

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by:

Developer: PATRICK A. HARRINGTON
Address: P. O. Box 1345, Hanalei, Kauai, Hawaii 96714
JOSEPH HANWRIGHT and PATRICIA HANWRIGHT
P. O. Box 759, Anahola, Kauai, Hawaii 96703
Project Name (*): NANI O KALALEA RANCH
Address: Allotment 24-E-2, Moloaa Hui Lands, Aliomanu, Kawaihau, Kauai, Hawaii

Registration No. 4316

Effective date: February 9, 2000

Expiration date: March 9, 2001

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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports.

(* Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report as Exhibit "H" 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 ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. There are County restrictions on the number of residential dwelling units or other structures which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

1. There is presently NO RESIDENTIAL STRUCTURE FOR ANY APARTMENT. The only buildings for the Apartments are agricultural sheds which may be defined as an "apartment" under the condominium property act.
2. This public report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it warrant that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.
3. 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 or legally subdivided lots.
4. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, county street lighting, electricity, upgraded water facilities, sewer, improved access for owners and emergency traffic, drainage facilities, etc., may not be available, and services such as county street maintenance and trash collection may 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: **PATRICK A. HARRINGTON** Phone: **(808) 826-9655**
P. O. Box 1345 (Business)
Hanalei, Kauai, Hawaii 96714
Business Address
JOSEPH HANWRIGHT and PATRICIA HANWRIGHT Phone: **(808) 828-0103**
P. O. Box 759
Anahola, Kauai, Hawaii 96703

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) (attached separate sheet if necessary):
N/A

Real Estate Broker*: **For Apartments 5, 6, 7 and 8**
Harrington Paradise Properties, Inc. Phone: **(808) 826-9655**
Name (Business)
P. O. Box 1345
Hanalei, Kauai, Hawaii 96714
Business Address

Escrow: **First American Long & Melone Title Co., Ltd.** Phone: **(808) 245-8877**
Name (Business)
4374 Kukui Grove, Suite 201
Lihue, Kauai, Hawaii 96766
Business Address

General Contractor*: **Marvin L. Dye, Inc.** Phone: **(808) 823-8600**
Name (Business)
4-1354 Kuhio Highway, Suite 2
Kapaa, Kauai, Hawaii 96746
Business Address

Condominium Managing Agent*: **Self-Managed** Phone: _____
Name (Business)
Business Address _____

Attorney for Developer: **William C. Byrns, Esq.** Phone: **(808) 523-3080**
Name (Business)
MacDonald Rudy & Byrns
1001 Bishop Street, Pacific Tower, #2650
Honolulu, Hawaii 96813
Business Address

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

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances **Document No. 99-191802**
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. 3004
 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. 99-191803**
 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 musts vote for or give written consent to changes:

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

*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.

In paragraph 7 of the Declaration, the Developer has reserved various rights with respect to the easements for the Project. For example, the Developer has reserved the right to relocate roadway easements and add view plane easements and/or building setbacks.

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 provisions(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: Allotment 24-E-2, Moloaa Hui Lands, Aliomanu, Kawaihau, Kauai, Hawaii

Address: [to be added]

Tax Map Key (TMK): (4) 4-9-5:01

[] Address [] TMK is expected to change because N/A

Land Area: 101.741, more or less [] square feet [X] acre(s)

Zoning: Agricultural/Open

Lessor
 (Fee Owner): **PATRICK A. HARRINGTON**
P. O. Box 1345
Hanalei, Kauai, Hawaii 96714
JOSEPH HANWRIGHT and PATRICIA HANWRIGHT
P. O. Box 759
Anahola, Kauai, Hawaii 96703

Sublessor: 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: **eight (8)** Floors Per Building: **one (1)**

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile **Wood**

Other _____

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>	No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<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 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 checked="" type="checkbox"/> Other: Shed	8 <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?				
<input checked="" type="checkbox"/> Yes		<input type="checkbox"/> 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: _____

[] Number of Occupants: _____

[X] **Other: An owner must engage in agriculture in order to construct a residence (pg. 20). Also, see Declaration of Condominium Property Regime of Nani O Kalalea dated November 12, 1999, a copy of which may be examined at the Real Estate Commission. Said Declaration affects the design, development and use of the project.**

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
A	8	--	-0-	16	Shed

Total Number of Apartments: eight (8)

*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: The outside surface of the exterior walls, windows and doors of each structure.

Permitted Alterations to Apartments: As noted in Section 18 of the Declaration, individual apartment owners may, at their own, sole discretion and at their own expense, remodel, expand or otherwise alter their apartment, provided said alterations are done in complete accordance with all applicable ordinances, codes, rules, regulations and other requirements in force at the time of said construction. All alterations shall be completed expeditiously and in the manner set forth in Section 18.

7. **Parking Stalls:** There are no formal parking stalls although each apartment has sufficient parking area for at least two vehicles.

Total Parking Stalls: 0

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

Each apartment will have the exclusive use of at least ___ 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: The Park Area shown on the Condominium Map is a limited common element appurtenant to and for the exclusive use of Apartments 1, 2, 3, and 4.**

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 G.

as follows: the dotted line separating the respective units in the Condominium Map is not intended to denote that the respective limited common elements are 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 F.

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 A describes the encumbrance against the title contained in the title report dated October 5, 1999, and issued by First American Long & Melone Title Company, Ltd.

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. (Upon issuance of apartment deeds, these liens will be modified to affect only Apartments 5, 6, 7, and 8.)**

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults Or Lien is Foreclosed Prior to Conveyance</u>
Mortgage dated December 21, 1998, by Patrick Andrew Harrington and Elena Javinar Harrington, Mortgagor, in favor of Lloyd S. Zeiderman, Mortgagee, recorded in the Bureau as Document No. 98-193031	Purchaser's interest may be terminated by mortgage but Purchaser shall be entitled to return of his deposit less escrow cancellation fee.
Mortgage dated March 17, 1999, by Patrick A. Harrington, in favor of Bruce A. Reeves and Nancy J. Reeves, recorded in the Bureau as Document No. 99-047437	
Stipulated Judgment against Patrick Andrew Harrington in favor of Lloyd S. Zeiderman recorded in the Bureau as Document No. 99-069034	

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:

The agricultural sheds, Apartments 1, 2, 3, 4, 5, 6, 7 and 8, were completed in October 1999.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

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

Initial Condominium Managing Agent: When the developer or the developer’s 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 the condominium ages. Maintenance fees may vary depending on the services provided.

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

C. Utility Charges for Apartments:

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

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

***Note: Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.**

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract**
Exhibit C contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated October 8, 1999**
Exhibit B 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.

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:

- 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. 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 part of **Registration No. 4316** filed with the Real Estate Commission on **December 7, 1999**.

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

YELLOW paper stock **WHITE paper stock** PINK paper stock

C. Additional Information Not Covered Above:

1. Septic Tank

All wastewater disposal systems shall be connected to a septic tank, cesspool or other sewage system approved by the appropriate governmental authorities.

If individual wastewater disposal systems are to be utilized for the disposal of domestic wastewater, the minimum requirements of Chapter 62, Wastewater Systems, Title 11, Administrative Rules, Department of Health, shall be complied with. The applicant shall be informed that individual wastewater systems will be considered by the Department of Health on a case-by-case basis.

2. Residential Dwellings within State Land Use Agricultural District

Purchasers should be aware that the State Land Use Commission issued a Declaratory Ruling in December 1994, regarding the construction of residential dwellings on properties located within the State Land Use Agricultural District. In response to said ruling, the Kauai County Planning Department is requiring applicants for building permits on such lands to acknowledge receipt of a "Farm Dwelling Notice." This Farm Dwelling Notice reads as follows:

FARM DWELLING NOTICE

To: Applicants for Building Permits on Land in State Land Use Agricultural District

This is to inform you that Chapter 205, Hawaii Revised Statutes, does not authorize residential dwellings as a permissible use in an agricultural use district unless the dwelling is related to an agricultural activity or is a "farm dwelling."

Farm dwelling is defined in Chapter 205-4(a)(4) as a "single family dwelling located on and used in connection with a farm, including clusters of single-family farm dwellings permitted within agricultural parks developed by the State, or where agricultural activity provides income to the family occupying the dwelling."

Penalty for violation of Section 205-4.5, Hawaii Revised Statutes, is a fine of not more than \$5,000. If any person who is cited for a violation of the law fails to remove the violation within six months of such citation and the violation continues, such person is subject to a citation for a new and separate violation. There shall be a fine of not more than \$5,000 for any additional violation.

I acknowledge that I have read the above
and have been given a copy

Signature of Applicant

Signature of Witness

3. Mailboxes.

Mailboxes have not been provided for the units as there is no mail delivery to this area. People in this area customarily maintain a post office box at the local post office.

CONTINUED

C. Additional Information Not Covered Above:

4. **THIS IS A CONDOMINIUM PROJECT, NOT A SUBDIVISION.** Units purchased are not subdivided lots. You will be required to comply with zoning codes in order to construct a residence on your limited common elements.

The County of Kauai Planning Department has advised that, 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 shall be required.

Except as limited specifically by the Declaration of Condominium Property Regime and Bylaws, all uses permitted in the agricultural zone are permitted. Such uses include, but are not limited to, growing crops, raising animals, residence, diversified agriculture, forestry, orchards and nurseries and wildlife management. See Kauai County Comprehensive Zoning Ordinance, Article 8.7.

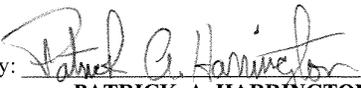
As disclosed on page 20 of this Report, the permitted uses of buildings and other improvements or structures shall only be occupied or used for agriculture, associated residential uses, and/or other uses permitted under the Kauai County Zoning Ordinances and the Declaration and/or Bylaws. An agricultural residence may not be constructed unless the Unit Owner demonstrates to the County his ability to derive income and/or agricultural products from his property. Agricultural use must be established and verified prior to any building permit approval.

A buyer should understand that all development and use of the Project shall comply with all 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 units later than others may find that insufficient utility capacities may thwart their expectations.

5. As stated above, Apartments 5, 6, 7 and 8 are listed with Harrington's Paradise Properties, Inc. There is no real estate broker for Apartments 1, 2, 3 and 4. If a broker is selected for those Apartments, the listing agreement will be filed with the Real Estate Commission and an amended disclosure statement will be provided to all purchasers.
6. Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner(s), Patrick A. Harrington, RB13598, is a current and active Hawaii-licensed real estate broker. Further, that Patrick A. Harrington, is the Principal Broker for Harrington's Properties, Inc., RB14995, the project broker. Pursuant to section 16-99-11(c), HAR, "(n)o license shall be allowed to advertise 'For Sale 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.

PATRICK A. HARRINGTON, JOSEPH HANWRIGHT and PATRICIA HANWRIGHT
Printed Name of Developer

By:  11/06/99
PATRICK A. HARRINGTON Date

By:  11/12/99
JOSEPH HANWRIGHT Date

By:  11/12/99
PATRICIA HANWRIGHT Date

Distribution:

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

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

EXHIBIT "A"
Nani O Kalalea Ranch
Encumbrances Against Title

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Rights of others thereto entitled in and to the continued uninterrupted flow of the Aliomanu Stream.
3. Free flowage of Aliomanu Stream as shown on survey dated July 3, 1996, revised July 18, 1996, by Ronald J. Wagner, a Licensed Professional Land Surveyor of Wagner Engineering Services, Inc.
4. Location of the boundary of the Aliomanu Stream and the effect, if any, upon the area of the land described herein.
5. Limited rights of vehicle access into and from Kauai Belt Road, Federal Aid Project No. F-056-1(2), which rights or access were conveyed to the State of Hawaii by Deed recorded in Book 3949, Page 199.
6. Reservations as contained in that certain Deed dated December 22, 1982, recorded in the Bureau of Conveyances in Book 16762, Page 17.
7. All customary and traditional gathering and other rights of Native Hawaiians for subsistence, culture and religious purposes.
8. Any and all trails, archeological sites, burial cave(s) and/or burial grounds that may be shown on an accurate on-the-ground survey.
9. Rights of the State of Hawaii in and to any and all trails, roads, archeological sites, burial ground(s) or cave(s), prehistoric and historic remains, all surface and ground waters appurtenant to said land and the right to capture, divert or impound the same and to occupy and use so much of the land as may be required in the exercise of this right reserved.
10. Restrictions, reservations, covenants and conditions as contained in that certain Limited Warranty Deed and Reservation of Rights dated July 23, 1996, recorded in the Bureau of Conveyances as Document No. 96-108039. But deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(o).

11. MORTGAGE
Mortgagor(s): PATRICK ANDREW HARRINGTON and ELENA JAVINAR HARRINGTON, husband and wife
Mortgagee(s): LLOYD S. ZEIDERMAN
Dated: December 21, 1998
Recorded: In the Bureau of Conveyances as Document No. 98-193031
To Secure: \$105,000.00 and any other amounts and/or obligations secured thereby.
12. ASSUMPTION OF MORTGAGE AND CONSENT dated March 24, 1999, recorded as Document No. 99-047436, by and between PATRICK A. HARRINGTON, also known as PATRICK ANDREW HARRINGTON, unmarried, ELENA JAVINAR HARRINGTON, unmarried, and LLOYD S. ZEIDERMAN; re: PATRICK HARRINGTON wishes to assume the above Mortgage.

AS TO THE UNDIVIDED 50% INTEREST OF PATRICK A. HARRINGTON:

13. MORTGAGE
Mortgagor : PATRICK A. HARRINGTON, single
Mortgagee : Bruce A. Reeves and Nancy J. Reeves, husband and wife
Dated : March 17, 1999
Recorded : Document No. 99-047437
Amount : \$175,000.00
14. STIPULATED JUDGMENT
Against : PATRICK ANDREW HARRINGTON, also known as PATRICK A. HARRINGTON
In Favor of : LLOYD S. ZEIDERMAN
Dated : April 26, 1999
Amount : \$40,825.00
Filed : Circuit Court of the First Circuit, State of Hawaii
Case No. 99-1190-03, on April 26, 1999
Recorded : Document No. 99-069034 on May 3, 1999

END OF EXHIBIT A

EXHIBIT "B"
Nani O Kalalea Ranch
Summary of Escrow Agreement

The Escrow Agreement ("Agreement") between FIRST AMERICAN LONG & MELONE TITLE COMPANY, LTD. ("Escrow") and PATRICK A. HARRINGTON, JOSEPH HANWRIGHT and PATRICIA HANWRIGHT (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 contracts 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.
3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into, Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Section 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under sales contract.
4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow.

5. As Escrow's compensation for its performance under this Agreement, Escrow will receive an amount to be determined by Escrow 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. Title insurance will also cost an additional sum.

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, HE 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 "B"

EXHIBIT "C"
Nani O Kalalea Ranch
Summary of Sales Contract

Seller intends to use the standard form DROA as the form of sales contract for the project.

1. Evidence of Title. Seller shall furnish Buyer evidence of Seller's marketable title to the interest which is to be conveyed to Buyer. If Seller fails to deliver title as herein provided, Buyer has the option to terminate this agreement and have any of Buyer's deposits returned to Buyer. The foregoing shall not exclude any other remedies available to Buyer. Buyer will receive an Owner's standard coverage policy of title insurance at closing: (a) Seller shall pay 60% of the premium to be charged for an Owner's standard coverage policy of title insurance to be issued to the buyer in the amount of the sales price; and (b) Buyer shall pay 40% of such premium and any additional costs relating to the issuance of any extended coverage policy, including a Lender's policy.
2. Risk of Loss. Risk of loss passes to Buyer upon transfer of title or occupancy whichever occurs first.
3. Default. It is expressly understood and agreed: First: In the event Buyer fails to pay the balance of the purchase price or complete the purchase as herein provided, Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein, as liquidated damages; and (c) Buyer shall be responsible for any cost incurred in accordance with this contract. Second: In the event Seller fails to perform his obligations as herein provided, Buyer not being in default, Buyer may (a) bring an action against Seller for damages for breach of contract; (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a REALTOR for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees. All expenses incurred by escrow shall be deducted from deposited funds prior to any disbursement to the prevailing party.
4. Consent. The obligations of Buyer or Seller hereunder are conditioned upon obtaining those necessary consents of vendors, existing mortgagees, lessors and/or condominium, co-op or other such associations, Buyer or Seller agree to cooperate and take all reasonable action to obtain such consents.

5. Time Is Of The Essence. If either Buyer or Seller for reasons beyond his control cannot perform his obligation to purchase or sell the property by the closing date, then such party by giving escrow written notice prior to the closing date called for in this contract with copies to all parties to this contract, can extend closing for no longer than 30 calendar days to allow performance. Thereafter time is of the essence and the default provisions of paragraph 5 apply. Any further extension must then be agreed to in writing by both parties. There is no automatic right to extend. This provision relates only to the extension of the closing date.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE DROA. THE BUYER MUST REFER TO THE BUYER'S DROA TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DROA, THE DROA WILL CONTROL, NOT THIS SUMMARY.

End of Exhibit "C"

EXHIBIT " D"

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>
\$20 per Apartment per month	\$20 x 12 = \$240

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 \$10 per month x 12 months = \$120.00

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance \$10 per month x 12 months = \$120.00

Reserves(*)

Taxes and Government Assessments

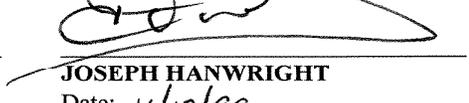
Audit Fees

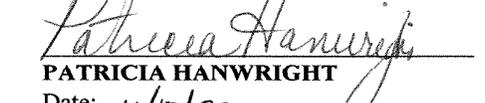
Other

TOTAL \$480.00

We, PATRICK A. HARRINGTON, JOSEPH HANWRIGHT and PATRICIA HANWRIGHT, the owner/developer of the 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.


 PATRICK A. HARRINGTON
 Date: 11/6/99


 JOSEPH HANWRIGHT
 Date: 11/12/99


 PATRICIA HANWRIGHT
 Date: 11/12/99

(*)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 1070, Hawaii Administrative Rules, as amended.

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

EXHIBIT "E"
Nani O Kalalea Ranch
Description of Common Elements

Common Elements. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Act. Any such partition or division shall be subject to the prior written consent thereto by the holder(s) of all mortgages on the Apartments.

The Apartments are located in the manner shown on the Condominium Map. Each Apartment shall have access over the Project's roadways shown on the Condominium Map to the Common Driveway, as shown on the Condominium Map, which provides direct access to the public roadway. The common elements include the remaining portions of the Project including, without limitation:

- a. The Land;
- b. The Common Driveway;
- c. Any improvements now or hereafter constructed for roadway access purposes or utilities purposes such as electricity, gas, water, sewer, telephone, radio and television signal distribution, irrigation and other utilities which serve more than one Apartment (provided, however, that the allocation of costs for installation and repair of such items shall be determined pursuant to paragraph 29 of the Declaration); and
- d. Any and all elements and facilities naturally in common use or necessary to the existence, upkeep and safety of the Project.

End of Exhibit "E"

EXHIBIT "F"
Nani O Kalalea Ranch
Description of Common Interests

Common Interests. The common interests appurtenant to each Apartment for all purposes, including voting in all matters, is twelve and one-half percent (12-1/2%).

End of Exhibit "F"

EXHIBIT "G"
Nani O Kalalea Ranch
Description of Limited Common Elements

Limited Common Elements. The limited common elements appurtenant to each Apartment consist of the portion of the Land surrounding that Apartment set aside for the exclusive use of that Apartment, as shown on the Condominium Map, as follows:

Apartment 1	17.314 acres
Apartment 2	16.272 acres
Apartment 3	13.908 acres
Apartment 4	5.663 acres
Apartment 5	2.000 acres
Apartment 6	1.868 acres
Apartment 7	2.144 acres
Apartment 8	40.064 acres

In addition, the Park Area, as shown on the Condominium Map, shall be a limited common element appurtenant to and for the exclusive use of Apartments 1, 2, 3, and 4.

Purchasers should note that the dotted line separating the respective Apartments on the Condominium Map is not intended to denote that the respective limited common elements are legally subdivided lots.

EXHIBIT "H"
Disclosure Abstract for Nani O Kalalea Ranch

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of Nani O Kalalea Ranch makes the following disclosures:

1. The Developers of the Project are:

Patrick A. Harrington
P. O. Box 1345
Hanalei, Kauai, Hawaii 96714
(808) 826-9655

Joseph Hanwright and Patricia Hanwright
P. O. Box 759
Anahola, Kauai, Hawaii 96703
(808) 828-0103
2. See Exhibit D to the Final Public Report for the projected maintenance fees. The Developers hereby certify that the estimates 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. Apartment numbers 5, 6, 7 and 8 are listed with Harrington Paradise Properties, Inc., whose address is P. O. Box 1345, Hanalei, Kauai, Hawaii 96714, telephone number (808) 826-9655.
6. There is no real estate broker for Apartment numbers 1, 2, 3 and 4. Apartment numbers 1, 2, 3 and 4 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 will be provided to all purchasers.
7. The undersigned Developers of NANI O KALALEA RANCH condominium project hereby certify that the enclosed estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles. The Developers have not conducted a

reserve study in accordance with Section 514A-83.6, H.R.S., and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in this Project.



PATRICK A. HARRINGTON
Dated: 11/16/99



JOSEPH HANWRIGHT
Dated: 11/12/99



PATRICIA HANWRIGHT
Dated: 11/12/99

“Developers”

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit D this ____ day of _____, _____.

“Purchaser”