

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: Patrick A. Harrington
 Business Address: P.O. Box 1345
Hanalei, Kauai, Hawaii 96714

Project Name(*): NANI O KALALEA RANCH
 Address: Allotment 24-E-2, Moloaa Hui Lands
Aliomanu, Kawaihau, Kauai, Hawaii

Registration No. 4316

Effective date: October 25, 2010
 Expiration date: November 25, 2011

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

SECOND SUPPLEMENTARY: (pink) This report updates information contained in the: _____
 Preliminary Public Report dated: _____
 Final Public Report dated: _____
 Supplementary Public Report dated: October 8, 2004

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 586-2643 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] 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.

[X] Changes made are as follows:

A Final Public Report was issued for this Project on February 9, 2000 and subsequent thereto the Developer sold the following units: Unit 1 (on 12/02/04 by Document No. 2004-243433); Unit 2 (on 2/11/00 by Document No. 00-019076); Unit 3 (on 2/11/04 by Document No. 00-19077); Unit 4 (on 5/6/00 by Document No. 02-77423); Unit 5 (on 5/12/00 by Document No. 00-065143); Unit 6 (on 5/5/00 by Document No. 00-061580); and Unit 7 (on 7/31/01 by Document No. 01-118316). Units 1, 2, 4, 6, 7 and 8 have all replaced the initial shed structure with residences. Developer Joseph and Patricia Hanwright have conveyed all units in which they had an ownership interest and are no longer associated with this Project. The remaining Developer, Patrick Harrington is the sole owner of the remaining unit (Unit 8) and submits this Second Supplementary Public Report to provide the necessary disclosures for this unit only.

Accordingly the Developer hereby amends the Final Public Report as follows:

1. Page 1 has been amended to delete reference to Joseph Hanwright and Patricia Hanwright as being Developers for the project;
2. Page 5 has been amended to also delete Joseph Hanwright and Patricia Hanwright as being Developers for the Project, reflect the current Real Estate Broker Unit 8; reflect Old Republic Title & Escrow as being the Escrow Company; to delete reference to a general contractor; and to disclose that William C. Byrns, Esq. is no longer associated with the Project and that Kuleana Development LLC is preparing the report pro se for the Developer;
3. Page 6 has been amended to disclose the recordation of a Third Amendment to the Declaration Condominium Map and the date the Condominium Map was amended;
4. Page 9 has been amended to reflect the issuance of separate Tax Map Key Numbrs for the Units;
5. Page 10 has been amended to delete reference to Joseph Hanwright and Patricia Hanwright as being Fee Owners of the project;
6. Page 11 has been amended to reflect that there are additional buildings on the project and Page 11a has been inserted to describe them;
7. Page 14 has been amended to reflect the issuance of a current Preliminary Title Report for the Project;
8. Page 15 has been amended to disclose the mortgage on Unit 8 only;
9. Page 16 has been amended to reflect the dates of construction for the improvements constructed on the Project;
10. Page 18 has been amended to reflect the execution of a current Escrow Agreement;
11. Page 20 has been amended to provide current disclosures for the project;
12. Exhibits A has been amended to list encumbrances against title for unit 8;
13. Exhibit B has been replaced with a current summary of the Escrow Agreement;
14. Exhibit C has been replaced with a current summary of the Purchase Contract;
15. Exhibit D has been replaced with a current Estimate of Monthly Maintenance Fees; and
16. Exhibit H has been replaced with a current Disclosure Abstract for Unit 8.

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

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information of Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Encumbrances Against Title	
EXHIBIT B: Summary of Escrow Agreement	
EXHIBIT C: Summary of Purchase Contract	
EXHIBIT D: Estimate of Initial Maintenance Fees (pg.1) and Estimate of Maintenance Fee Disbursements (pg.2)	
EXHIBIT E: Description of Common Elements	
EXHIBIT F: Description of Common Interests	
EXHIBIT G: Description of Limited Common Elements	
EXHIBIT H: Disclosure Abstract for Nani O Kalalea Ranch	
EXHIBIT I: Sample Farm Dwelling Agreement	

General Information On Condominiums

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

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common Elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Patrick A. Harrington Phone: (808) 823-9655
Name* (Business)

P.O. Box 1345
Hanalei, Kauai Hawaii 96714
Business Address

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

N/A

Real Estate Broker*: Harrington's Paradise Properties Phone: (808) 826-9655
Name (Business)

Business Address
P.O. Box 1345
Hanalei Hawaii 96714

Escrow: Old Republic Title and Escrow, Inc. Phone: (808) 821-6808
Name (Business)

4-356 G. Kuhio Highway
Kapaa, Hawaii 96746
Business Address

General Contractor*: N/A Phone: (Business)

Business Address

Condominium Managing Agent*: Self managed by the Association Phone: (Business)

Name
Business Address

Attorney for Developer: This Report was prepared Pro Se by Developer and his agent Phone: (808) 245-7212
Name (Business)

Kuleana Development, LLC
Business Address
4365 Kukui Grove St., Suite 103
Lihue, Kauai, 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:

<input type="checkbox"/> Proposed		
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances:	Document No.	<u>99-191802</u>
	Book	Page
<input type="checkbox"/> Filed - Land Court:	Document No.	_____

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

First Amendment to Declaration of Nani O Kalalea Ranch dated July 30, 2003, recorded as Document No. 2003-164432; Second Amendment to Declaration of Nani O Kalalea Ranch dated September 7, 2004, recorded as Document No. 2004-182555; and Third Amendment to Declaration of Nani O Kalalea Ranch dated September 10, 2010, recorded as Document No. 2010-138585.

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

The Condominium Map for this condominium project is:

<input type="checkbox"/> Proposed	
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances Condo Map No.	<u>3004</u>
<input type="checkbox"/> 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]:

Amended Condominium Map (dated August 23, 2002) recorded together with the above referenced Second Amendment; and Amended Condominium Map (dated April 1, 2009) recorded together with the above-referenced Third Amendment.

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

The Bylaws for this condominium are:

<input type="checkbox"/> Proposed		
<input checked="" type="checkbox"/> Recorded - Bureau of Conveyances:	Document No.	<u>99-191803</u>
	Book	Page
<input type="checkbox"/> Filed - Land Court:	Document No.	_____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	75%
Bylaws	67%	67%**
House Rules	-----	NA

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

**The statutory minimum percentage of common interests required to amend the Bylaws has been increased from 65% to 67% pursuant to the subsequent enactment of Hawaii Revised Statutes Chapter 514B, Part VI, Section 514B-101. Accordingly this Condominium project now requires 67% to amend the Bylaws and the management of the Project is now governed by Hawaii Revised Statutes Chapter 514B, Part VI.

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Sub-leaseholds:

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: Allotement 24-E-2 Moloaa Hui Lands Tax Map Key: (TMK): (4)4-009-005:0001 (Unit 1)
Aliomanu, Kawaihau, Kauai, Hawaii (4)4-009-005:0002 (Unit 2)
(4)4-009-005:0003 (Unit 3)
(4)4-009-005:0004 (Unit 4)
(4)4-009-005:0005 (Unit 5)
(4)4-009-005:0006 (Unit 6)
(4)4-009-005:0007 (Unit 7)
(4)4-009-005:0008 (Unit 8)

[X] Address [] TMK are expected to change because: each unit is entitled to a separate address

Land Area: 101.741 [] square feet [X] acre(s) Zoning: AG/Open

Fee Owner: Patrick A. Harrington (Unit 8)
 Name
P.O. Box 1345
Hanalei, 96714
 Business Address

Lessor: N/A
 Name

 Business Address

C. **Buildings and Other Improvements: (Unit 8 only)**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 3 Floors Per Building: 1
 Exhibit "B" contains further explanations.
3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other: shade structures constructed principally of metal and shade cloth
4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted by Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>6</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other: sheds	<u>2</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

5. Special Use Restrictions:

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

- Pets: _____
- Number of Occupants: _____
- Other: 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 property.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt.</u> <u>Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net</u> <u>Living Area (sf)*</u>	<u>Net</u> <u>Other Area (sf)</u>	<u>Identify</u>
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See page 11a

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

Permitted Alterations to Apartments: 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

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by Section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

6. Interior (fill in appropriate numbers): continued from prior page

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>Identify</u>
Unit 1	1	3/3	3,056	771 174 1,125	Lanais Shed Garage
Unit 2	1	4/4	2949	860 350 86	Garage Lanai & Out/shower Shed
Unit 3	1	0/0	0	16	Shed
Unit 4	1	3/3	1,124	1,067 936 80 119	Lanais Storage Entry Storage
Unit 5	1	0/0	0	16	Shed
Unit 6	1	3/4	2,690	966 129 84 34 746 58	Lanais Entry Balcony Porch Garage Shed
Unit 7	1	3/2	2,519	489 13 40 639 2,268	Lanais Entry Out/Shower Garage/Utility Garage
Unit 8	1	1/1	470	431 593 638 700 181 1,231 700	Lanai Garage Storage Well Barn Storage Garage Barn

Total number of Apartments: 8

Parking Stalls:

Total Parking Stalls: 16

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit) Guest		2					16
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:							16

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

Commercial parking garage permitted in condominium project.

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

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis court Trash Chute/Enclosure(s)

Other: _____

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

There are no violations. Violations will not be cured.

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

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

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	X		
Structures	X		
Lot	X		

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

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

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

D. Common Elements, Limited Common Elements, Common Interests:

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

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

described in Exhibit "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 on or your purchase and ownership of an apartment in the project.

Exhibit "E" describes the encumbrances against the title contained in the Preliminary Title Report dated August 2, 2010, and issued by Old Republic Title and Escrow of Hawaii.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

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

F. Construction Warranties:

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

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

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

The residence on Unit 1 was constructed in 2006
The residence on Unit 2 was constructed in 2006
The shed on Unit 3 was constructed in 1999;
The residence on Unit 4 was constructed in 2009
The shed on Unit 5 was constructed in 1999;
The residence on Unit 6 was constructed in 2001
The residence on Unit 7 was constructed in 2004
The guest house on Unit 8 was constructed in 2006

T

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):

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 September 17, 2010.
Exhibit "B" contains a summary of the pertinent provisions of the escrow agreement.
- Other: Specimen Apartment Deed

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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

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

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

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

This Public Report is a part of Registration No. 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 waste water 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. **Agricultural Farm Dwelling Disclosure.** This Project is located in a State Land Use Agricultural District and pursuant to Chapter 205, Hawaii Revised Statutes and the units must be occupied and used only for agricultural uses and, where permitted, as private residential dwellings by the respective owners thereof, their families, domestic servants, personal guests and tenants, and for no other purposes. Residential uses currently require execution of a Farm Dwelling Agreement with the County of Kauai, as contemplated by Hawaii state law regarding use of agricultural lands for residential purposes and requires that the family occupying a residence on agricultural land derive income from farming activities conducted on the land. A sample Farm Dwelling Agreement is attached hereto as Exhibit "I".
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.
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 element. The County of Kauai Planning Department has advised that, in order to process the necessary permits to construct 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 condominium documents, 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. 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 land use and zoning changes or insufficient utility capacities may thwart their expectations.

5. As disclosed herein in Section 1, Unit 8 is listed with Harrington's Paradise Properties, Inc., and pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules (HAR) prospective purchasers are hereby advised that Developer/Owner, Patrick A. Harrington RB13598, is a current and active Hawaii-licensed real estate broker. Further, Patrick A. Harrington, is the principal Broker for Harrington's Paradise Properties, Inc., RB 14995, the project broker. Pursuant to section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner,' 'For Lease by Owner,' or 'For Exchange by Owner.'"
6. **Dedicated to Agricultural Use.** Unit 8 has been dedication to agricultural use. Upon dedication of the land to agricultural use, the owner forfeits the right to change the use of the land to a use other than the approved agricultural use for a period of 10 years. Failure to observe the restriction on the use of the land shall cancel the dedication and special tax assessment privileges retroactive to the date of the dedication. Said dedication was effective as of January 1, 2002 and will expire on January 1, 2012.

Additional Information Not Covered Above (Cont.):

The Project is currently subject to foreclosure proceedings as disclosed in Exhibit "A" paragraph 20 attached hereto. Developer intends to sell the Project prior to the conclusion of the foreclosure proceedings, in which case all mortgages, legal fees and costs being foreclosed will be paid in full at the time of closing and will no longer encumber the property. Additionally Developer will also pay in full at the time of closing any and all real property taxes in default (if any) and any and all liens held by the Association of Apartment Owners assessed against this property prior to the execution of the Purchase Contract.

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

 PATRICK A. HARRINGTON
 Printed Name of Developer

By:  _____
 Duly Authorized Signatory

 9-13-10
 Date

 PATRICK A. HARRINGTON, Developer
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, COUNTY OF KAUAI _____

Planning Department, COUNTY OF KAUAI _____

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

8. WAIVER AND RELEASE

Executed By : PATRICIA A. HARRINGTON, unmarried and JOSEPH HANWRIGHT and PATRICIA HANWRIGHT, husband and wife

And Between : COUNTY OF KAUAI by for the Department of Water and Board of Water Supply

On the Terms, covenants and conditions contained therein,

Dated : October 12, 1999

Recorded : October 13, 1999 in the Bureau of Conveyances State of Hawaii, as Document No. 99-164417

9. Condominium Map No. 3004, as amended, filed with the Bureau of Conveyances, State of Hawaii.

10. Matters in an instrument that, among other things, contain or provide for easements, assessments, liens and their subordination, provisions relating to partition, restrictions on severability, of component interest, covenants, conditions and restrictions, provision that no violation thereof and no enforcement of and lien provided for therein shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value, but omitting and covenants or restrictions if any, based upon race color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Entitled : Declaration of Condominium Property Regime

Recorded : December 3, 1999 in the Bureau of Conveyances, State of Hawaii, as Document No. 99-191805

Said Declaration was amended by the following instruments:

DATED:	RECORDED:	DOCUMENT NO.:
July 20, 2003	August 7, 2003	2003-164432
September 3, 2004	September 7, 2004	2004-182555
September 10, 2010	September 20, 2010	2010-138585

Liens and charges for upkeep and maintenance as provided in the above mentioned Covenants, Conditions and Restrictions, if any, where no notice thereof appears on record.

For information regarding the current status of said liens and/or assessments Contact:
ASSOCIATION OF APARTMENT OWNERS OF NANI O KALALEA RANCH

11. Bylaws of the Association of Apartment Owners of NANI O KALALEA RANCH, recorded December 3, 1999 in the Bureau of Conveyances State of Hawaii as Document No. 99-191803.

12. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following:

Instrument : GRANT OF EASEMENT
Granted To : NICHOLAS T. WILKE, Trustee under that certain unrecorded declaration of trust known as the Nicholas T. Wilke Trust dated February 7, 2007 and DANA L. WILKE, Trustee under that certain unrecorded declaration of trust known as the Dana L. Wilke Trust dated February 7, 2007
Dated : April 11, 2008
Recorded : May 29, 2008 in the Bureau of Conveyances, State of Hawaii, as Document No. 2008086529
Affects : This Easement benefits only Unit of 2 KUAEHU POINT ESTATES CONDOMINIUM" and burdens only Unit 5 of the NANI O KALALEA RANCH" Condominium

AFFIDAVIT RE PURPORTED GRANT OF EASEMENT "1"

Recorded : January 21, 2009, in the Bureau of Conveyances of the State of Hawaii, as Document No. 2009-007379

13. Terms, provisions and conditions as contained in the Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.

14. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in the Apartment Deed, and/or as delineated on said Condominium Map.

15. NOTICE OF DEDICATION

DATED : December 18, 2001, effective as of January 1, 2002
RECORDED : December 28, 2001 in the Bureau of Conveyances, State of Hawaii as Document No. 2001-204780
BY : PATRICK A. HARRINGTON
RE : Dedication of land for agricultural purposes
PERIOD : 10 years

16. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents,,

Amount : \$515,000.00
Mortgagor : PATRICK A. HARRINGTON, unmarried
Mortgagee : FINANCE FACTORS, LIMITED, a Hawaii corporation
Dated : December 26, 2006
Recorded : December 29, 2006 in the Bureau of Conveyances, State of Hawaii, as Document No. 2006238706

The mortgagee's interest under said mortgage was assigned to KURT BOSSHARD, Trustee, The Kurt Bosshard Trust dated September 9, 1999, by instrument,

Dated : March 25, 2010
Recorded : March 31, 2010 in the Bureau of Conveyances, State of Hawaii, as Document No 2010043123

Old Republic Title and Escrow of Hawaii, Ltd. will require that a properly executed and valid Release of the Mortgage shown herein as exception no. 16 be recorded prior to or concurrently with any documents pertaining to the sale or mortgage of the property described herein unless said Mortgage is intended to be assumed.

17. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents.

Amount : \$515,000.00
Mortgagor : PATRICK A. HARRINGTON, unmarried
Mortgagee : ED BENDOR, Trustee for M. Ben-dor Diamonds, Inc. Pension Plan and Trust
Dated : December 28, 2006
Recorded : January 3, 2007 in the Bureau of Conveyances, State of Hawaii, as Document No. 2007000579

The mortgagee's interest under said mortgage was assigned to KURT BOSSHARD, Trustee The Kurt Bosshard Trust dated September 9, 1999, by instrument, **■**

Dated : April 7, 2010
Recorded : April 19, 2010 in the Bureau of Conveyances, State of Hawaii, as Document No. 2010053001

Old Republic Title and Escrow of Hawaii, Ltd. will require that a properly executed and valid Release of the Mortgage shown herein as exception no. 17 be recorded prior to or concurrently with any documents pertaining to the sale or mortgage of the property described herein unless said Mortgage is intended to be assumed.

18. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents.

Amount : \$270,000.00
Mortgagor : PATRICK A. HARRINGTON, unmarried
Mortgagee : KURT BOSSHARD, married
Recorded : October 11, 2007 in the Bureau of Conveyances, State of Hawaii, as Document No. 2007480011

Old Republic Title and Escrow of Hawaii, Ltd. will require that a properly executed and valid Release of the Mortgage shown herein as exception no. 18 be recorded prior to or concurrently with any documents pertaining to the sale or mortgage of the property described herein unless said Mortgage is intended to be assumed.

19. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents.

Amount : \$150,000.00
Mortgagor : PATRICK A. HARRINGTON, unmarried
Mortgagee : ABB INVESTMENT LLC, a Hawaii limited liability company
Dated : November 25, 2008
Recorded : November 28, 2008 in the Bureau of Conveyances, State of Hawaii, as Document No. 2008480487

Old Republic Title and Escrow of Hawaii, Ltd. will require that a properly executed and valid Release of the Mortgage shown herein as exception no. 19 be recorded prior to or concurrently with any documents pertaining to the sale or mortgage of the property described herein unless said Mortgage is intended to be assumed.

20. Action as follows:

Plaintiff : KURT BOSSHARD, Trustee of the unrecorded Kurt Bosshard Trust,
dated September 9, 1999
Defendant : PATRICK A. HARRINGTON, ABB INVESTMENT LLC, a Hawaii
limited liability company, WALLACE G. REZENTES, JR., in his official
capacity as Director of Finance, COUNTY OF KAUAI,
ASSOCIATION OF APARTMENT OWNERS OF "NANI O
KALALEA RANCH" CONDOMINIUM; JOHN DOES 1-10
Circuit Court : Fifth Circuit
Case No. : 10-1-0158
Commenced : July 12, 2010
Purpose : Foreclosure of mortgages

As Disclosed by or Notice of Which is

Recorded : July 16, 2010 in the Bureau of Conveyances, State of Hawaii as
Document No. 2010-101240

END OF EXHIBIT "A"

EXHIBIT "B"

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between OLD REPUBLIC TITLE AND ESCROW, INC. (the "Escrow"), and Patrick A. Harrington (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 unit, 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) the Real Estate Commission has not issued a Public Report on the project or the requirements of the sales contract have not been met; or (b) 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, or if there is a right of cancellation under the sales contract. 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, up to a maximum of \$250.00, except in the case of a rescission, where there is no cancellation fee.
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 unit for which an unit 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.
7. In the event of default by the Buyer, Buyer may forfeit his or her deposit, which will be paid to the Seller, less any cancellation fees charged by Escrow.

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

EXHIBIT "C"

SUMMARY OF PORTIONS OF THE PURCHASE CONTRACT AND ADDENDUM

This Project includes an Addendum to the Purchase Contract (the "Addendum") to be utilized in conjunction with a standard printed form Purchase Contract provided by the Hawaii Association of Realtors. The Purchase Contract contains the price and other terms and conditions which a purchaser will agree to buy a unit in the Project. The Addendum protects the rights of the Purchasers and the handling of the funds under the Condominium Property Act (the "Act"), as well as the insuring compliance with the Act by all parties. Relevant portions of the Purchase Contract and Addendum are summarized as follows:

1. The fact that the Act controls over any portion of a contract to sell a condominium unit.
2. That an effective date for a Developer's Public Report must be in place and a receipt for the same signed by the buyer.
3. That all purchaser funds must be held in escrow until the law allows closing and disbursement of the funds.
The conditions precedent to release of the funds are enumerated, including in part:
 - (a) That Purchaser will receive a copy of the Developer's Public Report for the project.
 - (b) Purchaser agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow agreement, and Purchaser is subject to all of the terms of the Escrow Agreement.
 - (c) If there is a dual agency by a single broker, it will be disclosed in the contract.
4. That interest on Buyer's deposits shall accrue to the Developer and not the Buyer.
5. In the event the Project includes the new construction or substantial remodeling of a premise, Hawaii law mandates that the Seller provide a specific notice to the Buyer in respect to filing lawsuits or other actions for defective construction against the contractor.

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

EXHIBIT "D"

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Unit</u>	<u>Bi-Annual Fee</u>	x	<u>2 payments</u>	=	<u>Yearly Total</u>
Units 1-8	\$190.63				\$381.26

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:

Bi-Annual Fee x 2 payments = Yearly Total

Utilities and Services		
Air Conditioning		
Electricity		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and units		
Elevator		
Gas		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and units		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building		
Grounds	\$120.00	\$240.00
Roadway		
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	\$ 70.63	\$141.26
Reserves(*)		
Taxes and Government Assessments		
Audit Fees		
Other		
<hr/> TOTAL	<hr/> \$190.63	<hr/> \$381.26

I, Patrick A. Harrington, the Developer, for the NANI O KALALEA RANCH 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

9/13/10
Date

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

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

EXHIBIT "E"

COMMON ELEMENTS OF THE PROJECT

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

The Units are located in the manner shown on the Condominium Map. Each Unit shall have access over the Project's roadway as 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 such as electricity, gas, water, sewer, telephone, radio and television signal distribution, irrigation and other utilities which serve more than one Unit (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"

COMMON INTERESTS OF THE PROJECT

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

End of Exhibit "F"

EXHIBIT "G"

LIMITED COMMON ELEMENTS OF THE PROJECT

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

Unit 1	17.314 acres
Unit 2	16.272 acres
Unit 3	13.908 acres
Unit 4	5.663 acres
Unit 5	2.000 acres
Unit 6	1.868 acres
Unit 7	2.144 acres
Unit 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 Units 1, 2, 3, and 4.

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

End of Exhibit "G"

EXHIBIT "H"

DISCLOSURE ABSTRACT

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

1. The Developer of the project is Patrick A. Harrington, whose mailing address is P.O. Box 1345, Hanalei, Hawaii 96714 and telephone number is (808) 823-9655.
2. See Exhibit "D" to the Final Public Report for the projected annual maintenance fees. The Developer hereby certifies that the estimations have been based on generally accepted accounting principles.
3. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "AS IS" condition
4. All of the units of the project are to be used for agricultural and permitted residential purposes only. No units shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by the County of Kauai Comprehensive Zoning Ordinance.
5. The Developer has listed Unit 8 for sale with Harrington's Paradise Properties, Inc., whose address is P.O. Box 1345, Hanalei, Hawaii 96714, and telephone number is (808) 826-9655.
6. The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in the Project.

Developer:


PATRICK A. HARRINGTON

Dated: Sept. 13, 2010

EXHIBIT "I"

FOR ILLUSTRATION ONLY

Return by Mail (X) Pickup () To:

County of Kauai
Planning Department
4444 Rice Street, Suite 473
Lihue, Kauai, Hawaii 96766

FARM DWELLING AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____, 20____, by and between

_____, whose residence and post office address is

_____,
hereinafter called the "APPLICANT(S)", and the COUNTY OF KAUAI, Planning Department, its business and mailing address being 4444 Rice street, Building A, Suite 473, Lihue, Hawaii 96766, hereinafter called the "DEPARTMENT".

W I T N E S S E T H:

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

WHEREAS, this document pertains only to Unit(s) _____ as shown in Exhibit "B" and made a part hereof; and

WHEREAS, that certain parcel of land is classified Agriculture by the State Land Use commission and is zoned Agriculture by the County of Kauai; and

WHEREAS, Chapter 205, Hawaii Revised Statues, and the state Land Use District Regulations only permit "farm dwellings" within the State Agriculture Land Use District unless otherwise relieved from the restriction by a special permit obtained pursuant to Chapter 205, Section 6, Hawaii Revised Statutes; and

WHEREAS, a "farm dwelling" is defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations as "a single family dwelling located on and used in connection with a farm where agricultural activity provides income to the family occupying the dwelling"; and

WHEREAS, the parcel identified by Tax Map Key No. (4) _____, is entitled to _____ residential units (and one guest house); and

WHEREAS, this Agreement is evidenced that _____ is entitled to one of these residential units; and

WHEREAS, a "family" as used in the definition of "farm dwelling" is defined by the State Land Use District Regulations as "an individual or two or more persons related by blood, marriage or adoption or a group comprising not more than five persons, not related by blood, marriage or by adoption"; and

WHEREAS, the APPLICANT(S) acknowledge that a violation of Chapter 205, Hawaii Revised Statutes, and the state Land Use District restriction is subject to a citation and fine of not more than \$5,000 pursuant to Chapter 205, Section 13, Hawaii Revised Statutes, as amended; and

WHEREAS, the APPLICANT(S) also acknowledge that failure to abide by this Agreement may result in the removal of the prohibited structure at the owner's expense; and

WHEREAS, the DEPARTMENT is charged with the enforcement of the restriction by Chapter 205, Hawaii Revised Statutes; and

WHEREAS, the APPLICANT(S) wish to construct a dwelling unit on that certain parcel of land describe in Exhibit A; and

WHEREAS, the APPLICANT(S) wish to execute this Farm Dwelling Agreement without first obtaining the signatures of all interest holders in the CPR;

NOW, THEREFORE, for and in consideration of the terms, covenants and conditions hereinafter contained, the parties hereby mutually agree as follows:

1. That the dwelling permitted to be constructed on the parcel of land described in Exhibit "A" classified Agriculture by the State Land Use Commission shall be a "farm dwelling" as defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District regulations, as recited herein; and

2. That the dwelling shall only be occupied by a "family", as defined by the State Land Use District regulations and as recited herein, who derive income from the agricultural activity on the parcel; and

3. That the APPLICANT(S) and all present and future owners, lessees and occupants of said land grant the DEPARTMENT the right of entry at the request of the DEPARTMENT to inspect the premises to assure compliance with the provisions of this Agreement; and

4. That this Agreement shall be a covenant running with the land and be binding on the APPLICANT(S), and all present and future owners, lessees and occupants of said land and anyone claiming under said APPLICANT(S), their heirs, executors, administrators, successors and assigns, as owners or occupants thereof or otherwise; and

5. That this Agreement shall remain in effect so long as the land retains its Agriculture District classification under the State Land Use Commission and the pertinent restrictive provisions of Chapter 205, Hawaii Revised Statutes, and the State Land Use District regulations remain in effect; and

6. That the APPLICANT(S) expressly set forth the provisions of this Agreement in any subsequent conveyance, deed, lease or rental agreement to said property executed by them, so as to give effect to said covenant; and

7. That this Agreement shall be recorded with the State of Hawaii Bureau of Conveyances, fees to be paid by the APPLICANT(S); and

8. The DEPARTMENT and APPLICANT(S) shall execute the Farm Dwelling Agreement; and

9. The APPLICANT(S), for themselves (himself, herself), their (his/her) heirs, administrators, successors and assigns, do hereby waive and release the DEPARTMENT and the County of Kauai, a political subdivision of the State of Hawaii, whose principle place of business is 4444 Rice Street, Suite 473, Lihue, Hawaii 96766, from all claims and causes of

action, either legal or equitable, which may hereafter accrue by reason of the DEPARTMENT'S execution of said Farm Dwelling Agreement; and

10. The APPLICANT(S) do(es) hereby promise to indemnify and hold the DEPARTMENT and the County of Kauai, its successors, assigns, offices, employees, agents, attorneys or any other person or legal entity connected with or legally responsible to them, harmless from any and all claims, actions, causes of action, lawsuits, demands or liability for damages of whatever kind and nature, arising out of the DEPARTMENT'S execution of said Farm Dwelling Agreement; and

11. This agreement shall be a covenant running with the portion of land described in Exhibit "A," and shall be binding on APPLICANT(S) and all present and future owners and occupants of said portion of land and any one claiming under APPLICANT(S), their successors and assigns, as owners or occupants thereof. The APPLICANT(S) further agree(s) to expressly set forth the provisions of this waiver and indemnity agreement in any subsequent conveyance, deed, lease, or rental agreement so as to give effect to said covenant.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the _____ day of _____, 20__.

APPROVED:

APPLICANT(S)

Planning Director

APPROVED AS TO FORM AND LEGALITY:

County Attorney

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

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

NOTARY PUBLIC, State of Hawaii

Print Name: _____

My commission expires: _____

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

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

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

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

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

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