

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Cheryl Schenck / Kauai Lease & Loan, Ltd.
Address P. O. Box 607, Hanalei, HI 96714

Project Name(*): MANA MELE
Address: Kahili Makai Road, Kilauea, Kauai, Hawaii

Registration No. 4212 Effective date: September 13, 1999
(Conversion) Expiration date: October 13, 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: 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.
(yellow)
 - FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
 - SUPPLEMENTARY: This report updates information contained in the:
(pink)
 - Preliminary Public Report dated: _____
 - Final Public Report dated: _____
 - 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

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

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:

SPECIAL NOTICE:

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

1. There are presently NO RESIDENTIAL STRUCTURES on Units 1, 2, 3, 4 and 5 of the property. The only buildings on Units 1 - 5 are shade structures, each of which may be defined as an "apartment" under the condominium property act.
2. Issuance of an effective date for this Public Report does not constitute an approval of the project by the Real Estate Commission, or any other governmental agency, nor does it imply that all County codes, ordinances and subdivision requirements have been complied with.
3. This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit, as shown on the Condominium Map, is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Condominium Map merely represent the location of the limited common element assigned to each unit.
4. Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, county street lighting, electricity, upgraded water facilities, improved access for 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. At present there is no public or private water system serving this project. Until there is a water system, those desiring to construct improvements which utilize water will be required to use a catchment system.

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.

L PERSONS CONNECTED WITH THE PROJECT

Developer: Cheryl Schenck / Kauai Lease & Loan, Ltd. Phone: (808) 822-2064
 Name* P. O. Box 607 (Business)
 Business Address Hanalei, HI 96714 Phone: (808) 822-7711

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):

Kauai Lease & Loan, Ltd:
William R. Hancock - President/Sec./Treasurer/Director
James W. Lull - Vice President

Real Estate Broker*: For Units 2 and 3:
Vision Properties, Inc. Phone: (808) 822-4444
 Name P. O. Box 29 (Business)
 Business Address Kapaa, HI 96746 Units 1, 4 and 5 by owner -
 See Page 20

Escrow: First Hawaii Title Corporation Phone: (808) 826-6812
 Name 5-5190 Kuhio Hwy. Ste. B-6 (Business)
 Business Address Hanalei, HI 96714

General Contractor*: n/a Phone: _____
 Name _____ (Business)
 Business Address _____

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

Attorney for Developer: STEVEN R. LEE, ESQ. Phone: (808) 246-1101
 Name 4473 Pahee Street, Suite L (Business)
 Business Address Lihue, Hawaii 96766

* 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. 98-139884
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]:

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
MANA MELE dated May 3, 1999, recorded as Document No. 99-074248

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. 2797
 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. 98-139885
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>N/A</u>

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

2. **Developer:**

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

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

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: Kahili Makai Road Tax Map Key (TMK): (4) 5-2-21-06
Kilauea, Kauai, Hawaii

Address TMK is expected to change because each unit may obtain a street address
from the Department of Public Works, County of Kauai

Land Area: 27.56 square feet acre(s) Zoning: Agriculture

Fee Owner: See Page 10A
 Name _____
 Address _____

Lessor: n/a
 Name _____
 Address _____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 5 Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other: Metal and shade cloth

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
<input type="checkbox"/> Residential	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Agricultural	—	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Other: <u>Sheds</u>	<u>5</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

FEE OWNERS:

JANET DALE SOMERS - - - - - 20%
P. O. Box 948
Kilauea, HI 96754

KAUAI LEASE AND LOAN, LTD. - - 40%
4569 Kukui St., Ste. 200
Kapaa, HI 96746

FLOYD A. MILLER, JR. and
MICHAEL P. MOYNIHAN - - - - - 20%
470 Carolina St.
San Francisco, CA 94107

EVELYN GLORIA SAIN - - - - - 20%
312 14th St.
Santa Monica, CA 90402

THOMAS WEINBERG
(Seller under Agreement of Sale)
P. O. Box 717
Kilauea, HI 96754

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:

- Household pets may be kept consistent with any applicable law
- Pets: pr restrictive covenants applicable to the project so long as they do not become a nuisance to the other owners.
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chures: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
<u>1</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>20</u>	<u>Shed</u>
<u>2</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>20</u>	<u>Shed</u>
<u>3</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>20</u>	<u>Shed</u>
<u>4</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>20</u>	<u>Shed</u>
<u>5</u>	<u>1</u>	<u>0/0</u>	<u>0</u>	<u>20</u>	<u>Shed</u>

Total Number of Apartments: 5

*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 Article II of 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.

7. Parking Stalls:

Total Parking Stalls: 5

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u> </u>	<u>1</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>5</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>All units have ample space for parking within their limited common elements' land area.</u>							
Total Covered & Open:	<u>5</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>5</u>

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

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: common boat launch area in adjacent stream

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

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

n/a

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	<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:

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 May 19, 1999 and issued by Title Guaranty of Hawaii, Incorporated

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.

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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Co-tenancy Agreement	If foreclosed, Buyer's deposit shall be refunded (less any escrow cancellation fee) and the sales contract between Seller and Buyer shall be cancelled.

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 Date of Completion:

Unit A, B, C, D and E sheds are more than one year old.

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):

IV. CONDOMINIUM MANAGEMENT

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

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

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

- not affiliated with the Developer
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- Other: _____

B. Estimate of Initial Maintenance Fees:

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

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

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

C. Utility Charges for Apartments:

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

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

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 June 7, 1999

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 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 Deed; Right of Entry; Co-tenancy Agreement; Farm Dwelling Agreements

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

This Public Report is a part of Registration No. 4212 filed with the Real Estate Commission on July 16, 1999.

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

[] YELLOW paper stock [X] 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 Exhibit I, a summary of the recorded restrictive covenants for the subdivision within which this project is located. Among other things, the restrictive covenants govern land use, building type and materials, possession of animals, and cultivation of crops. You should also conduct your own investigations and ascertain the validity of information provided.

It is anticipated that the initial improvements on each unit will be replaced by or supplemented with a farm dwelling. The prospective purchaser shall have the right to build such farm dwelling at purchaser's expense. The purchaser shall also, in such event, file the "as-built" certificate within thirty days of completion of the farm dwelling in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment of the Declaration of Condominium Property Regime ("Declaration") to describe the farm dwelling. The County of Kauai Planning Department requires, in order to process the necessary permits for the construction of a farm dwelling and the processing of a farm dwelling agreement, authorization from at least 75% of the legal and equitable ownership of the entire project, consistent with the Declaration and the Bylaws ("condominium documents").

Except as limited specifically by the condominium documents and subdivision restrictive covenants (if any), all uses permitted in the agricultural zone are permitted. A farm dwelling may not be constructed unless a unit owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval.

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.

Unit 5 has a kuleana as part of its limited common element. It is subsumed into the Project, and not a separate tax parcel. The kuleana is located partially or entirely in the SMA area, and development will be subject to all applicable County of Kauai ordinances and codes. Flood or hazard insurance may not be available to the Kuleana or any structure(s) located thereon. A partially-completed structure on the Kuleana area will require final County of Kauai approval for completion according to the applicable County of Kauai laws. The Kuleana may provide additional residential density to Unit 5, but it may not. **DEVELOPER DISCLAIMS ANY REPRESENTATION OF ADDITIONAL DENSITY. IF THE EXISTING STRUCTURE IS COMPLETED AS A RESIDENCE, IT IS POSSIBLE NO FURTHER RESIDENTIAL CONSTRUCTION WILL BE ALLOWED ON THE UNIT.** See the appropriate County agency and the Project's Declaration of Condominium Property Regime for further information.

The present County Building Code allows one guest house in the Project. This right is assigned to Unit 3. This right may be assigned to any other unit in the Project only by written agreement and recorded in the Bureau of Conveyances.

Units 2 and 3 are listed for sale as set forth on Page 5. The developer has not selected a real estate broker for the sale of Units 1, 4 and 5 in the Project.

In the event the Developer chooses to 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 this public report.

Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer, Cheryl E. Schenck, RS46458, is a current and active Hawaii-licensed real estate salesperson. Further, that Cheryl E. Schenck is associated with Hanalei Properties, Ltd. Pursuant to Section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

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.

CHERYL SCHENCK

Printed Name of Developer

By: Cheryl Schenck
Duly Authorized Signatory

7/15/99
Date

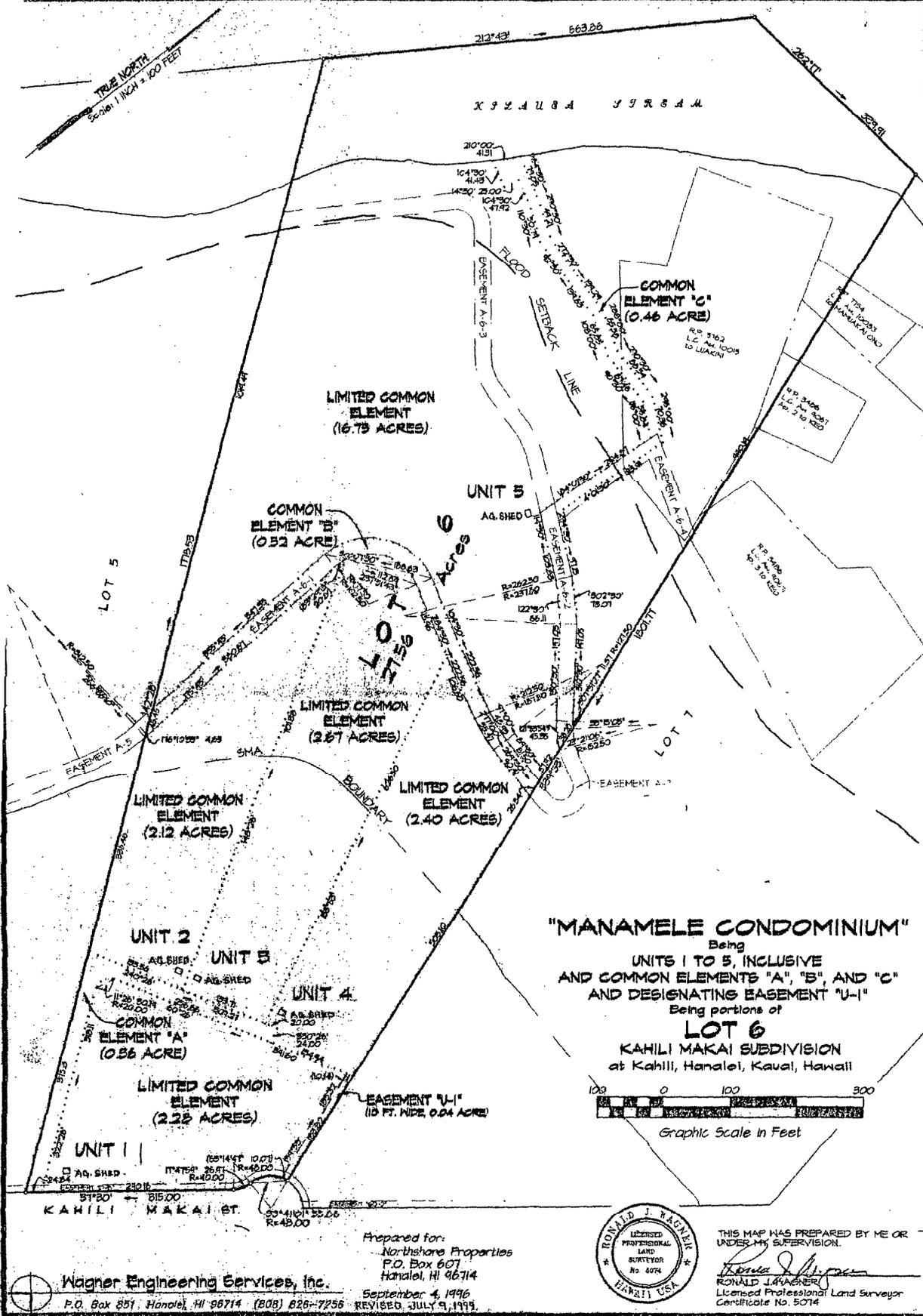
CHERYL SCHENCK

Printed Name & Title of Person Signing Above

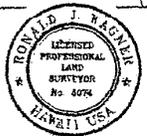
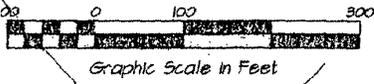
Distribution:

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

EXHIBIT A
 Condominium Plot Plan and Limited Common Element Locations



"MANAMELE CONDOMINIUM"
 Being
 UNITS 1 TO 5, INCLUSIVE
 AND COMMON ELEMENTS "A", "B", AND "C"
 AND DESIGNATING EASEMENT "U-1"
 Being portions of
LOT 6
 KAHILI MAKAI SUBDIVISION
 at Kahili, Hanalei, Kauai, Hawaii



THIS MAP WAS PREPARED BY ME OR UNDER MY SUPERVISION.
 Ronald J. Wagner
 RONALD J. WAGNER
 Licensed Professional Land Surveyor
 Certificate No. 5074

Prepared for:
 Northshore Properties
 P.O. Box 607
 Hanalei, HI 96714
 September 4, 1996
 REVISED JULY 9, 1995

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

EXHIBIT B

SUMMARY OF SALES CONTRACT

The MANA MELE Sales 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 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, and Purchaser is subject to all of 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, whichever 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.
 - (f) The unit the Purchaser is purchasing is shown on the condominium map; Purchaser will have the right to cancel if the Unit is different from that shown on Exhibit A.
 - (g) That a deed conveying clear title will be given at closing, subject to certain obligations.
 - (h) The Purchaser agrees to give future easements if reasonably required for the project.
 - (i) Except for unexpired builder's statutory warranties and assignable appliance warranties, the Purchaser will accept the Unit "AS-IS". 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 conditions on the property.
 - (j) The payment of commissions, if any, is set out in the contract.
 - (k) Time is of the essence of the obligations of Purchaser under the contract.
 - (l) If Purchaser has defaults, Seller may cancel the contract or bring legal action against Purchaser to force sale, or obtain money damages.

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 OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL NOT THIS SUMMARY.

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS

<u>Qty.</u>	<u>Unit No.</u>	<u>Area of Limited Common Element* (Acres)</u>	<u>No. of Br./Bath</u>	<u>Appx. Net Living Area (Sq. Ft.)</u>	<u>Appx. Other Area (Sq. Ft.)</u>	<u>% of Common Int.</u>
1	1	2.28	0	0	20	20%
1	2	2.12	0	0	20	20%
1	3	2.67	0	0	20	20%
1	4	2.40	0	0	20	20%
1	5	16.76	0	0	20	20%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Units 1, 2, 3, 4 and 5 will each burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 20% for each unit.

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.**

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between FIRST HAWAII TITLE CORPORATION (the "Escrow"), and EVELYN GLORIA SAIN, FLOYD A. MILLER, JR., MICHAEL P. MOYNIHAN, JANET DALE SOMERS, and KAUAI LEASE AND LOAN, LTD. (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.

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 release from the trust fund and disburse Buyer's funds at closing, unless: (a) Buyer has elected within seven days of signing the sales contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued a Final Public Report on the project or the requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met.

4. Escrow will return deposited sums to the Buyer without interest if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or 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. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive its schedule rate 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 NOTICE: THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, ONE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

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) Common element AU-1 (formerly Common Element "B") consisting of pedestrian access over portions of existing subdivision easements A-6-1, A-6-2 and A-6-3 within the project;

(c) Easement A-7 over portions of adjoining Lot 7 of the Kahili Makai Subdivision, which together with Common Element AU-1 and AU-2 provide access to Kilauea Stream;

(d) Common Element AU-2 (formerly Common Element "C"), which connects to Common Element Au-1 and allows access for persons and recreational equipment to reach Kilauea Stream.

(e) the stream access and boat launch area at the point common element C abuts Kilauea Stream, as depicted on the Condominium Map, which area is located on Unit 5. This area is for canoes, kayaks and similar small craft. This area is currently unimproved, and physical development shall occur only upon 80% common interest approval by the owners. If development occurs, the costs shall be borne according to the respective common interests in the Project;

(f) all commonly used present or future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone; and

(g) any and all other future 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 1, 2, 3, 4 and 5 are located, shown and designated on the Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element*</u>
1	2.28 acres
2	2.12 acres
3	2.67 acres
4	2.40 acres
5	16.76 acres

The roadway/utility limited common element "AU-3" serving Units 1-4, containing an area of 0.36 acres.

The utility limited common element U-1, a 10-foot wide utility easement over Unit 1 in favor of Unit 4.

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

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes. Check with the County of Kauai, Department of Finance, Real Property Tax Division, for detailed information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Flood setback lines as shown on the map of the "KAHILI MAKAI SUBDIVISION," prepared by Cesar C. Portugal, Registered Land Surveyor, dated October 27, 1981.
4. DESIGNATION OF EASEMENT "D-8"

PURPOSE : irrigation
SHOWN : on the map of the "Kahili Makai Subdivision: prepared by Cesar C. Portugal, Registered Land Surveyor, Certificate No. 2225-SE, dated October 27, 1981, and more particularly described as follows:

Being a portion of Lot 6, Kahili Makai Subdivision, at Kahili, Kilauea, Hanalei, Kauai, Hawaii and more fully described as follows:

Beginning at the southeast corner of this parcel of land, being also the south corner of Lot 7 and on the northwesterly side of Lot 11 (Roadway), Kahili Makai Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAMOKU" being 8,245.74 feet north and 3,644.25 feet west, thence running by azimuths measured clockwise from true South:

Thence along Lot 11 (Roadway), Kahili Makai Subdivision, on a curve to the left having a radius of 48.00 feet, the chord azimuth and distance being:

1. 33° 41' 01" 55.86 feet;

Thence along same on a curve to the right having a radius of 40.00 feet, the chord azimuth and distance being:

2. 17° 47' 59" 26.97 feet;

3. 37° 30' 315.00 feet along same;

4. 142° 26' 10.35 feet along Lot 5, Kahili Makai Subdivision;

5. 217° 30' 312.33 feet along the remainder of Lot 6, Kahili Makai Subdivision;

Certificate No. 2225-SE, dated October 27, 1981 for the purpose of providing irrigation water to the owners of property within the "Kahili Makai Subdivision," under such terms and conditions said Beta Pacific, Inc., its successors and assigns, in its absolute discretion, deems desirable. Said Easement "D-8" is more particularly described as follows:

Being a portion of Lot 6, Kahili Makai Subdivision, at Kahili, Kilauea, Hanalei, Kauai, Hawaii and more fully described as follows:

Beginning at the southeast corner of this parcel of land, being also the south corner of Lot 7 and on the northwesterly side of Lot 11 (Roadway), Kahili Makai Subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAMOKU" being 8, 245.74 feet north and 3,644.25 feet west, thence running by azimuths measured clockwise from true South:

Thence along Lot 11 (Roadway), Kahili Makai Subdivision, on a curve to the left having a radius of 48.00 feet, the chord azimuth and distance being:

1. 33° 41' 01" 55.86 feet;

Thence along same on a curve to the right having a radius of 40.00 feet, the chord azimuth and distance being:

2. 17° 47' 59" 26.97 feet;

3. 37° 30' 315.00 feet along same;

4. 142° 26' 10.35 feet along Lot 5, Kahili Makai Subdivision;

5. 217° 30' 312.33 feet along the remainder of Lot 6, Kahili Makai Subdivision;

Thence along same on a curve to the left having a radius of 30.00 feet, the chord azimuth and distance being:

6. 197° 47' 59" 20.23 feet;

Thence along same on a curve to the right having a radius of 58.00 feet, the chord azimuth and distance being:

7. 213° 44' 12' 67.59 feet;

8. 339° 53' 10.00 feet along Lot 7, Kahili Makai Subdivision, to the point of beginning and

containing an area of 0.09
acre."

8. As to that portion of Lot 6 being Royal Patent Number 3762, Land Commission Award Number 10015 to Laukini, the right, title and interest, if any, of the heirs and assigns of Henry Long, also known as Henry Dwyer Long; heirs and assigns of Sara L. Fernandez, also known as Sara Long Fernandez; heirs and assigns of Rosalina Chandler; heirs and assigns of Rosalina Inciong, also known as Roseline Gooman Inciong; heirs and assigns of Rubin Gooman, also known as Rubin Akamu Gooman, Stuart Gooman; Aaran Gooman; Morgan Gooman; and Karen Gooman.

9. RIGHT OF ENTRY

TO : CITIZENS UTILITIES COMPANY

DATED : April 27, 1982

RECORDED : Liber 17511 Page 488

GRANTING : a right-of-entry and easement for the purposes of building, constructing, repairing, maintaining and operating pole and wire lines, and/or underground lines, etc., for the transmission and distribution of electricity and for communications and control circuits.

10. Designation of Easement "A-6-1" (25 feet wide) for ingress and egress purposes, in favor of Lot 5, as set forth in Declaration Regarding Easements dated --- (acknowledged October 15, 1992 and October 16, 1992), recorded as Document No. 93-056508, and amended by Amendment to Declaration Re Easements dated December 14, 1993, recorded as Document No. 93-213173, more particularly described as follows:

All of that certain parcel of land being an Access Easement, A-6-1 (25 feet wide) affecting Lot 6, Kahili Makai Subdivision, situated at Kahili, Hanalei, Kauai, Hawaii;

Being a portion of R.P. 8323, L.A. Aw. 8559-B, Apana 38 to William C. Lunailo and more particularly described as follows:

Being a strip of land extending 12.50 feet on both sides of the following centerline:

Beginning at the south end of said centerline at the northeast boundary of Lot 5 Kahili Makai Subdivision, the coordinates of which referred to Government Survey Triangulation Station "KAMOKU" being 8,507.30 feet north and 4,324.15 feet west and running by azimuths measured clockwise from true South:

1. 175° 45' 366.33 feet over and across Lot 6, Kahili Makai Subdivision;

2. Thence over and across Lot 6, Kahili Makai Subdivision on a curve to the right with a radius of 90.00 feet, the chord azimuth and distance being:

230° 07' 30" 146.31 feet;
3. 284° 30' 222.56 feet over and across Lot
6, Kahili Makai
Subdivision;

4. Thence over and across Lot 6, Kahili Makai Subdivision on a
curve to the left with a radius of
200.00 feet, the chord azimuth and
distance being:

277° 00' 52.21 feet;
5. 269° 30' 85.79 feet over and across Lot
6, Kahili Makai
Subdivision to the east
end of said centerline at
the west boundary of Lot
7, Kahili Makai
Subdivision and containing
an area of 22,451 square
feet, more or less.

11. Designation of Easement "A-6-2" (25 feet wide) for ingress and
egress purposes, in favor of Lots 5 and 7, as set forth in
Declaration Regarding Easements dated --- (acknowledged October
15, 1992 and October 16, 1992), recorded as Document No.
93-056508, and amended by Amendment to Declaration Re Easements
dated December 14, 1993, recorded as Document No. 93-21313, more
particularly described as follows:

All of that certain parcel of land being an Access
Easement, A-6-2 (25 feet wide) affecting Lot 6, Kahili Makai
Subdivision, situated at Kahili, Hanalei, Kauai, Hawaii;

Being a portion of R.P. 8323, L.C. Aw. 8559-B Apana 38
to William C. Lunailo and more particularly described as
follows:

Being a strip of land extending 12.50 feet on both sides
of the following centerline:

Beginning at the southeast end of said centerline at the
west boundary of Lot 7, Kahili Makai Subdivision, the coordinates
of which referred to Government Survey Triangulation Station
"KAMOKU" being 8,988.84 feet north and 3,916.43 feet west and
running by azimuths measured clockwise from true South:

1. Thence over and across Lot 6, Kahili Makai Subdivision on
a curve to the right with a radius
of 140.00 feet, the chord azimuth
and distance being:

124° 32' 01" 29.10 feet;

2. 130° 30' 147.05 feet over and across Lot 6, Kahili Makai Subdivision;

3. Thence over and across Lot 6, Kahili Makai Subdivision on a curve to the left with a radius of 250.00 feet, the chord azimuth and distance being:

122° 30' 69.59 feet;

4. 114° 30' 106.16 feet over and across Lot 6, Kahili Makai Subdivision to the northwest end of said centerline and containing an area of 8,805 square feet, more or less.

12. Designation of Easement "A-6-3" (25 feet wide) for ingress and egress purposes, in favor of Lot 5, as set forth in Declaration Regarding Easement dated --- (acknowledged October 15, 1992 and October 16, 1992), recorded as Document No. 93-056508, and amended by Amendment to Declaration Re Easements dated December 14, 1993, recorded as Document No. 93-213173, more particularly described as follows:

All of that certain parcel of land being an Access Easement, A-6-3 (25 feet wide) affecting Lot 6, Kahili Makai Subdivision, situated at Kahili, Hanalei, Kauai, Hawaii;

Being a portion of R.P. 8323, L.C. Aw. 8559-B, Apana 38 to William C. Lunalilo and more particularly described as follows:

Being a strip of land extending 12.50 feet on both sides of the following centerline:

Beginning at the southeast end of said centerline at the northwest end of Easement A-6-2, affecting Lot 6, Kahili Makai Subdivision, the coordinates of which referred to Government Survey Triangulation Station "KAMOKU" being 9,182.25 feet north and 4,207.51 feet west and running by azimuths measured clockwise from true South:

1. 114° 30' 79.46 feet over and across Lot 6, Kahili Makai Subdivision;

2. Thence over and across Lot 6, Kahili Makai Subdivision on a curve to the left with a radius of 150.00 feet, the chord azimuth and distance being:

103° 00' 59.81 feet;

3. 91° 30' 62.62 feet over and across Lot 6, Kahili Makai Subdivision;

4. Thence over and across Lot 6, Kahili Makai Subdivision on a curve to the right with a radius of 90.00 feet, the chord azimuth and distance being:

109° 30' 55.62 feet;

5. 127° 30' 195.13 feet over and across Lot 6, Kahili Makai Subdivision;

6. Thence over and across Lot 6, Kahili Makai Subdivision on a curve to the left with a radius of 40.00 feet, the chord azimuth and distance being:

79° 30' 59.45 feet;

7. 31° 30' 264.09 feet to the west end of said centerline at the northeast boundary of Lot 5, Kahili Makai Subdivision and containing an area of 19,627 sq.ft, more or less.

13. Designation of Easement "A-6-4" (25 feet wide) for ingress and egress purposes, in favor of Lot 7, as set forth in Declaration Regarding Easements dated --- (acknowledged October 15, 1992 and October 16, 1992), recorded as Document No. 92-056508, and amended by Amendment to Declaration Re Easements dated December 14, 1993, recorded as Document No. 93-213173, more particularly described as follows:

All of that certain parcel of land being an Access easement A-6-4 (25 feet wide) affecting Lot 6, Kahili Makai Subdivision, situated at Kahili, Hanalei, Kauai, Hawaii;

Being a portion of R.P. 8323, L.C. Aw. 8559-B, Apana 38 to William C. Lunailo and more particularly described as follows:

Being a strip of land extending 12.50 feet on both sides of the following centerline:

Beginning at the south end of said centerline at the northwest end of Easement A-6-2, affecting Lot 6, Kahili Makai Subdivision, the coordinates of which referred to Government Survey Triangulation Station "KAMOKU" being 9,190.03 feet north and 4,194.43 feet west and running by azimuths measured clockwise from true South:

1. 184° 00' 177.90 feet over and across Lot 6, Kahili Makai Subdivision;

2. 287° 30' 150.43 feet over and across Lot 6, Kahili Makai Subdivision to the east end of said centerline at the west boundary of Lot 7, Kahili Makai Subdivision and containing an area of 3.208 square feet, more or less.

14. FIRST MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : THOMAS WEINBERG, unmarried
MORTGAGEE : JACOB A. BLOOM, Trustee of that certain Amended and Restated Declaration of Revocable Holding Trust of Sweet Rain Investment Trust dated November 7, 1990
DATED : September 9, 1996
RECORDED : Document No. 96-131616
AMOUNT : \$385,000.00

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

INSTRUMENT : CO-TENANCY AGREEMENT, "MELE MANA CPR"
DATED : August 26, 1996
RECORDED : Document No. 96-131619
PARTIES : KENDRICK MILLER, JENNIFER MILLER, BRIAN LANSING, ALICE GORDON and THOMAS WEINBERG
RE : First step in attempting to create a Condominium Property Regime, to designate each individual area, etc.

16. As to Unit 1 of the Mana Mele Condominium only:

AGREEMENT OF SALE

VENDOR : THOMAS WEINBERG, unmarried
VENDEE : EVELYN GLORIA SAIN, Trustee of the unrecorded Sain Family Trust dated March 18, 1982
DATED : October 25, 1996
RECORDED : Document No. 96-155165
AMOUNT : \$217,000.00
CONSENT : Given by JACOB A. BLOOM, Trustee of that certain Amended and Restated Declaration of Revocable Holding Trust of Sweet Rain Investment Trust dated November 7, 1990, by instrument dated November 23, 1996, recorded as Document No. 96-179185

17. WAIVER AND RELEASE dated November 4, 1996, recorded as Document No. 96-158845, made by THOMAS WEINBERG, re: indemnify and hold harmless the County of Kauai by and for the Department of Water and Board of Water Supply from any claim, action, suit or demand for issuance of a building permit.

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

INSTRUMENT : FARM DWELLING AGREEMENT
DATED : February 17, 1998
RECORDED : Document No. 98-021581
PARTIES : EVELYN GLORIA SAIN, Trustee of the Sain Family Trust, and the COUNTY OF KAUAI PLANNING DEPARTMENT

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

INSTRUMENT : CO-TENANCY AGREEMENT
DATED : --- (acknowledged December 19, 1997, January 16, 1998, December 22, 1997)
RECORDED : Document No. 98-040317
PARTIES : ROBERT SEEMANN and KATHLEEN R. SEEMANN, Co-trustees of the unrecorded Seemann Family Trust dated July 19, 1979, as restated, ALICE S. GORDON, EVELYN GLORIA SAIN, Trustee, FLOYD A. MILLER, JR., MICHAEL P. MOYNIHAN and JANET DALE SOMERS, Trustee.

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

INSTRUMENT : FARM DWELLING AGREEMENT
DATED : July 15, 1998
RECORDED : Document No. 98-105265
PARTIES : JANET DALE SOMERS, Trustee, and the COUNTY OF KAUAI PLANNING DEPARTMENT

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "MAMAMELE" CONDOMINIUM PROJECT
DATED : --- (acknowledged July 9, 1998, July 14, 1998, July 10, 1998 and July 22, 1998)
RECORDED : Document No. 98-139884
MAP : 2797 and any amendments thereto

AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME
OF MANA MELE dated May 3, 1999, recorded as Document No.
99-074248.

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

INSTRUMENT : BYLAWS OF MANA MELE CONDOMINIUM

DATED : August 5, 1998

RECORDED : Document No. 98-139885

23. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey or archaeological study would disclose.

End of Exhibit F

EXHIBIT G

DISCLOSURE ABSTRACT FOR
MANA MELE

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

1. The Developer of the project is Cheryl Schenck, whose address is P. O. Box 607, Hanalei, HI 96714, and whose phone number is (808) 822-2064.

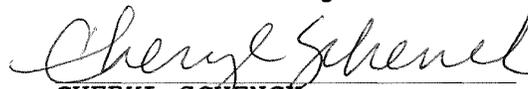
2. See Exhibit H to the Final Public Report for the projected maintenance fees. The Developer hereby certifies that the estimations have been based on generally accepted accounting principles.

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. All of the apartments of the project are to be used for agricultural purposes only and permitted residential use within the agricultural zone. No apartments shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by the County of Kauai Comprehensive Zoning Ordinance.

5. Units 2 and 3 are listed with Vision Properties, Inc. whose address is P. O. Box 29, Kapaa, HI 96746 and whose telephone number is (808) 822-4444. There is no real estate broker for Units 1, 4 and 5 of this project. Units 1, 4 and 5 will be sold "By Owner." If a broker is selected, a listing will be filed with the Real Estate Commission and an amended disclosure abstract provided to all purchasers.

6. The undersigned Developer of the MANA MELE condominium project hereby certifies that the enclosed estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles. 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.**


CHERYL SCHENCK

September 8, 1999
Date

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit H this ___ day of _____, 19__.

Purchaser(s)

END OF EXHIBIT G

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**DISCLOSURE ABSTRACT FOR
MANA MELE**

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CHERYL SCHENCK

Date

RECEIPT

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Purchaser(s)

END OF EXHIBIT G

EXHIBIT H
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Common Expenses</u>	<u>Yearly Total</u>
1 - 5	\$20.00	\$240.00

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 Service

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	\$25.00	\$300.00
Road Maintenance	\$50.00	\$600.00
Water Tank		
Boat Ramp for project	\$25.00	\$300.00

Insurance

Reserves (*)

Taxes and Government Assessments

Audit Fees

Other

Management Fee

TOTAL	\$100.00	\$1,200.00
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I, CHERYL SCHECNK, developer of the condominium project MANA MELE, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Cheryl Schenck

CHERYL SCHECNK

7/15/99

Date

(*)Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves," the Developer has not conducted a reserve study in accordance with Section 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to Section 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.