SHOWING
 "PUNE CONDOMINIUM"
 UNITS A, B AND C
 BEING LOT A-1-B
 PORTION OF GRANT 7130
 OMAO HOMESTEADS, KOLOA, KAUAI, HAWAII
 T.M.K.(4th) 2-7-06 PARCEL 70
 AREA = 1.691 ACRES

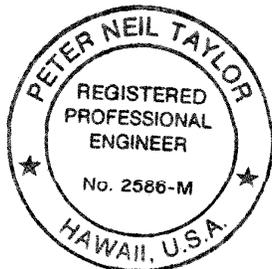
OWNERS: STUART A SOUZA
 WAYNE A SOUZA
 BRIAN L SOUZA
 CHRIS A SOUZA
 DEREK A SOUZA
 C/O 4141 PUNEE ROAD, KOLOA
 KAUAI HI 96756



NOTE: OUTER BOUNDARY SURVEY
 BY MASAO FUJISHIGE R.L.S. 1063
 JUNE 3, 1977

NOTE: THIS PROJECT DOES NOT INVOLVE THE
 SALE OF INDIVIDUAL SUBDIVIDED LOTS
 THE DOTTED LINES ON THE CONDOMINIUM
 MAP ARE FOR ILLUSTRATION PURPOSES
 ONLY. THEY REPRESENT EITHER A LIMITED
 COMMON ELEMENT OR COMMON ELEMENT

BASEMENT "A" (30 FT WIDE) FOR VEHICULAR ACCESS & UTILITY
 PURPOSES IN FAVOR OF UNITS A, B & C (5,700 S.F.)



THIS MAP WAS PREPARED BY ME
 OR UNDER MY SUPERVISION
Peter Neil Taylor
 PETER NEIL TAYLOR
 REGISTERED PROFESSIONAL ENGINEER
 No. 2586

PREPARED BY:
 PETER N. TAYLOR INC.
 ENGINEER & LAND SURVEYOR
 4414 KUKUI GROVE ST. SUITE 104
 LIHUE HI. 96766

T.M.K. (4) 2-7-06:70

DATE: 9/25/98

EXHIBIT B

SUMMARY OF SALES CONTRACT

The PUNEE 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 EXHASUTIVE 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

SCHEDULE OF APARTMENTS AND COMMON INTERESTS FOR PUNEE CONDOMINIUM

| Qty | Apt. No. | Area of Limited Common Element | No. of BR/BATH | Approx. Net Living Area (Sq.Ft.) | Approx. Covered deck/ lanai & walk way Area (Sq.Ft.) | % of Common Interest |
|-----|-------------|---|-------------------|--|--|----------------------------|
| 2 | 1A 2A | 23970sq.ft shared | 3/1.5 0 | 1010 0 | 28 4230 | 33.333% |
| 1 | B | 28647sq.ft | 2/1 | 981 | 0 | 33.333% |
| 2 | 1C 2C | 21057sq.ft shared | 3/1 0 | 1310 0 | 484 1048 | 33.333% |

Unit A consists of a one story single family residence with three bedrooms, one and one-half bathrooms, kitchen/living room and a two car carport and entrance. It is made up of 1010 square feet of living area, 380 square feet of carport area and 28 square feet of lanai area. It is located in the middle of a 23,970 square foot limited common element and is constructed of wood. Unit A also consists of a separate workshop/storage area that consists of one open room of 4230 square feet and is constructed of wood.

Unit B consists of a one story single family residence with two bedrooms, one bathroom, kitchen/living room, a study, foyer and an attached garage. It is made up of 981 square feet of living area and 400 square feet of garage area. It is located in the middle of a 28647 square foot limited common element and is constructed of wood.

Unit C consists of a one story single family residence consisting of three bedrooms, one bathroom, kitchen/living room, Foyer and an attached garage. It is made up of 1310 square feet of living area and 484 square feet of garage area. It is located in the middle of 21057 square foot limited common element and is constructed of wood.

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 his unit, alter or add to it in any manner he deems desirable, so long as it is permitted by law and the Declaration of Protective Covenants and Building Rules. 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. See Exhibit I for cautionary comments (paragraph e. WAIVER) from the County of Kauai Planning Department.

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement (“Agreement”) between **Security Title Corporation** (the “Escrow”) and **Stuart A. Souza, Wayne A. Souza, Brian L. Souza, Denis J. Souza, Chris A. Souza and Derek L. Souza** (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 521-38, 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 514A-63, Hawaii Revised Statutes, as amended or (e) The Seller or 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 or 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 \$ ___¹ 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

¹ **Per Security Title Corporation's Current Rate Schedule

EXHIBIT E

Common elements of the Project

The common elements of the project are:

- (a) Land in fee simple;
- (b) The vehicular and utility easement;
- (c) All future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (d) Any and all other elements and facilities in common use or necessary to the existence, upkeep and safety of the Project.

Limited common elements of the Project

Certain parts of the common elements, herein referred to as the "limited common elements" are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved as follows:

- (a) That certain land area upon and around which Units A, B and C are located, shown and designated on the condominium Map and the table below, are deemed a limited common element appurtenant to and for the exclusive use of each respective unit.

| <u>Unit Number</u> | <u>Area of Limited Common Element</u> |
|--------------------|---------------------------------------|
| A | 23,970 square feet |
| B | 28,647 square feet |
| C | 21,057 square feet |

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 elements are appurtenant.

END OF EXHIBIT E

EXHIBIT F

1. For real property taxes that may be due and owing reference is made to the County Director of Finance for further information.

Tax Map Key: (4th Division) 2-7-006-070

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. A 13-foot building setback line along Punee Road as shown on the map attached to:

AFFIDAVIT

Dated: July 20, 1978
Book: 13032
Page: 424

4. An existing fire hydrant as shown on the map attached to:

AFFIDAVIT

Dated: July 20, 1978
Book: 13032
Page: 424

5. An existing water meter as shown on the map attached to:

Dated: July 20, 1978
Book: 13032
Page: 424

6. MORTGAGE

Mortgagor: Denis Anthony Souza, husband of Beryl J. Souza
Mortgagee: Koloa Federal Credit Union, a federally chartered credit union
Dated: December 21, 1987
Recorded: December 24, 1987
Book: 21461.
Page: 554
To Secure: \$ 40,000.00

and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to

7. GRANT

In Favor of: Citizens Utilities Company, a Delaware corporation, and GTE Hawaiian Telephone Company Incorporated, a Hawaii corporation
Dated: July 18, 1988
Book: 2294
Page: 390
Purpose: Easement for utility purposes over, under, across and through a portion of the land herein described

8. AS TO THE ONE-SIXTH (1/6) INTEREST OF STUART A. SOUZA:

a) JUDGMENT - CIVIL NO. KO -85-10 - DISTRICT COURT OF THE FIFTH CIRCUIT COURT, KOLOA DIVISION

Plaintiff: Pacific Service and Development Corporation
Defendant: Stuart Souza, doing business as Stu's Body and Paint
Dated: February 19, 1985
Book: 18465
Page: 27
Re: Amount of \$4,801.16 against said Defendant

NOTE: Security Title Corporation is unable to determine whether Stuart Souza, doing business as Stu's Body and Paint, named in the foregoing Judgment, and Stuart A. Souza, one of the Vestees herein named are one and the same persons.

b) JUDGMENT - CIVIL NO. Ko -89-226 - DISTRICT COURT OF THE FIFTH CIRCUIT COURT, KOLOA DIVISION

Plaintiff: Kauai Credit Adjusters, Limited
Defendant: Stuart Souza, Sandra Souza and Beryl J. L. Souza
Dated: November 21, 1989
Book: 23914
Page: 530
Re: Amount of \$4,152.34 against said Defendants

NOTE: Security Title Corporation is unable to determine whether Stuart Souza, one of the Defendants named in the foregoing Judgment, and Stuart A. Souza, one of the Vestees herein named are one and the same persons.

c) JUDGMENT - CIVIL NO. KO-93-49 - DISTRICT COURT OF THE FIFTH CIRCUIT COURT, KOLOA DIVISION

Plaintiff: Kauai Credit Adjusters, Limited
Defendant: Stuart A. Souza
Dated: August 25, 1993
Document No. 93-143687
Re: Amount of \$6,535.81 against said Defendant

NOTE: Security Title Corporation is unable to determine whether Stuart A. Souza, named in the foregoing Judgment, and Stuart A. Souza, one of the Vestees herein named are one and the same persons.

d) MORTGAGE

Mortgagor: Stuart A. Souza, husband of Sandra M. Souza
Mortgagee: Administrator of the Small Business Administration, an agency of the Government of the United States of America
Dated: October 18, 1992
Recorded: October 18, 1993
Document No. 93-170665
To Secure: \$ 26,400.00
and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to

e) MORTGAGE

Mortgagor: Stuart A. Souza, husband of Sandra M. Souza
Mortgagee: Administrator of the Small Business Administration, an agency of the
Government of the United States of America
Dated: September 13, 1999
Recorded: October 18, 1993
Document No. 93-170666
To Secure: \$ 26,000.00
and any additional advances and other amounts secured thereby, all
according to the terms of that certain promissory note of said
mortgagor(s) therein referred to

f) CERTIFICATE OF STATE TAX LIEN

Taxpayer: Stuart Souza
Dated: September 18, 1995
Document No. 95-121777
Amount: \$5,379.09

NOTE: Security Title Corporation is unable to determine whether Stuart Souza, named in
the foregoing State Tax Lien, and Stuart Souza, on of the Vestees herein named
are one and the same persons.

g) JUDGMENT - CIVIL NO. 97-00180HG - U.S. DISTRICT COURT DISTRICT OF
HAWAII

Plaintiff: United States of America
Defendant: Stuart A. Souza and Sandra M. Souza
Dated: March 20, 1997
Document No. 97-038054
Re: Amount of \$52,896.60 against Defendant

NOTE: Security Title Corporation is unable to determine whether Stuart A. Souza, named
in the foregoing Judgment, and Stuart Souza, on of the Vestees herein named are
one and the same persons.

9. AS TO THE ONE-SIXTH (1/6) INTEREST OF DENNIS J. SOUZA:

a) JUDGMENT - CIVIL NO. KO-96-81 - FIFTH CIRCUIT COURT

Plaintiff: Kauai Credit Adjusters Limited (a Collection Agency)
Defendant: Dennis Souza
Dated: Undated
Document No. 96-165417
Re: Amount of \$4,966.68 against Defendant

NOTE: Security Title Corporation is unable to determine whether Dennis Souza, named in the foregoing Judgment, and Denis Souza, one of the Vestees herein named are one and the same persons.

END OF EXHIBIT F

EXHIBIT G

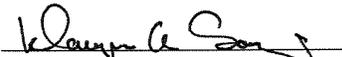
**DISCLOSURE ABSTRACT FOR
PUNEE CONDOMINIUM**

Pursuant to Hawaii Revised Statutes, Section 514A-61, the developer of **PUNEE CONDOMINIUM** makes the following disclosures:

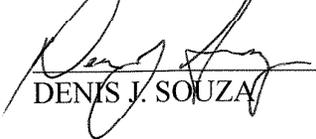
1. The developer of the project is **STUART A. SOUZA, WAYNE A. SOUZA, BRIAN L. SOUZA, DENIS J. SOUZA, CHRIS A. SOUZA, and DEREK L. SOUZA** whose address is P.O. Box 50918 Eleele, Hawaii 96705.
2. See Exhibit H for the projected annual maintenance fees. The developer hereby certifies that the estimations have been based on generally accepted accounting principles.
3. No warranty will apply to any individual. There are five existing structures (Unit A (two structures), Unit B and Unit C (two structures)) on the property and no warranty will be made regarding these buildings.
4. No condominium units will be used for both hotel and residential use.
5. There will be no commercial use except those activities permitted by the Kauai County Comprehensive Zoning Ordinance.
6. Mandatory reserves assessment and collection in effect beginning 1994 budget year. Developer discloses that no reserve study was done in accordance with Chapter 514A-83.6 HRS, and replacement reserves rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Dated: DECEMBER 12, 1998


STUART A. SOUZA


WAYNE A. SOUZA


BRIAN L. SOUZA


DENIS J. SOUZA


CHRIS A. SOUZA


DEREK L. SOUZA

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit H this ___ day of _____.

Purchasr(s)

EXHIBIT H

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> |
|------------------|----------------------------------|---------------------|
| A | \$195.00 | \$2,340.00 |
| B | \$195.00 | \$2,340.00 |
| C | \$195.00 | \$2,340.00 |

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

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

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(*)

195.00 x 12 = \$2,340.00

Taxes and Government Assessments

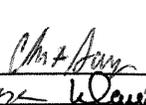
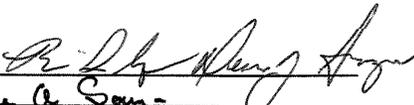
Audit Fees

Other

TOTAL

\$7,020.00

X We, The Souzas _____, as agent for/and/or employed by self _____, the condominium managing agent/developer for the PUNEE _____ 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.

 Signature

Date 12/12/98

(*) 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.

RECEIVED
PVL
REAL ESTATE BRANCH

39 FEB 10 1999
COUNTY OF KAUAI
PLANNING DEPARTMENT
4444 Rice Street, Suite 473, Bldg. A,
Lihoe, Hawaii 96766
DEPT. OF CONSUMER AFFAIRS
STATE OF HAWAII
M E M O R A N D U M

DATE: February 5, 1999

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

FROM: Dee M. Crowell *DC* Planning Director

Subject: Certification of Inspection of Existing Buildings for

PROJECT NAME: PUNEE CONDOMINIUM
TAX MAP KEY: (4) 2-7-06:70

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 "e" below) specified herein, we certify the following:

- a. That the existing buildings on the proposed project referred to as Punee Condominium, Units 1, 2 and 3 are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by this department.
- b. There were no variances approved for the subject property.
- c. The parcel does not contain any outstanding legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.
- d. There are no notices of violation of County Building or zoning codes outstanding according to our records.

EXH. I

Senior Condominium Specialist

Page 2

February 5, 1999

e. WAIVER

The foregoing certification is not a warranty as to any compliance with all applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulation of condominiums under Subsection 514A-40 (b)(1), Hawaii revised Statutes.

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

cc: Helene Taylor, Esq.