CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer WEST WAIAKALUA PROPERTIES, LLC
Address P.O. BOX 528, ANAHOLA, HAWAII 96703

Project Name(*): 26 WEST WAIAKALUA
Address: LOT 26, KUHIO HIGHWAY, KILAUEA, HANALEI, KAUAI, HAWAII.

Registration No. 4433 Effective date: September 6, 2000
Expiration date: October 6, 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. 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 _____

X SUPPLEMENTARY: (pink) This report updates information contained in the:
[ ] Preliminary Public Report dated:
[X] Final Public Report dated: June 13, 2000
[ ] Supplementary Public Report dated: _____

And [X] 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.

FORM: RECO-30 286/986/189/1190/892/0197/1098

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

1. As provided in the Final Public Report and Declaration of Condominium Proper Regime, Section XXVIII, the subdivision of the real property of which this project was a part has been completed, changing the legal description of the land. Small adjustments in the area of the project and/or limited common elements have occurred in some projects. Changes, if any, are set forth in Exhibits "C" and "E" to this report. Also, see the Amended Condominium Map, Exhibit "A" to this Supplementary Public Report.

2. Project easements have been added or designated. See Article VII in the Second Amendment to the Declaration of Condominium Property Regime and Amended and Restated Second Amendment to the Declaration of Condominium Property Regimee, plus Exhibit "E".

3. The original subdivision covenants (Declaration of Covenants, Conditions and Restrictions) for this and all other West Waiakalua project were recorded, then an amendment was recorded allowing a smaller building setback where two adjoining owners agree to do so. The covenants, as amended, were then restated to clarify the impact of collection of subdivision expenses from individual units and the costs related to a county-required water company on Lots 23-30. Finally, the First Amendment to the Restated Declaration, concerning inadvertent omissions on setbacks was filed on August 8, 2000. See Exhibit "F" (Item #9). Each unit in this Project will belong to the water company. The professional estimate of the cost of operating the water company is less than $.50 per 1,000 gallons of water, but actual costs have not been determined. The water company has been formed.

4. Each Unit in the Project will be conveyed with a non-exclusive easement over the subdivision roadway, which will apply be effective until the road is dedicated as a public roadway for all units and the general public.

5. A right of entry for installation of utilities has been granted for the benefit of West Waiakalua Properties, LLC, the County of Kauai, the Board of Water Supply of the County of Kauai, Citizens Utilities Company and GTE Hawaiian Telephone Company Incorporated, the West Waiakalua Water Company and the owners of Lots 18 through 33 by the Declaration of Grant and Reservation of Easements for the West Waiakalua Subdivision dated June 23, 2000, recorded as Document No. 2000-089075. An Agreement to Incorporate Agricultural Restrictions Into Instruments of Conveyance, dated June 23, 2000, was later recorded as Document No. 2000-107418. Both documents are on file with the Commission and a copy of either or both will be provided to interested purchasers.

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EXHIBIT A:	Condominium Map and Limited Common Element Locations
EXHIBIT B:	Summary of Sales Contract
EXHIBIT C:	Schedule of Apartments and Common Interest
EXHIBIT D:	Summary of Portions of Escrow Agreement
EXHIBIT E:	Common Elements and Limited Common Elements of the Project
EXHIBIT F:	Encumbrances Against Title
EXHIBIT G:	Disclosure Abstract
EXHIBIT H:	Estimate of Initial Maintenance Fees and Disbursements
EXHIBIT I:	Summary of Covenants, Conditions and Restrictions
EXHIBIT J:	Memorandum from the County of Kauai Planning Department

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: WEST WAIAKALUA PROPERTIES, LLC
Name
P.O. Box 518
Business Address
Anahola, HI 96703

Phone: (808) 822-0518
(Business)

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):

Jeffrey S. Lindner, Memeber
WEST WAIAKALUA, LLC

Real Estate Broker: Michael M. Dyer, dba
Name
Kilauea Real Estate Company
Business Address P.O. Box 68
Kilauea, HI 96754

Phone: (808) 828-1705
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
4414 Kukui Grove, Suite 204
Business Address
Lihue, HI 96766

Phone: (808) 245-3381
(Business)

General Contractor: Edward S. Bittner, dba
Name
Bittner Construction
Business Address P.O. Box 456
Anahola, HI 96703

Phone: (808) 822-4053
(Business)

Condominium Managing Agent: Self-managed by the Association of Apartment Owners
Name

Business Address

Phone: _____
(Business)

Attorney for Developer: STEVEN R. LEE, ESQ
Name
4473 Pahe'e Street, Ste. L
Business Address
Lihue, Hawaii 96766

Phone: (808) 246-1101
(Business)

*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
[X] Recorded -Bureau of Conveyances: Document No. 2000-065560
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]: See attached Page 6a.

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
[X] Recorded -Bureau of Conveyances Condo Map No. 3092
[ ] 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]:

See attached Page 6a.

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
[X] Recorded -Bureau of Conveyances: Document No. 2000-065561
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: See attached Page 6a.

Declaration and Condominium Map:

First Amendment to Declaration of Condominium Property Regime of 26 West Waiakalua and Condominium Map No. 3092, dated June 23, 2000, recorded as Document No. 2000-089086.

Bylaws:

First Amendment to Bylaws to Bylaws of 20 West Waiakalua, 21 West Waiakalua, 23 West Waiakalua, 24 West Waiakalua, 25 West Waiakalua, 27 West Waiakalua, 28 West Waiakalua, 29 West Waiakalua, 30 West Waiakalua and 31 West Waiakalua, dated September 13, 1999, recorded as Document No. 99-176156.

Declaration and Bylaws:

Partial Release of Declarations of Condominium Property Regime and Bylaws, dated April 24, 2000, recorded as Document No. 2000-065562. Said Partial Release was amended by instruments dated August 8, 2000, recorded as Document No. 2000-109503 and dated August 9, 2000, recorded as Document No. 110135.

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: See * Below.

[ ] Proposed [X] Adopted [ ] Developer does not plan to adopt House Rules

See Exhibit "I" (Summary of Restated Covenants described below)

E. Changes to Condominium Documents

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	—	75%

* 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.

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

The Developer may alter any condominium documents prior to sale and shall obtain a supplementary report if any material changes are made.

* Said House Rules, also referred to as the Declaration of Covenants, Conditions and Restrictions for the West Waiakalua Subdivision, dated April 19, 2000, recorded as Document No. 2000-072815 were amended by instrument dated June 13, 2000, recorded as Document No. 2000-087533.

The Covenants, as amended, were further amended and restated by the Restated Declaration of Covenants, Conditions and Restrictions for the West Waiakalua Subdivision, dated July 7, 2000, recorded as Document No. 2000-105395.

Said Restated Declaration was amended by instrument dated August 7, 2000, recorded as Document No. 2000-109504.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[x] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

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

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

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

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

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: Lot 26, Kuhio Highway Kilauea, Hanalei, Kauai, Hawaii

Tax Map Key (TMK): (4) 5-1-5: 125

[X] Address [ ] TMK is expected to change because Each unit may obtain a street address from the Department of Public Works, County of Kauai.

Land Area: 6.216 [ ] square feet [X] acre(s) Zoning: Agriculture/Open

2/12/98

Fee Owner: WEST WAIAKALUA PROPERTIES, LLC
Name
P.O. Box 518
Address
Anahola, HI 96703

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building 1

[X] Exhibit "C" contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [ ] Wood

[X] Other Metal posts and shade cloth

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[ ] Residential	___	[] Yes [] No	[ ] Ohana	___	[] Yes [] No
[ ] Commercial	___	[] Yes [] No	[ ] Industrial	___	[] Yes [] No
[ ] Mix Res/Comm	___	[] Yes [] No	[X] Agricultural	___	[X] Yes [] No
[ ] Hotel	___	[] Yes [] No	[ ] Recreational	___	[] Yes [] No
[ ] Timeshare	___	[] Yes [] No	[X] Other: Shade shed	2	[X] Yes [] No

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

[X] Pets: Household pets may be kept consistent with any applicable law or restrictive covenants applicable to the project so long as they do not become a nuisance to the other owners.

[ ] Number of Occupants: _____

[X] Other: Amended and Restated Covenants, Conditions and Restrictions for the West Waiakalua Subdivision, a summary of which is attached hereto as Exhibit "I"

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Units A - B	2	0/0	-0-	20	Shade Structures

Total Number of Apartments: 2

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

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

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

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by County of Kauai zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime will be required to disclose actual improvements as a matter of public record.

7. Parking Stalls:

Total Parking Stalls: 2

	Regular Covered	Regular Open	Compact Covered	Compact Open	Tandem Covered	Tandem Open	TOTAL
Assigned (for each unit)		1					2
Guest							
Unassigned							
Extra for Purchase							
Other:	*Units A - B have ample space for parking within their limited common elements' land area						
Total Covered & Open:	2		0		0		2

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

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[X] 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.

[X] 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. [X] 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.

	Conforming	Non-Conforming	Illegal
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 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:

[X] 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.

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

[X] described in Exhibit "E".

[ ] as follows:

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

[X] described in Exhibit "C".

[ ] as follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit "F" describes the encumbrances against the title contained in the title report dated August 10, 2000 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

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

F. **Construction Warranties:**

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

1. Building and Other Improvements:

None

2. Appliances:

None

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

Construction of the units has not commenced. The estimated completion date for all shade structures is January 1, 2001. This applies to Units A-B. The Developer has provided an irrevocable stand-by letter of credit from Bank of Hawaii in favor of the State of Hawaii to guarantee completion of the structures prior to expiration of the stand-by letter of credit.

H. **Project Phases:**

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

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

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

B. **Estimate of Initial Maintenance Fees:**

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

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

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

DEVELOPER VERIFIES THE JUNE 2, 1999 BUDGET IN EXHIBIT "H" IS STILL VALID.

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:

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

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

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

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit "B" contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated April 21, 2000
Exhibit "D" contains a summary of the pertinent provisions of the escrow agreement.

[X] 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.

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
B) Declaration of Condominium Property Regime, as amended.
C) Bylaws of the Association of Apartment Owners, as amended.
D) House Rules, if any.
E) Condominium Map, as amended.
F) Escrow Agreement.
G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
H) Other See Page 19a

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

This Public Report is a part of Registration No. 4433 filed with the Real Estate Commission on May 30, 2000.

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

[ ] YELLOW paper stock [ ] WHITE paper stock [X] PINK paper stock [ ] GREEN paper stock

2/12/98

2(H). Amended and Restated Covenants, Conditions and Restrictions for the West Waiakalua Subdivision and amendment(s) hereto; Waiver and Release; Agreement to Release to Three-Way Power Installation; Articles of Incorporation for the West Waiakalua Water Company; Bylaws for the West Waiakalua Water Company; Right-of-Entry Agreement between West Waiakalua Properties, LLC and the Board of Water Supply, County of Kauai and the Agreement to Incorporate Agricultural Restrictions Into Instruments of Conveyance.

C. Additional Information Not Covered Above

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. To determine whether your expectations can be realized, you should carefully review the contents of this Report, especially Exhibit I, a summary of the recorded restrictive covenants for the subdivision within which this project is located. Among other things, the restrictive covenants govern land use, building type and materials, possession of animals, and cultivation of crops. You should also conduct your own investigations and ascertain the validity of information herein.

Except where residential use is prohibited by the Declaration, it is anticipated that the initial improvements on each unit will be replaced by or supplemented with a farm dwelling. The purchaser shall also, in such event, file the "as-built" certificate within thirty days of completion of the farm dwelling in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment of the Declaration of Condominium Property Regime ("Declaration") to describe the farm dwelling. The County of Kauai Planning Department requires, in order to process the necessary permits for the construction of a farm dwelling and the processing of a farm dwelling agreement, authorization from at least 75% of the legal and equitable ownership of the entire project, consistent with the Declaration and the Bylaws ("condominium documents"). In most cases a farm dwelling may not be constructed unless a unit owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval. Except as limited specifically by the condominium documents and subdivision restrictive covenants, all uses permitted in the agricultural and open zones (as applicable) are permitted. Uses in one zone are not the same as in the other, and the prospective purchaser should consult the appropriate county agency for information on uses and construction in the respective zones and Units in the Project.

A buyer should understand that all development and use of the property shall be in compliance with County codes and ordinances, that owners in this condominium project will not necessarily receive the same County benefits as owners of approved subdivided lots and that owners who develop their limited common element later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations.

Construction of the shade structures has not commenced. The Developer has provided an irrevocable stand-by letter of credit from Bank of Hawaii in favor of the State of Hawaii to guarantee completion of the most structures prior to expiration of the stand-by letter. Presently, there is no County-supplied, public or private water system serving this project. Until there is a water system, those desiring to construct improvements which utilize water will be required to use a catchment system.

The subdivision contemplated in the Final Public Report is complete, and residential construction and guest house rights have been established. Actual construction of residential units will await completion of the water improvements.

Potential purchasers are advised that domestic water service from County of Kauai water sources will not be available to this project until the required construction water delivery improvements for the West Waiakalua Subdivision is completed and accepted by the Board of Water Supply of the County of Kauai and/or the Department of Water of the County of Kauai.

Further, due to the high elevations within this property, a dependable supply of water cannot be assured. Affected property owners will be required to sign an elevation agreement with the Department of Water upon application for water service, agreeing to accept such water service as the Department of Water is able to render and agreeing to install and maintain suitable booster pumps and storage tanks, if necessary. The Department of Water will not allow any water meter to be located higher than an elevation of 400 feet above mean sea level at the boundary line of any lot in the West Waiakalua Subdivision.

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.

WEST WAIAKALUA PROPERTIES, LLC

Printed Name of Developer

By: Jeffrey S. Lindner
Duly Authorized Signatory

Date 9/23/00

JEFFREY S. LINDNER, MEMBER

Printed Name & Title of Person Signing Above

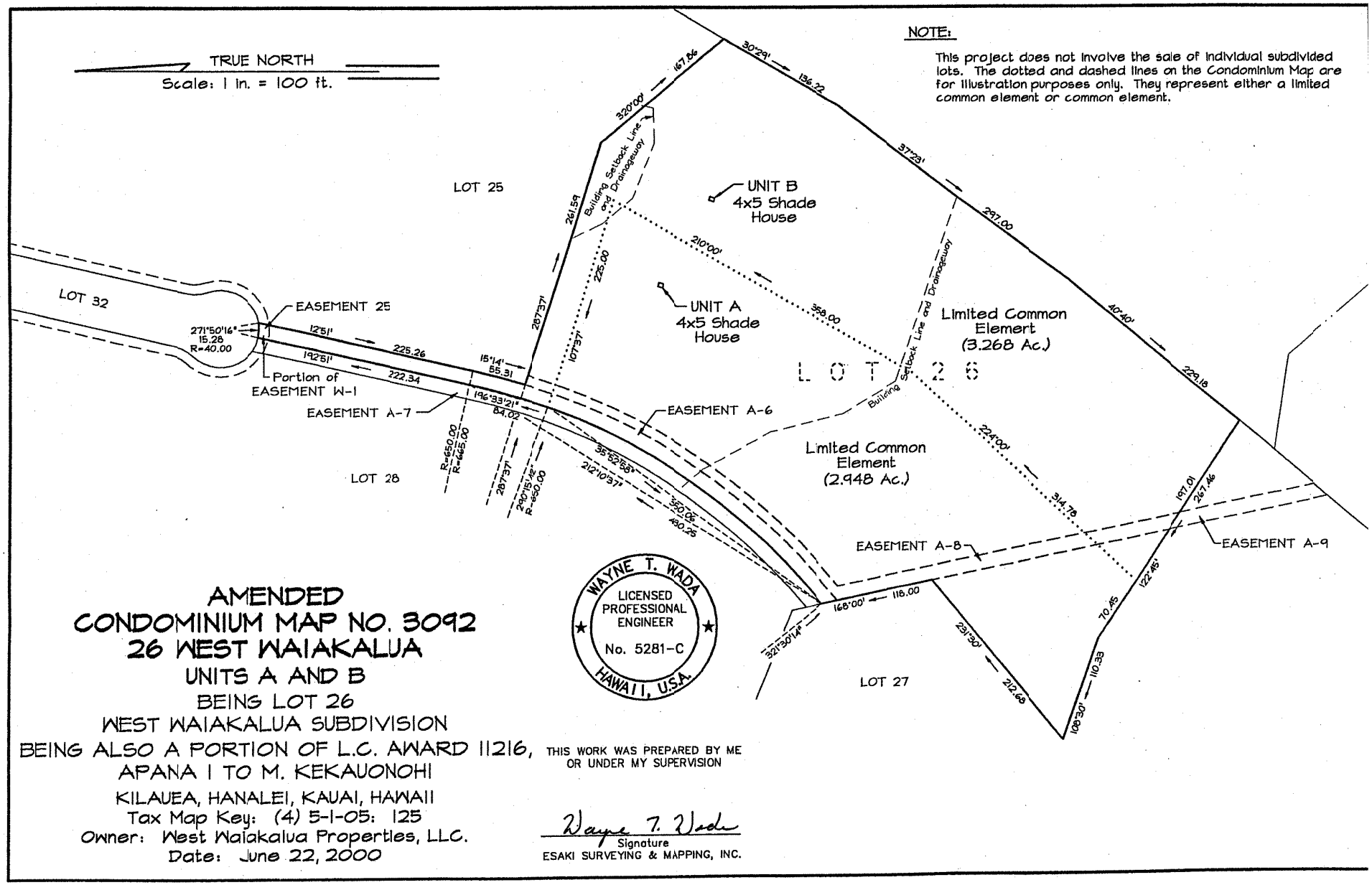
Distribution:

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.

10/98

EXHIBIT "A"



AMENDED CONDOMINIUM MAP NO. 3092
26 WEST WAIAKALUA
UNITS A AND B

BEING LOT 26
WEST WAIAKALUA SUBDIVISION
BEING ALSO A PORTION OF L.C. AWARD 11216, APANA 1 TO M. KEKAUONOHI
KILAUEA, HANALEI, KAUAI, HAWAII
Tax Map Key: (4) 5-1-05: 125
Owner: West Waiakalua Properties, LLC.
Date: June 22, 2000

THIS WORK WAS PREPARED BY ME OR UNDER MY SUPERVISION

Wayne T. Wada
Signature
ESAKI SURVEYING & MAPPING, INC.

EXHIBIT B

SUMMARY OF SALES CONTRACT

The 26 WEST WAIAKALUA Sales Contract and Receipt (the "contract"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. The method of payment of the purchase price to the escrow agent, subject to other terms.

2. The closing date for the purchase.

3. Whether, at the time of execution of the contract, an effective date for a final public report has been issued.

4. The terms and conditions of the sale which include, among other provisions, the following:

(a) That Purchaser will receive a copy of the final public report for the project.

(b) Purchaser agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow Agreement, and Purchaser is subject to all of the terms of the Escrow Agreement.

(c) Seller has a right to extend the closing date by 31 days or by 31 days after the public report effective date is issued, whichever is later.

(d) After issuance of the Final Public Report effective date and Buyer's waiver of its right to cancel under Hawaii Revised Statutes Section 514A-62, Purchaser shall not have the right to rescind the contract.

(e) Purchaser has received a copy of the Escrow Agreement.

(f) The unit the Purchaser is purchasing is shown on the condominium map; Purchaser will have the right to cancel if the Unit is different from that shown on Exhibit A.

(g) That a deed conveying clear title will be given at closing, subject to certain obligations.

(h) The Purchaser agrees to give future easements if reasonably required for the project.

(i) Except for unexpired builder's statutory warranties and assignable appliance warranties, the Purchaser will accept the Unit "AS-IS". Purchaser assumes all risks regarding any potential hazardous materials on the condo property or property adjoining or in the vicinity, including liability for suits by third parties. Seller is, however, unaware of any such conditions on the property.

(j) The payment of commissions, if any, is set out in the contract.

(k) Time is of the essence of the obligations of Purchaser under the contract.

(l) If Purchaser has defaults, Seller may cancel the contract or bring legal action against Purchaser to force sale, or obtain money damages.

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

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	% of Common Int.
1	A	2.948	0	0	20	50%
1	B	3.268	0	0	20	50%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Each of the 2 units will burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 50% for each unit.

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use the unit, alter or add to it in any manner deemed desirable, so long as it is permitted by law and the Declaration of Protective Covenants and House Rules, if any. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime together with their respective signatures.

***Note: Land areas referenced herein are <u>not</u> legally subdivided lots.**

END OF EXHIBIT C

EXHIBIT D

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. (the "Escrow"), and WEST WAIAKALUA, LLC, a Hawaii limited liability company (the "Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will be deposited in an account for the project. Interest on all funds will be paid to Seller.

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

4. Escrow will return deposited sums to the Buyer without interest if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than $25.00.

5. 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.

6. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

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

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

END OF EXHIBIT D

EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

(a) the land in fee simple;

(b) the roadway easement serving the Project, which will become a public right-of-way or street, upon acceptance by the County of Kauai;

(c) the right, in common with other subdivided lots in the subdivision of which this Project is a part, to use a future irrigation system for the distribution of agricultural water. At the present time there is no such system, although easements have been established for the purposes of utilizing such a system. In the event the system is created, each unit will have, according to its common interest, the obligation to participate in and pay for the construction of such a system, whether or not it is utilized by the individual unit;

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

(e) any and all other future elements and facilities in common use or necessary to the Project.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, referred to as the "limited common elements," have been designated and set aside for the exclusive use of one or more units, and such unit(s) have appurtenant exclusive easements for the use of such limited common elements. The limited common elements set aside, reserved and deemed a limited common element appurtenant to and for the exclusive use of each respective unit is that certain land area upon and around which Units A, B and C are located, shown and designated on the Condominium Map and the table below.

Unit Number	Area of Limited Common Element*
A	2.948 acres
B	3.268 acres

Easements 17 - 32 for irrigation purposes.

Easements A-7 and A-9 for access and utility purposes

Easements D-1, D-2 and D-3 for drainage purposes

Easement W-1 for waterline purposes

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

END OF EXHIBIT "E"

EXHIBIT F
26 WEST WAIAKALUA
ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes. Check with the County of Kauai, Department of Finance, Real Property Tax Division, for detailed information.

2. Flood lines as shown on the West Waiakalua Subdivision Map dated June 9, 2000. There shall be no new structures permitted within the floodway; new structures shall be setback from the floodway line. Obstructing the flow of drainage within the Building Setback and Drainageway Line is prohibited. See Item #9.

3. Easements 25, A-6, A-8 and W-1 as set forth in that certain Declaration of Grant and Reservation of Easements for the West Waiakalua Subdivision dated June 23, 2000 and recorded as Document No. 2000-089075.

   Said Declaration was amended by instrument dated August 8, 2000, recorded as Document No. 2000-109502.

4. Free flowage of Wailapa Stream as shown on tax maps.

5. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.

6. WAIVER AND RELEASE

   DATED : January 22, 1999
   RECORDED : Document No. 99-011984
   BY : JEFFREY S. LINDNER
   WITH : BUILDING DIVISION OF THE DEPARTMENT OF PUBLIC WORKS OF THE COUNTY OF KAUAI
   RE : building permit for construction on property with no County-supplied water service of any kind existing and acknowledging that none ever exist at the location

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

   INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "26 WEST WAIAKALUA" CONDOMINIUM PROJECT
   DATED : April 24, 2000
   RECORDED : Document No. 2000-065560
   MAP : Condominium Map No. 3092

   Said instrument was amended by that certain FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "26 WEST WAIAKALUA" CONDOMINIUM, dated June 23, 2000, and recorded as Document No. 2000-089086.

Partial Release of Declarations of Condominium Property Regime and Bylaws dated April 24, 2000, recorded as Document No. 2000-065562.

Said Declaration was amended by instrument dated August 8, 2000, recorded as Document No. 2000-109503 (Second Amendment), and dated August 9, 2000, recorded as Document No. 110135 (Amended and Restated Second Amendment).

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

INSTRUMENT: BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS
DATED : April 24, 2000
RECORDED : Document No. 2000-065561

Partial Release of Declarations of Condominium Property Regime and Bylaws dated April 24, 2000, recorded as Document No. 2000-065562.

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

INSTRUMENT: RESTATED DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE WEST WAIAKALUA SUBDIVISION.
DATED : July 7, 2000
DOCUMENT : Document No. 2000-105395

The foregoing Restated Declaration restates the original Declaration dated April 19, 2000, recorded as Document No. 2000-072815, and any amendments thereto.

Said Declaration was amended by instrument dated August 7, 2000 recorded as Document No. 2000-109504.

(A) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: BYLAWS OF THE WEST WAIAKALUA WATER COMPANY (UNRECORDED)
DATED : July 31, 2000

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

INSTRUMENT: AGREEMENT TO RELEASE RIGHTS TO THREE-PHASE POWER INSTALLATION
DATED : April 19, 2000
RECORDED : Document No. 2000-092116
PARTIES : WEST WAIAKALUA PROPERTIES, LLC, a Hawaii Limited liability company, and CITIZENS UTILITIES COMPANY, a Delaware corporation

11. Setback line as shown on Subdivision Map prepared by Wayne T. Wada, Licensed Professional Land Surveyor with Esaki Surveying and Mapping, Inc., dated June 9, 2000.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Agreement to Incorporate Agricultural Restrictions Into Instruments of Conveyance dated June 23, 2000, recorded as Document No. 2000-107418.

13. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Right-of-Entry Agreement in favor of the Board of Water Supply, County of Kauai, acknowledged June 13, 2000, recorded as Document No. 2000-103003.

14. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : VICTOR V. PEDONE, husband of Michelle Pedone

MORTGAGEE : PAUL R. CASSIDAY and JAMES H. PFLUEGER, Trustees under the Will and the Estate of Mary N. Lucas, deceased.

DATED : June 15, 1987
RECORDED : Liber 21693, Page 638
AMOUNT : $760,000.00 - covers the land described herein, besides other land

By ASSUMPTION AGREEMENT, dated April 6, 1998, recorded as Document No. 98-052835, JEFFREY S. LINDNER assumes all the obligation under the foregoing Mortgage.

END OF EXHIBIT "F"

EXHIBIT G

AMENDED DISCLOSURE ABSTRACT FOR
26 WEST WAIAKALUA

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of 26 WEST WAIAKALUA makes the following disclosures:

1. The Developer of the project is WEST WAIAKALUA PROPERTIES, LLC, P.O. Box 518, Anahola, HI, 96703.

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

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

4. All of the apartments of the project are to be used for agricultural purposes only and permitted residential use within the agricultural zone. No unit will be used for hotel use; these are condominium units in which residential use is permitted, but hotel use is not. No commercial uses except as permitted by Kauai County ordinances are allowed.

5. The broker for the project is Michael R. Dyer, dba Kilauea Real Estate Company, whose address is P.O. Box 68, Kilauea, HI 96754; his telephone number is (808) 828-1705.

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

7. Since issuance of the Final Public Report for this Project, the subdivision of the underlying property has been completed, and a Supplementary Public Report has been filed with the State of Hawaii, reflecting changes in the legal description of the Project and in one or more easements and limited common elements in some of the projects in the West Waiakalua Subdivision.

Fee Owner and Developer:

WEST WAIAKALUA PROPERTIES, LLC

Date: June 23, 2000

By: Jeffrey S. Lindner,
Member

RECEIPT

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

Purchaser(s): _____ _____

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months =	Yearly Total
A and B	$ 35	$ 420

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

Estimate of Maintenance Fee Disbursements:	Monthly x 12 months =	Yearly Total
Utilities and Service		
Air Conditioning		
Electricity		
[ ] common elements only		
[ ] common elements and apartments		
Elevator		
Gas		
[ ] common elements only		
[ ] common elements and apartments		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building		
Grounds		
Road Maintenance	$ ---	$ ---
Management		
Management Fee	$ ---	$ ---
Payroll and Payroll Taxes		
Office Expenses		
Insurance+	$ 70	$ 840
+ Applies only if group insurance option is used		
Reserves (*)		
Irrigation Water System	$ ---	$ ---
Taxes and Government Assessments		
Audit Fees		
Other		
TOTAL	$ 70	$ 840

WEST WAIAKALUA PROPERTIES, LLC, a Hawaii limited liability company, DEVELOPER of the condominium project 26 WEST WAIAKALUA, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

WEST WAIAKALUA PROPERTIES, LLC

By: JEFFREY S. LINDNER
Member

4-21-2000
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 Section 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

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

EXHIBIT I

SUMMARY OF AMENDED AND RESTATED COVENANTS, CONDITIONS AND RESTRICTIONS FOR THE WEST WAIAKALUA SUBDIVISION

This is a summary of the Amended and Restated Declaration of Covenants, Conditions and Restrictions ("House Rules") for the condominium Project, as amended by document dated August 7, 2000. This is not meant to completely recite the actual provisions of the House Rules, nor to cover every issue in which a purchaser might have interest. The prospective purchaser is urged to obtain a full copy of the House Rules from the condominium Developer prior to entering into an agreement to purchase a unit in this Project.

Building Permits. Any owner desiring to construct improvements on a unit will have to comply with County of Kauai building and zoning codes, plus subdivision Design Guidelines and building design approval procedures.

Construction/Design Review. There are specific limitations on materials, siting and many other considerations in erecting structures on the Project within the West Waiakalua Subdivision.

Water and Utilities. Each unit owner will be required to connect water, electricity and telephone to his/her improvements at his/her own cost and expense. There are water restrictions on certain lots, and limited water resources. At issuance of the public reports for the Project, water service is not available. A water company is required for most of the lots in the Subdivision.

Farming. Units in the Project must engage in agricultural activity as a condition precedent to the ability to build or occupy a "Farm Dwelling."

Construction. There are various types of materials and designs that are prohibited within the West Waiakalua subdivision which control over any Project documents of record. Actions that cause erosion or alteration of water flow are prohibited. Setbacks are established in relation to side, front and rear boundaries of all subdivided lots, including the lot(s) constituting this Project. Minimum size of residential construction is regulated. Signs are restricted.

Pets and Farm Animals/Noise in General. There are restrictions on types and numbers of animals as well as the levels of noise, odor and dust permissible within the Project and the West Waiakalua Subdivision.

Common Area Land. The Association shall determine and control the common area land, if any.

Noxious Activities. There are restrictions regarding the spraying of chemicals and pesticides.

Repeal or Modification. The Covenants and Design Committee Rules and House Rules may be modified by an affirmative vote of the owners of 75% of the lots of the subdivision. Each lot will be determined by the owners of 75% of the common interests in the project located on the lot(s) of each Project.

Arbitration. Disputes concerning any unit owner, the Association, its Board, Managing Agent or the condominium documents shall be submitted to arbitration.

Setbacks and Exceptions. Setbacks for buildings and fencing are established. Provisions for limited waivers of such provisions ("Setback Agreements") between owners of contiguous units or lots are set forth. Fencing setback limitations vary between larger and smaller animals.

Miscellaneous. Multiple additional provisions are included. They contain, among other things, rights to enforce the covenants by the developer, the County of Kauai and any lot (condominium association) concerned with violations, the effects of dedication of land to public or similar entities, liability issues, assignability of obligations and rights, amendment of provisions, construction of terms used in the document, the effect of judicial or arbitration cancellation of any provision of the covenants, etcetera.

END OF EXHIBIT I

EXHIBIT "J"

COPY

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

M E M O R A N D U M

DATE: June 7, 2000

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

FROM: Dee M. Crowell, Planning Director

Subject: Certification of Existing Buildings for

PROJECT NAME: 26 WEST WAIAKALUA CONDOMINIUM
TAX MAP KEY: (4) 5-1-05:03 Lot 26

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

a. The developer has contracted engineer Wayne T. Wada who certifies that the existing buildings on the proposed project referred to as 26 West Waiakalua Condominium, Units A and B are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by this department.

b. There were no variances approved for the subject property.

c. The parcel does not contain any outstanding legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

d. The number of units proposed corresponds to that required by the Kauai Comprehensive Zoning Ordinance.

e. The units proposed is currently situated in the agriculture district.

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

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

cc: Steven R. Lee