

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer RICHARD M. CAMARA, JR.
Address 537 Marengo Avenue
Forest Park, IL 60130
Project Name (\*): PUUWAI ESTATES
Address: Lots 4 and 5, Part of a Subdivision of Lot 89
Kalaheo Homesteads, First Series, Kalaheo, Kauai, Hawaii
Registration No. 4688
Effective date: September 4, 2002
Expiration date: October 4, 2003

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.
X FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] No prior reports have been issued.
[ ] This report supersedes all prior public reports.
[ ] This report must be read together with
SUPPLEMENTARY: (pink) This report updates information contained in the:
[ ] Preliminary Public Report dated:
[ ] Final Public Report dated:
[ ] Supplementary Public Report dated:
And [ ] Supersedes all prior public reports.
[ ] Must be read together with
[ ] This report reactivates the public report(s) which expired on

(\* ) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report [ ] Not Required - Disclosures covered in this report  
As Exhibit "G"

Summary of Changes from Earlier Public Reports:

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

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL NOTICE:

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL DWELLING UNITS OR OTHER STRUCTURES WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. PRIOR TO PURCHASE, THE PROSPECTIVE PURCHASER IS ADVISED TO REVIEW THIS CONDOMINIUM PROJECT WITH THE RESPECTIVE KAUAI COUNTY PLANNING OFFICES TO RECEIVE THE MOST RECENT DIRECTIVES CONCERNING DEVELOPMENT, REPLACEMENT, EXPANSION OR CONSTRUCTION OF ANY TYPE OF STRUCTURE FOR THIS CONDOMINIUM PROJECT IN THE FUTURE. THERE ARE FOUR SHADE STRUCTURES ON THE PROPERTY AT THIS TIME.

1. There are presently NO RESIDENTIAL STRUCTURES on the Units in the Project. Two of the units are what is known as Additional Dwelling Units ("ADU") under Kauai County zoning regulations. The shade structures on the units each qualify as an "apartment" under the condominium property act. See paragraph six on the next page for further information on ADU's.
2. Issuance of an effective date for this Public Report does not constitute an approval of the project by the Real Estate Commission, or any other governmental agency, nor does it imply that all County codes, ordinances and subdivision requirements have been complied with.
3. This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit, as shown on the Condominium Map, is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Condominium Map merely represent the location of the limited common element assigned to each unit.
4. Facilities and improvements normally associated with County approved subdivisions, such as improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior driveways.

5. The existing legal access to the Project is currently unpaved, but is suitable for vehicular and pedestrian access. Improvement to vehicular access will be a common expense of the project, when and if the owners determine that it will be appropriate to do so. Developer advises the roadway will remain unpaved until Association action to the contrary.
6. A "residence" or "farm dwelling" may be constructed by the first owner to build on each of the two underlying subdivided lots in the Project. The second to build will do so under the County of Kauai ordinance regarding the residential improvement known as an "Additional Dwelling Unit" ("ADU"). See Article XXV of the Project declaration for more detail. The right to build the additional dwelling on each lot (one ADU on each lot) unit may expire if a building permit is not obtained on or before December 31, 2006.
7. The Project is served by two water meters, one for each subdivided lot in the Project. The water meters provide access to public domestic water from the Kauai Department of Water. Water expenses will be the separate obligation of the two units in each lot and will be fairly shared, and not common expenses. If an owner feels that the division of water charges is unfair, then a private submeter or new water meter will be installed at the joint and equal expense of the two units in the affected lot. Purchasers should contact the County of Kauai Department of Water and/or Planning Department to verify that Purchaser's expectations may be met as to water and all other issues.

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

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## **General Information On Condominiums**

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

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

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

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

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

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

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

## **Operation of the Condominium Project**

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: RICHARD M. CAMARA, JR. Phone: (312) 641-1800  
Name\* (Business)  
537 Marengo Avenue  
Business Address  
Forest Park, IL 60130

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\*: For Sale by Owner Phone: \_\_\_\_\_  
Name (Business)  
See Exhibit "G"  
Business Address

Escrow: FIRST HAWAII TITLE CORPORATION Phone: (808) 826-6812  
Name (Business)  
5-5190 Kuhio Highway, B-6  
Business Address  
Hanalei, HI 96714

General Contractor\*: N/A Phone: \_\_\_\_\_  
Name (Business)  
Business Address

Condominium Managing Agent\*: Self-Managed by the Phone: \_\_\_\_\_  
Name (Business)  
Association of Apartment  
Business Address  
Owners

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

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

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

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

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

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances: Document No. 2001-096641  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

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

The Condominium Map for this condominium project is:

Proposed  
 Recorded - Bureau of Conveyances Condo Map No. 3286  
 Filed - Land Court Condo Map No. \_\_\_\_\_

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

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

The Bylaws for this condominium are:

Proposed  
 Recorded - Bureau of Conveyances: Document No. 2001-096642  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

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

The House Rules for this condominium are:

Proposed       Adopted       Developer does not plan to adopt House Rules

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

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

|                             | <u>Minimum<br/>Set by Law</u> | <u>This Condominium</u> |
|-----------------------------|-------------------------------|-------------------------|
| Declaration (and Condo Map) | 75%*                          | <u>100%</u>             |
| Bylaws                      | 65%                           | <u>65%</u>              |
| House Rules                 | —                             | <u>75%</u>              |

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

2. **Developer:**

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

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

Developer will act on behalf of the Association until the Association is formed (see Section XXI of the Declaration). Developer has reserved the right to alter Common Element AU-1 to facilitate access and/or utility services to the project (see Section XXVI of the Declaration).



[ ] 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: Lots 4 and 5, Part of Subdivision  
Lot 89, Kalaheo Homesteads, Tax Map Key (TMK): (4) 2-4-4: 052, 053  
First Series, Kalaheo, Kauai, Hawaii

[ ] Address [x] TMK is expected to change because Each unit is entitled  
to its own address and TMK #

Land Area: 4.0 [ ] square feet [x] acre(s) Zoning: Agriculture

Fee Owner: RICHARD M. CAMARA AND  
Name  
ELIZABETH M. CAMARA, TRUSTEES  
Address  
5003 PUUWAI ROAD  
KALAHEO, HI 96741  
Lessor: N/A  
Name  
Address

**C. Buildings and Other Improvements:**

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

|  | <u>No. of<br/>Apts.</u> | <u>Use Permitted By Zoning</u>          |                             |
|--|-------------------------|---|-----------------------------|
| <input type="checkbox"/> Residential             | _____                   | <input 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 checked="" type="checkbox"/> Agricultural | _____                   | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Recreational            | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input checked="" type="checkbox"/> Other        | <u>4</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: See Declaration of Protective Covenants and House Rules (Ex "J")  
Farm Dwelling Agreement (Ex. "K")

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)             |
|-----------|----------|------------|-----------------------|---------------------|------------------------|
| <u>A</u>  | <u>1</u> | <u>-0-</u> | <u>-0-</u>            | <u>16</u>           | <u>Shade Structure</u> |
| <u>B</u>  | <u>1</u> | <u>-0-</u> | <u>-0-</u>            | <u>16</u>           | <u>Shade Structure</u> |
| <u>C</u>  | <u>1</u> | <u>-0-</u> | <u>-0-</u>            | <u>16</u>           | <u>Shade Structure</u> |
| <u>D</u>  | <u>1</u> | <u>-0-</u> | <u>-0-</u>            | <u>16</u>           | <u>Shade Structure</u> |

Total Number of Apartments: 4

**\* 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.

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 N/A elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 0\*

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

\*There is ample room for parking of two or more vehicles on each unit's limited common element.

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

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

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool                       Storage Area                       Recreation Area
- Laundry Area                       Tennis Court                       Trash Chute/Enclosure(s)
- Other: \_\_\_\_\_

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

- There are no violations.                       Violations will not be cured.
- Violations and cost to cure are listed below:     Violations will be cured by \_\_\_\_\_  
(Date)

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

N/A

11. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

described in Exhibit "E".

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

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

described in Exhibit "E".

as follows:

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

described in Exhibit "C".

as follows:

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

Exhibit "F" describes the encumbrances against the title contained in the title report dated June 26, 2001 and issued by First Hawaii Title Corporation.

Blanket Liens:

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

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

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

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

| <u>Type of Lien</u> | <u>Effect on Buyer's Interest and Deposit if Developer Defaults<br/>or Lien is Foreclosed <b>Prior to Conveyance</b></u> |
|---------------------|--|
|---------------------|--|

F. Construction Warranties:

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

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

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

The shade structures for Units A, B, C and D were completed in May 2001. Any additional changes to any of the units will require an amendment to the Declaration be filed with the Real Estate Commission stating the nature and completion date of the change.

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 "B" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated May 29, 2001  
Exhibit "D" contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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

This Public Report is a part of Registration No. 4688 filed with the Real Estate Commission on July 17, 2001.

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

YELLOW paper stock

WHITE paper stock

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

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

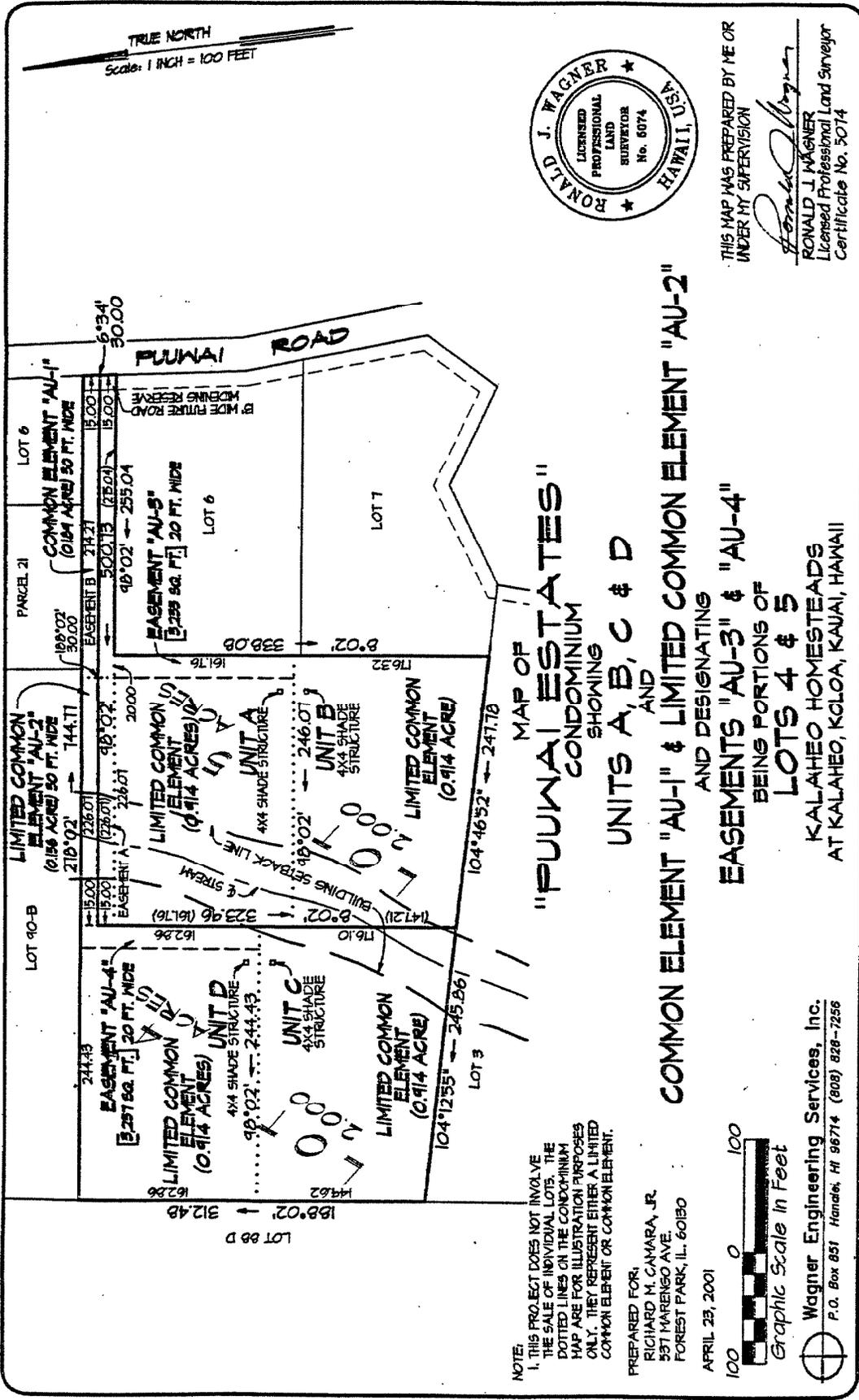
Except as limited specifically by the condominium documents and subdivision restrictive covenants, all uses permitted in the agricultural and open zones are permitted. Uses in one zone are not the same as in the other, and the prospective purchaser should consult the appropriate county agency for information on uses and construction in the respective zones.

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.

This project is entitled to two ADU's as set forth in the Declaration and on Page 2a of this Public Report. The right to construct the ADU shall apply to the second residence constructed on each of the subdivided lots of which this Project is composed. The owner of the Unit(s) entitled to an ADU have the option of constructing a guest house rather than an ADU, should they elect.

H.R.S Chapter 205 requires that the first dwelling on each of the two lots located within the Project qualify and be used as a "Farm Dwelling", as defined by law. Each owner of the units with the Farm Dwellings will be required to enter into an agreement with the County of Kauai certifying that the Farm Dwelling will be used in connection with a farm or where agricultural activity provides income to the family occupying the Farm Dwelling.





THIS MAP WAS PREPARED BY ME OR UNDER MY SUPERVISION

*Ronald J. Wagner*

RONALD J. WAGNER  
Licensed Professional Land Surveyor  
Certificate No. 5074

PROJECT NO. 2445

**"PUUNAI ESTATES"**  
CONDOMINIUM  
SHOWING  
UNITS A, B, C & D  
AND  
COMMON ELEMENT "AU-1" & LIMITED COMMON ELEMENT "AU-2"  
AND DESIGNATING  
EASEMENTS "AU-3" & "AU-4"  
BEING PORTIONS OF  
LOTS 4 & 5  
AT KALAHEO, KOLOA, KAUAI, HAWAII

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

PREPARED FOR:  
RICHARD M. CAMARA, JR.  
531 MARENGO AVE.  
FOREST PARK, IL, 60180

APRIL 29, 2001



Wagner Engineering Services, Inc.  
P.O. Box 851 Hanalei, HI 96714 (808) 828-7255

TRK 2-4-04-52 & 53 (4TH DIVISION)

EXHIBIT B

SUMMARY OF SALES CONTRACT

The PUUWAI ESTATES 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 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<br>No. | Area of<br>Limited<br>Common<br>Element*<br>(Acres) | No. of<br>Br./Bath | Appx.<br>Net<br>Living<br>Area<br>(Sq. Ft.) | Appx.<br>Other<br>Area<br>(Sq. Ft.) | % of<br>Common<br>Int. |
|------|-------------|---|--------------------|---|-------------------------------------|------------------------|
| 1    | A           | 0.914   | 0                  | 0   | 16                                  | 25%                    |
| 1    | B           | 0.914   | 0                  | 0   | 16                                  | 25%                    |
| 1    | C           | 0.914   | 0                  | 0   | 16                                  | 25%                    |
| 1    | D           | 0.914   | 0                  | 0   | 16                                  | 25%                    |

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Units A, B, C and D will each burden the common elements as shown above. Therefore, the assessment of undivided interest both for common expense and for voting is 25% - Unit A; 25% - Unit B; 25% for Unit C and 25% for Unit D.

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

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

END OF EXHIBIT C

**EXHIBIT "D"**

**SUMMARY OF PORTIONS OF ESCROW AGREEMENT**

The Escrow Agreement ("Agreement") between FIRST HAWAII TITLE CORPORATION (the "Escrow"), and RICHARD M. CAMARA AND ELIZABETH M. CAMARA, (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 shall 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) Common element AU-1 for access and utilities;
- (c) 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
- (d) 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, C, D are located, shown and designated on the Condominium Map and the table below.

| Unit<br>Number | Area of<br>Limited Common Element* |
|----------------|------------------------------------|
| A              | 0.914 acres                        |
| B              | 0.914 acre                         |
| C              | 0.914 acres                        |
| D              | 0.914 acres                        |

(a) Easement AU-2 is an access and utility easement (.156 acre) limited common element for the benefit of Units A, C and D.

(b) Easement AU-3 is a non-exclusive access and utility easement (3,235 sq. ft) over Unit A in favor of Unit B.

(c) Easement AU-4 is a non-exclusive access and utility easement (3,257 sq. ft.) over Unit D in favor of Unit C.

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

**END OF EXHIBIT "E"**

## EXHIBIT "F"

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. FARM DWELLING AGREEMENT

By and Between: AUGUST J. & RICHARD M. CAMARA, "APPLICANT(S), and the  
COUNTY OF KAUAI Planning Department, "DEPARTMENT"  
Dated: October 9, 1989  
Book: 23771  
Page: 742

3. AS TO ITEM ONE ONLY:

- (a) Easement "B" for access and utility purposes, which easement is more particularly described as follows:

EASEMENT "B" (for access and utility purposes)

Beginning at a point at the Northeast corner of this parcel of land, on the West side of Puuwai Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PAPAHOLAHOLA" being 634.28 feet South and 955.56 feet East and running by azimuths measured clockwise from true South:

- |    |          |        |  |
|----|----------|--------|--|
| 1. | 6° 34'   | 15.00  | feet along the West side of Puuwai Road;   |
| 2. | 98° 02'  | 500.73 | feet along Lot 5;  |
| 3. | 188° 02' | 15.00  | feet along Lot 4;  |
| 4. | 278° 02' | 500.34 | feet along Grant 6506 to the point of beginning and containing an area of 7,508 square feet, more or less. |

4. AS TO ITEM TWO ONLY:

- (a) Easement "A" for access and utility purposes, which easement is more particularly described as follows:

EASEMENT "A" (for access and utility purposes)

Beginning at a point at the Southeast corner of this parcel of land, on the West side of Puuwai Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PAPAHOLAHOLA" being 664.08 feet South and 952.13 feet East and running by azimuths measured clockwise from true South:

1. 98° 02' 501.11 feet along Lot 6 and the remainder of Lot 5;
2. 188° 02' 15.00 feet along Lot 4;
3. 278° 02' 500.73 feet along Lot 4;
4. 06° 34' 15.00 feet along the West side of Puuwai Road, to the point of beginning and containing an area of 7,514 square feet, more or less.
5. A thirteen (13) feet wide future road widening reserve along the frontage of Puuwai Road. There shall be no new structures permitted within the reserve; new structures shall be setback from the reserve.
6. A building setback line as shown on the subdivision map.
7. A flood setback line and drainageway as shown on the subdivision map. The owners' responsibilities on the drainageway includes:
  - (a) No structure, fills, or any obstructions will be allowed in the drainageway.
  - (b) Owners shall preserve and maintain the drainageway to convey storm runoff.
  - (c) Owners shall accept the storm flows that will result from the development of the basin as shown on the County General Plans.
  - (d) Owners shall accept and expect damages such erosion with flowages of water and the County shall not be held responsible for nay damages.
  - (e) Owners shall take precautions during flood times since high flows and velocities can be expected.
8. The uses on the newly-created lots shall be limited to those listed as permissible uses within the "A" Agriculture District in the State Land Use Commission Rules and Regulations. Dwellings on the lot shall mean a single-family dwelling located on and used in connection with a farm where agriculture activity provides income to the family occupying the dwelling.

9. Claims arising out of customary or 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, as amended.
10. The terms, provisions, conditions and restrictions, if any, contained in that certain Trust Agreement(s) herein referred to.
11. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

**DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "PUUWAI ESTATES"**

Dated: May 18, 2001  
Document No.: 2001-096641

But omitting any 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 Chapter 42, Section 367 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Condominium Map No. 3286, to which reference is hereby made.

12. **BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF "PUUWAI ESTATES"**

Dated: May 18, 2001  
Document No.: 2001-096642

to which reference is hereby made.

13. The terms, conditions, covenants, easements and reservations as contained in the following:

**DECLARATION OF PROTECTIVE COVENANTS AND HOUSE RULES FOR "PUUWAI ESTATES"**

Dated: May 18, 2001  
Document No.: 2001-099643

But omitting any 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 Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

**"END EXHIBIT "F"**

DISCLOSURE ABSTRACT FOR  
PUUWAI ESTATES

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

1. The Developer of the project is RICHARD M. CAMARA, JR., whose address is 537 MARENGO AVE, FOREST PARK, IL, 60130. His telephone number is 708-366-1839.

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

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.

4. There is no real estate broker for this project. Units will be sold "By Owner." If a broker is selected, a listing will be filed with the Real Estate Commission and an amended disclosure abstract provided to all purchasers.

5. 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, and therefore no replacement reserve requirement.

6. The escrow company to be used for the Project is First Hawaii Title Corporation, whose address is 5-5190 Kuhio Hwy., Suite B-6, Hanalei, HI 96714 and whose telephone number is 826-6812.

  
RICHARD M. CAMARA, JR.  
Date: 7/12/01

---

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit H this \_\_\_ day of \_\_\_\_\_, 2001.

Purchaser(s) : \_\_\_\_\_

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS  
FOR PUUWAI ESTATES CONDOMINIUM

Estimate of Initial Maintenance Fees:

| <u>Apartment</u> | <u>Monthly Fee</u> x 12 months = | <u>Yearly Total</u> |
|------------------|----------------------------------|---------------------|
| 1                | \$45.00                          | \$540.00            |
| 2                | \$45.00                          | \$540.00            |
| 3                | \$45.00                          | \$540.00            |
| 4                | <u>\$45.00</u>                   | <u>\$540.00</u>     |
|                  | \$180.00                         | \$2,160.00          |

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Maintenance and Repairs:

|                                  |          |            |
|----------------------------------|----------|------------|
| ROAD MAINTENANCE                 | \$100.00 | \$1,200.00 |
| Insurance                        | \$ 80.00 | \$ 960.00  |
| Reserves (*)                     |          |            |
| Taxes and Government Assessments |          |            |
| TOTAL                            | \$180.00 | \$2,160.00 |

RICHARD M. CAMARA, JR., Developer of the condominium project PUUWAI ESTATES, hereby certifies that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
RICHARD M. CAMARA, JR.

Date: July 3, 2001

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

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

Developer advises there are no reserves as there are no depreciable common elements at this time. Maintenance fees cover the maintenance of on-site and potential off-site accessways.

EXHIBIT "I"

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

COPY

DATE: July 19, 2001

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 Inspection of Existing Buildings

**PROJECT NAME:** PUUWAI ESTATES CONDOMINIUM PROJECT  
**TAX MAP KEY:** (4) 2-4-04:52 AND 53

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 515A-40 (b), (1), Hawaii Revised statutes. Subject to the disclosures and waivers (item "e" below) specified herein, we certify the following:

- a. The existing buildings on the proposed project referred to as Puuwai Estates Condominium  
Unit 1 through 4 inclusive 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 the department.
- b. There were no variances approved for the subject property.
- c. The parcel does not contain any outstanding nonconforming uses or structures as a result of the adoption or amendments of any ordinances or codes.
- d. There are no notices of violation of County Building or zoning codes outstanding according to our records.

Senior Condominium Specialist

Page 2

July 19, 2001

e. WAIVER

The foregoing certification is not a warranty to any compliance with applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulations of condominiums under Subsection 515A-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

EXHIBIT "J"

THE ORIGINAL OF THE DOCUMENT  
RECORDED AS FOLLOWS:  
STATE OF HAWAII

BUREAU OF CONVEYANCES  
JUN 26 2001  
DATE:                      9/2  
DOCUMENT NO.:                      96053

**AFTER RECORDATION, RETURN BY MAIL TO:**

STEVEN R. LEE, ESQ.  
4473 Pahe'e Street, Suite L  
Lihue, Kauai, Hawaii 96766

Pages to Record: 5

**TITLE OF DOCUMENT:**

DECLARATION OF PROTECTIVE COVENANTS AND  
HOUSE RULES FOR PUUWAI ESTATES

**PARTIES TO DOCUMENT:**

Fee Owner: RICHARD M. CAMARA and ELIZABETH M. CAMARA,  
Trustees, RICHARD M. CAMARA, JR.: Developer

**PROPERTY DESCRIPTION:**

LOT 89 Kalaheo Homesteads, First  
Series, Kalaheo, Koloa, Kauai  
County of Kauai, State of Hawaii  
TAX MAP KEY: (4) 2-4-004:52:53

**LIBER/PAGE:**

DOCUMENT NO.:

**DECLARATION OF PROTECTIVE COVENANTS AND  
HOUSE RULES FOR PUUWAI ESTATES**

**KNOW ALL PERSONS BY THESE PRESENTS:**

The undersigned, RICHARD M. CAMARA and ELIZABETH M. CAMARA, are the Trustees of THE CAMARA FAMILY TRUST dated September 23, 1998 (herein the "Trust Agreement"), with full powers to sell, convey, exchange, mortgage, lease, assign and otherwise deal with and dispose of all lands of the trust estate and interests therein (hereinafter jointly referred to as the "Fee Owner"), whose address 5003 Puuwai Road, Kalaheo, Hawaii 96741 are the owners of the real property affected by this document, as described in that certain Declaration of Condominium Property Regime being recorded concurrently herewith, and they adopt the following protective covenants and house rules for the condominium project known as PUUWAI ESTATES, hereinafter referred to as the "Project." The purpose of these Protective Covenants and House Rules, herein referred to as "House Rules," is to protect all owners and

occupants from annoyance and nuisance caused by improper conduct and improper use of the Project and to provide for the maximum enjoyment of the premises, with protection of all owners' reasonable expectations. All owners and occupants, their agents, employees and invitees shall be bound by these House Rules and by standards of reasonable conduct, whether covered by these House Rules or not.

- 1. Definitions. As used herein:

a. "Area" refers to the limited common element set aside for the exclusive use of each unit owner.

b. "Unit" refers to the condominium interest of an owner.

c. "Agricultural Use" shall mean those listed as permissible uses within the "A" Agricultural Districts in the State Land Use Commission Rules and Regulations. Dwellings on the lots affected hereby shall mean a single-family dwelling located on the Project as permitted by Hawaii state law and Kauai county ordinances.

2. Building Permits. Any owner desiring to construct a single family farm dwelling on a unit will have to comply with County of Kauai building and zoning codes, as the same may be changed from time to time. The present County legal interpretation is that each owner must demonstrate the ability to obtain income from farming on the limited common element before the County will enter into a Farm Dwelling Agreement. The actual requirements appear to vary from time to time. A representative of the County will likely inspect the area before a building permit is issued to ascertain that farming activities are taking place on the unit of the owner seeking to build.

3. Water and Utilities. Water, electricity and telephone are available in or next to the County road and rights-of-way or easement(s). Each unit owner will be required to connect such utilities to his/her respective improvements at his/her own cost and expense, including water meters. All utilities in the condominium area shall be placed underground.

4. Wastewater Treatment. There are no sewer lines and no sanitary sewer system. Each unit will be required to have its own wastewater treatment system, to be located within its own limited common element area.

5. Roadway. The roadway within the Project is (paved/unpaved). Each unit owner will be responsible for clearing all vegetation and growth from his area to the extent it enters the area of the roadway element.

6. Farming. Each unit owner must engage in agricultural activity, as defined herein, as a condition precedent to the ability to build or occupy a "Farm Dwelling," as defined by the Comprehensive Zoning Ordinance of the County of Kauai. A unit owner may farm his/her own area and/or plant orchards and/or engage

in any other farming activity not prohibited herein. Unit owners shall use materials and/or equipment that are maintained and kept in good working order and repair and will not allow any unused and/or junk material and/or vehicles to be stored and kept in the area or in or on common elements.

7. Construction. In the construction of a farm dwelling and/or any other accessory building, the unit owner shall not use second-hand materials, quonset huts and/or any other materials that would create a nuisance on the unit owner's property, or be so to the owners of other units in the condominium project. There shall be a setback of at least ten (10) feet or such greater distance as is required by Kauai County Code from all boundaries between units in the Project and at the lot lines of the Project.

8. Pets and Farm Animals/Noise in General. Notwithstanding that this is an agricultural condominium, the following animals shall be precluded from possession by owners or occupants of the Project: bulls, pit bull or pit bull mixed dogs, more than one pig, roosters, more than three dogs of any permitted variety, peafowl, and any animals (including those permitted above) that create such levels of noise or noxious odors that two or more unit owners make written objection to the Association of Condominium Owners. In the latter case, the offending owner(s) shall have thirty (30) days in which to remedy the problem or to dispose of the offending animals.

Additionally, with the exception of seasonal harvesting activities and preparation of ground for crops, no unit owner shall create such levels of noise or dust that the peaceable use of other units is materially affected. The written complaint of two or more unit owners shall be prima facie evidence of the existence of conditions violative of this paragraph.

9. Common Area Land. The Association shall determine and control the use of the common area lands, if any, including but not limited to use for any farming, raising of animals, landscaping, maintenance and/or any other use which may be decided upon by the Association from time to time.

10. Noxious Activities. No unit owner or agent of a unit owner shall have the right or ability to spray noxious chemicals or pesticides within 100 feet of any unit boundary, and no aerial spraying of any kind shall be allowed. For the purposes of this paragraph, "noxious" shall be deemed to mean any chemical that presents a physical danger to humans, domestic pets and farm animals from normal application.

11. Common Element Expenses and Enforcement. The Association shall provide for such common area expenses necessary or desirable to maintain and keep the Project in acceptable condition. The Association shall have the power to enforce these House Rules, including the assessment of the common expenses, adoption of a fine system and the filing and foreclosing of a lien against any unit owner failing to observe these House Rules.

12. Repeal or Modification. These House Rules may be repealed or modified by Developer at any time prior to issuance of an effective date for a Final Public Report by the State of Hawaii, Real Estate Commission. Thereafter, they may be modified by an affirmative vote of the holders of 75% of the common interests in the Project.

13. Arbitration. At the request of any party, any dispute concerning or involving one or more unit owners and the Association, its Board, Managing Agent, or one or more other unit owners relating to the interpretation, application or enforcement of the Condominium Property Act (Chapter 514A, Hawaii Revised Statutes, as amended), or the Declaration of Condominium Property Regime, Bylaws or these House Rules adopted in accordance with the Bylaws, shall be submitted to arbitration. Arbitration shall be conducted, unless otherwise agreed by the parties, before a single arbitrator in accordance with the provisions of Chapter 514A, Part VII (Sections 514A-121, et seq.), of the Hawaii Revised Statutes. Failure to agree on the identity of an arbitrator after fifteen (15) days of attempts to do so shall cause selection of an arbitrator to be referred to the American Arbitration Association pursuant to its then-current rules for selection of a single impartial arbitrator.

Adopted this 18<sup>th</sup> day of May, 2001.

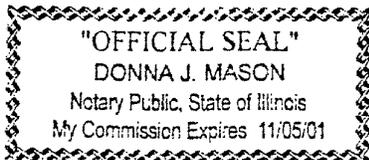
Free Owner:

Richard M. Camara  
RICHARD M. CAMARA, Trustee

Elizabeth M. Camara  
ELIZABETH M. CAMARA, Trustee

STATE OF ILLINOIS )  
COUNTY OF McHENRY ) SS

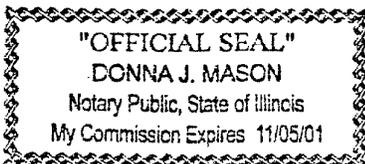
On this 18<sup>th</sup> day of May, 2001, personally appeared RICHARD M. CAMARA, to me personally known, who, being by me duly sworn or affirmed did say that such person is the Trustee of the Camara Family Trust dated September 23, 1998, and executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Donna J. Mason  
Notary Public, State of Illinois  
Print Name: DONNA J MASON  
My commission expires:

STATE OF ILLINOIS )  
COUNTY OF McHENRY ) SS

On this 18<sup>th</sup> day of May, 2001, personally appeared ELIZABETH M. CAMARA, to me personally known, who, being by me duly sworn or affirmed did say that such person is the Trustee of the Camara Family Trust dated September 23, 1998, and executed the foregoing instrument as the free act and deed of such person, and if applicable, in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Donna J. Mason  
Notary Public, State of Illinois  
Print Name: DONNA J MASON  
My commission expires:

RECORDATION REQUESTED BY:  
PLANNING DEPARTMENT, COUNTY OF KAUAI

89 158981

AFTER RECORDATION, RETURN TO:

County of Kauai  
Planning Department  
4230 Rice Street  
Lihue, Kauai, Hawaii 96766

STATE OF HAWAII -  
BUREAU OF CONVEYANCES  
RECEIVED FOR RECORD

1989 OCT 17 PM 12:13

LIBER/PG 23771 / 742  
ARCHIE K. VIELA, REGISTRAR

RETURN BY: Mail (X) Pickup ( )

FARM DWELLING AGREEMENT

THIS AGREEMENT made and entered into as of the \_\_\_\_\_  
day of October, 1989, by and between August J. A  
Richard M. Camara,  
whose residence and mailing address is PO Box 349 & 1131, Kalapoa,  
Kauai, Hawaii 96741

hereinafter called the "APPLICANT(S)", and the COUNTY OF KAUAI  
Planning Department, whose business and mailing address is  
4230 Rice Street, Lihue, Hawaii 96766, hereinafter called the  
"DEPARTMENT",

W I T N E S S E T H :

WHEREAS, the APPLICANTS warrant and represent that they  
are the Legal Owners of that certain  
parcel of land, Tax Map Key No. 2-4-C4-C8, more  
particularly described in Exhibit "A" attached hereto 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 Statutes, 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, a "family" as used in the definition of a "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 APPLICANTS acknowledge that a violation of Chapter 205, Hawaii Revised Statutes, and the State Land Use Agriculture 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 APPLICANTS 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;

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 APPLICANTS 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 APPLICANTS, and all present and future owners, lessees and occupants of said land and anyone claiming under said APPLICANTS, 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 APPLICANTS 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 APPLICANTS.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the \_\_\_\_\_ day of \_\_\_\_\_, 19\_\_\_\_.

APPROVED:

Alvin D. Smith  
Jr. Planning Director

August J. Camera

APPROVED AS TO FORM AND LEGALITY:

Richard M. Camera  
Applicants

[Signature]  
County Attorney

STATE OF HAWAII }  
COUNTY OF KAUAI } ss.

On this 9<sup>th</sup> day of October, 1947, before me personally appeared August J. Camera and Richard M. Camera

to me known to be the persons described in and who executed the foregoing instrument, and acknowledged that they executed the same as their free act and deed.

Edwin Z. Kousamnei  
Notary Public, Fifth Judicial Circuit  
State of Hawaii

My commission expires: 9/3/42

## EXHIBIT "A"

Lot 89, Kalahao Homesteads, First Series, Kalahao, Island and County of Kauai, State of Hawaii, containing an area of 12.037 acres, more or less, and more particularly identified as Kauai Tax Key: 2-4-24-08. Being more fully described as follows.

Beginning at an X on stone at the Northwest corner of this lot and the Southwest corner of Lot 90, the coordinates of said Survey Triangulation Station "YAPAHOLA" being 530.20 feet South and running by azimuths measured clockwise from true South:

1. 273° 02' 745.60 feet along Lot 90 to an X on stone,
2. 5° 34' 146.40 feet along Puuwai Road to an X on Stone.
3. 356° 53' 166.80 feet along Puuwai Road to an X on stone.
4. 43° 15' 73.60 feet along Puuwai Road to an X on stone.
5. 123° 52' 99.00 feet along Puuwai Road to an X on stone.
6. 71° 53' 101.30 feet along Puuwai Road to an X on stone.
7. 15° 41' 136.60 feet along Puuwai Road to an X on stone.
8. 23° 46' 79.20 feet along Puuwai Road to an X on stone.
9. 96° 09' 47.60 feet along Puuwai Road to an X on stone.
10. 44° 54' 101.60 feet along Puuwai Road to an X on stone.
11. 352° 19' 341.50 feet along Puuwai Road to an X on stone.
12. 73° 37' 167.73 feet along Lots D and C to an iron pipe.
13. 119° 44' 210.00 feet along Lots C, B and A to iron pipe.
14. 135° 58' 149.00 feet along Poohiwi Road to an X on stone.
15. 133° 26' 174.40 feet along Poohiwi Road to an X on stone.
16. 92° 42' 133.80 feet along Poohiwi Road to an X on stone.
17. 138° 02' 664.50 feet along Lot 89 to the point of beginning and containing an AREA of 12.313 ACRES.

END OF EXHIBIT "K"