

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: MARY G. GARLIT, Trustee, Successor Trustee and Bypass Trustee, and JOSE GATIUAN and JOSEPHINA GATIUAN, Trustees
Address: 724 Paru St., Alameda CA 94501, and 5733B Noni St., Kapaa HI 96746, respectively
Project Name(*): ALOHA NONI
Address: 5733 Noni Street, Kapaa, Hawaii 96746

Registration No. 4730 Effective date: September 25, 2001
Expiration date: October 25, 2002

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports

(*) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.
FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

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

[] Changes made are as follows:

SPECIAL NOTICE:

This is a condominium project, not a subdivision. There are County restrictions on the number of dwelling units, or other structures, which may be built upon the property. Therefore, unless the purchaser is purchasing an existing dwelling, there is no assurance that the purchaser will be able to build a dwelling unit on the property. There also is no assurance that the purchaser will be able to convert an existing non-residential structure to residential use. The purchaser should consult with the appropriate County agencies to determine whether the purchaser may build a dwelling unit, or any other type of structure.

1. There are presently **three** residential structures on the project.
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 or dash lines on the Condominium Map generally represent the location of the limited common element or easements assigned to each unit.
4. Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads and driveways.
5. **The owner of Unit B shall retain the right to divide Unit B into Units B and D as drawn on the Condominium Map and further referred to in Exhibit "G" attached hereto.**

THIS 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: Mary G. Garlit, Trustee, Successor Trustee, and Bypass Trustee Name* Phone: (510) 521-2215
1724 Paru Street Business Address Alameda, California 94501

Developer: Jose Gatiuan and Josephina Gatiuan, Trustees Name* Phone: (808) 822-5116
5733B Noni Street Business Address Kapaa, Hawaii 96746

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 Name Phone:
Business Address

Escrow: Title Guaranty Escrow Services, Inc. Name Phone: (808) 521-0211
235 Queen Street, First Floor Business Address Honolulu, Hawaii 96813

General Contractor: N/A Name Phone:
Business Address

Condominium Managing Agent: Self-Managed by the Association of Name Phone:
Apartment Owners Business Address

Attorney for Developer: Glen T. Hale Name Phone: (808) 245-4100
2970 Kele Street, Suite 110 Business Address Lihue, Hawaii 96766

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

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

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

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

The Declaration for this condominium is:

Proposed

Recorded - Bureau of Conveyances: Document No. 2001-110381

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. 3306

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. 2001-110382

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]:

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

- Fee Simple:** Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Sub-leasehold:** Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit_____contains a schedule of the lease rent for each apartment per Month Year

For Sub-leaseholds:

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit_____contains a schedule of the lease rent for each apartment per: Month Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 5733 Noni Street, Kapaa, Hawaii Tax Map Key: (TMK): (4) 4-2-013:135

[x] Address [] TMK is expected to change because each future residence will receive its own address.

Land Area: 39,758 [x] square feet [] acre(s) Zoning: R4

Fee Owner: Jose Gatiuan and Josephina Gatiuan, Trustees and Mary G. Garlit, Trustee, Successor
 Name 5733B Noni Street Trustee, and Bypass Trustee
 Address Kapaa, Hawaii 96746 724 Paru Street
Alameda, California 94501

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: Three (3) Floors Per Building Two (2) Units A and C
One (1) Unit B
 Exhibit _____ contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	<u>Use Permitted by Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>3</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other:	_____	<input 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:

- Household pets may not be kept on the project. Condominium owners, however may keep any pet in their possession as of the date of the Declaration of Condominium Property Regime, but may not replace the pet upon the death or absence with any other pet.
- Pets: _____
- Number of Occupants: _____
- Protective Covenants,
- Other: Conditions and Restrictions, as 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-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>Identify Garage, deck</u>
<u>A</u>	<u>1</u>	<u>4/4 1/2</u>	<u>3,585</u>	<u>812</u>	<u>Garage, storage, laundry area and deck</u>
<u>B</u>	<u>1</u>	<u>3/2 full /2 half</u>	<u>1,572</u>	<u>613</u>	<u>Garage, deck and stair/terrace and entry area</u>
<u>C</u>	<u>1</u>	<u>3/3 1/2</u>	<u>2,901</u>	<u>1,382</u>	

Total number of Apartments: 3

***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 not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls:	<u>9</u>						
	<u>Regular</u>		<u>Compact</u>		<u>Landem</u>		
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>TOTAL</u>
Assigned (for each unit)	<u>2</u>	<u>1</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>9</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Units A, B and C have ample space for at least one parking stall within							
Other: <u>their Limited Common Element Land areas.</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open:	<u>9</u>		<u>-0-</u>		<u>-0-</u>		<u>9</u>

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

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

8. Recreational and Other Common Facilities:

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

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):

Based on the Architect's Condition Report dated May 24, 2001 prepared by Avery H. Youn, Registered Professional Architect No. 3576, the Developer states that the structural components, mechanical and electrical installations of Units A and B appear to be in satisfactory condition for the stated age thereof (approx. 9 years for Unit A and approx. 6 years for Unit B) and appear to be in satisfactory condition for their age. The structure and related systems and components have an expected useful life in excess of over 45 years.

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 lawfully at one time but which does not now conform to present zoning requirements:

	Conforming	Non-Conforming	Illegal
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 Interests:

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

- described in Exhibit "E" .
 as follows:

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

There are no limited common elements in this project.

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

described in Exhibit "E".

as follows:

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

described in Exhibit "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 on 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 22, 2001 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.
- There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	If foreclosed, Buyer's deposit shall be refunded (less any escrow cancellation fees) 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 Completion Date:**

Unit A was completed in 1992.
Unit B was completed in 1995.
Unit C was completed in 2000.

H. **Project Phases:**

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

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

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 ____ July 11, 2001 ____.
Exhibit ____ "D" ____ contains a summary of the pertinent provisions of the escrow agreement.
- Other ____ Specimen Apartment Deed ____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
Declaration of Protective Covenants and House Rules; Right of Entry; Covenants
- H) Other and Restrictions for Ali'i Gardens; Right-of-Entry; Grant, and Mortgage

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. 4730 filed with the Real Estate Commission on September 10, 2001.

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

- YELLOW paper stock WHITE paper stock PINK paper stock

C. **Additional Information Not Covered Above:**

This is a condominium project, not a subdivision. Units purchased are not on 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.

Residential improvements are located on Units A, B and C of the project. These can be replaced by or remodeled as allowed by law and project documents. The prospective purchaser shall have the right to undertake such work at purchaser's expense. The purchaser shall also, in such event, file the "as-built" certificate within thirty days of completion of the residence in conformance with Section 514A-12, Hawaii Revised Statutes, and record an amendment of the Declaration of Condominium Property Regime ("Declaration") to describe the residence. The County of Kauai Planning Department, in order to process the necessary permits for the construction of any other structure, requires authorization from at least 75% of the legal and equitable ownership of the entire project, consistent with the Declaration and the Bylaws ("condominium documents").

Except as limited specifically by the condominium documents and subdivision restrictive covenants, all uses permitted in the residential zone 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.

The owner of Unit B shall retain the right to divide Unit B into Units B and D as drawn on the Condominium Map and marked as follows: "Future Dividing Line for Unit B." Future Unit D will be the land area to the West of Unit B's apartment. The percentage of common interest ascribed to Unit B shall be divided between Unit B and future Unit D as the owner of Unit B so designates, but shall not be less than ten percent. The percentage interests of Units A and C shall not be less than one fourth each. Absent remedial measures acceptable to any agency with jurisdiction, any dwelling constructed on Unit D will use the existing septic system located in the southwest corner of Unit B and may not consist of more than two bedrooms based on the size of the septic system. Upon the division of Unit B, Unit D will be granted a right of entry over Unit B to repair, maintain and use the shared septic tank and leach field. In addition, upon the division of Unit B, Unit D shall be subject to the existing water line easement described in Article V above for the benefit of Unit B.

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

MARY G. GARLIT, Trustee, Successor Trustee, Bypass Trustee,
and JOSE GATIUAN and JOSEPHINA GATIUAN, Trustees
 Name of Developer

By: *Jose Gatiuan* July 11, 2001
 Duly Authorized Signatory* Date

By: *Josephina Gatiuan* July 11, 2001
 Duly Authorized Signatory* Date

By: *Mary G. Garlit* July 11, 2001
 Duly Authorized Signatory* Date

MARY G. GARLIT, Trustee, Successor Trustee, Bypass Trustee/Owner and Developer
JOSE GATIUAN and JOSEPHINA GATIUAN, Trustees/Owner and Developer
 Printed Name & Title of Person Signing Above

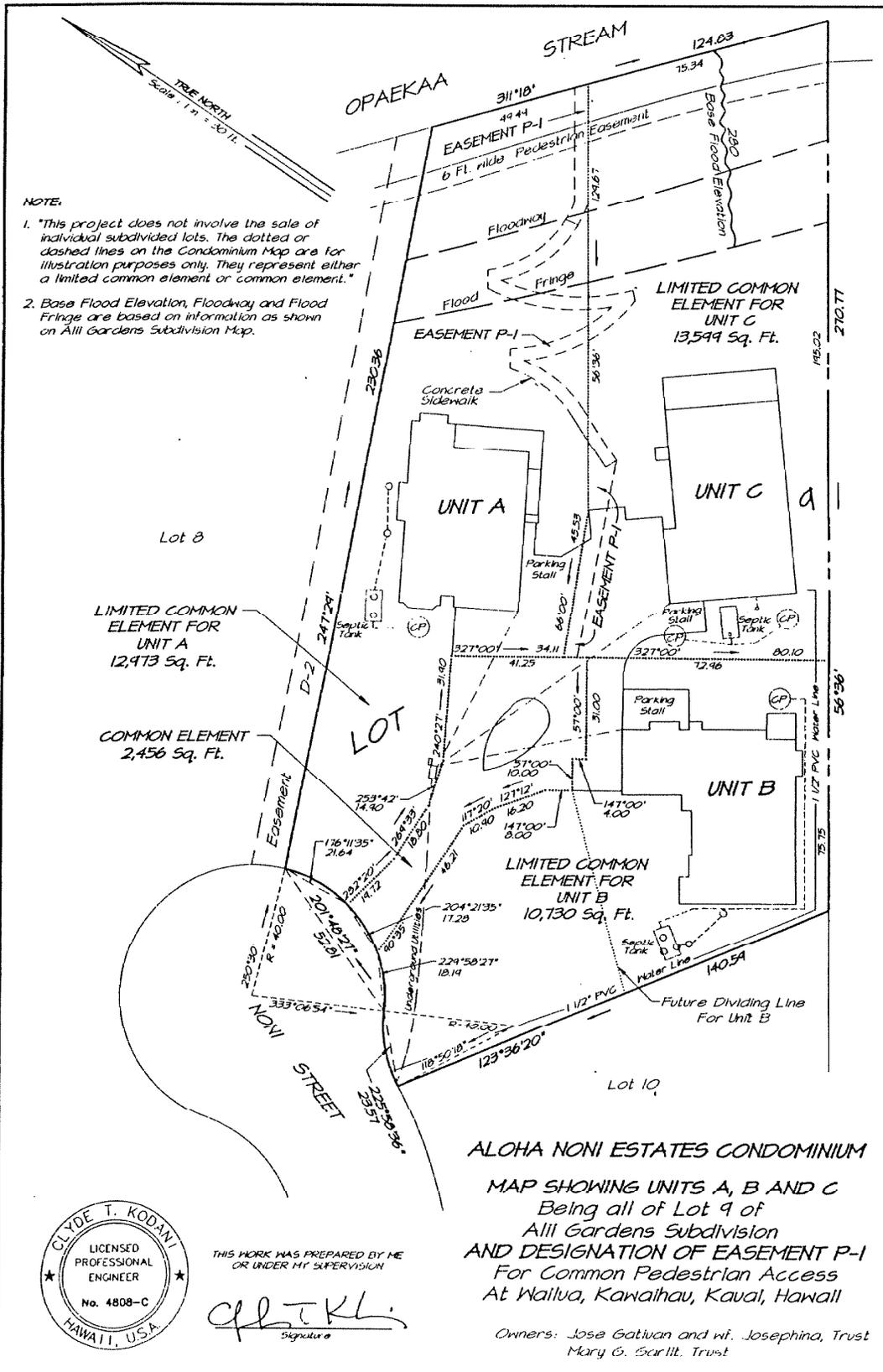
Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

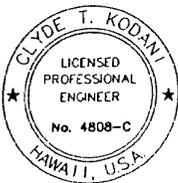
***Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner, Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.**

EXHIBIT "A"
CONDOMINIUM MAP AND
LIMITED COMMON ELEMENT LOCATIONS



NOTE:

1. "This project does not involve the sale of individual subdivided lots. The dotted or dashed lines on the Condominium Map are for illustration purposes only. They represent either a limited common element or common element."
2. Base Flood Elevation, Floodway and Flood Fringe are based on information as shown on Aili Gardens Subdivision Map.



THIS WORK WAS PREPARED BY ME OR UNDER MY SUPERVISION

[Signature]
 Signature

ALOHA NONI ESTATES CONDOMINIUM
MAP SHOWING UNITS A, B AND C
 Being all of Lot 9 of
 Aili Gardens Subdivision
AND DESIGNATION OF EASEMENT P-1
 For Common Pedestrian Access
 At Wailua, Kawaihau, Kaula, Hawaii

Owners: Jose Gativan and wif. Josephina, Trust
 Mary O. Sarilit, Trust

EXHIBIT "B"

SUMMARY OF SALES CONTRACT

The **ALOHA NONI** 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) If Purchaser defaults, Seller may cancel the contract or bring legal action against Purchaser to force sale, obtain money damages, or retain Purchaser's deposit money held in escrow.
 - (g) 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.
 - (h) That a deed conveying clear title will be given at closing, subject to certain obligations.

- (i) The Purchaser agrees to give future easements if reasonably required for the project.
- (j) 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.
- (k) The payment of commissions, if any, is set out in the contract.
- (l) Time is of the essence of the obligations of Purchaser under the contract.

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.

END OF EXHIBIT "B"

EXHIBIT "C"

SCHEDULE OF APARTMENTS AND COMMON INTERESTS

Quantity	Unit No.	Area of Limited Common Element* (Sq. Ft.)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	% of Common Interest
1	A	12,973	4/4 1/2	3,585	812	33 1/3%
1	B	10,730	3/2 1/2 and 1/2	1,572	613	33 1/3%
1	C	13,599	3/3 1/2	2,901	1,382	33 1/3%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which the common interest has been computed. Units A, B and C will each burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 33 1/3% for each unit.

The common interest appurtenant to each unit shall be permanent except as follows:

The owner of Unit B shall retain the right to divide Unit B into Units B and D as drawn on the Condominium Map and marked as follows: "Future Dividing Line for Unit B." Future Unit D will be the land area to the West of Unit B's apartment. The percentage of common interest ascribed to Unit B shall be divided between Unit B and future Unit D as the owner of Unit B so designates, but shall not be less than ten percent. Changes to the percentage of common interest ascribed to Units A and C shall not be less than one fourth each.

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 **TITLE GUARANTY ESCROW SERVICES, INC., a Hawaii corporation, ("Escrow")**, and **MARY G. GARLIT, Trustee, Successor Trustee and Bypass Trustee, and JOSE GATIUAN and JOSEPHINA GATIUAN, Trustees ("Seller")**, contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.
2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.
3. Escrow will release from the trust fund and disburse Buyer's funds at closing, unless: (a) Buyer has elected within seven days of signing the sales contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued a Final Public Report on the project or the requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of Hawaii Revised Statutes have been met.
4. Escrow will return deposited sums to the Buyer without interest if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the seven-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00.
5. 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) a common element concrete driveway comprising an area of 2,456 square feet;
- (c) a common element underground utility line, which begins at the West corner of Unit B, crosses underneath the Common Element driveway and terminates at a concrete pull box located in Unit A. Three separate underground lines branch from the pull box to each of the three dwellings on the property. Each Unit shall have a right of entry to effect repairs to the utility lines where reasonably necessary to maintain its proper operation. Expenses for ordinary repairs and maintenance shall be shared equally between the units. Any damage to the underground utility lines caused by any Unit owner shall be promptly paid by the Unit owner who caused the damage.
- (d) a Pedestrian Easement to Opaekaa Stream as set forth in Article VII.
- (e) all commonly used present or future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, irrigation and telephone; and
- (f) any and all other future elements and facilities in common use or necessary to the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, herein referred to as the "limited common elements", are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so 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 Unit A, Unit B and Unit C are located, shown and designated on the Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
A	12,973 square ft.
B	10,730 square ft.
C	13,599 square ft.

Except for liability created by negligence or intentional acts, all costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

Unit C has a limited common element utility (waterline) easement over Unit B.

****Note:** Land areas referenced herein are not legally subdivided lots. Also, See Note at bottom of Exhibit. C.

END OF EXHIBIT "E"

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes. Check with the County of Kauai, Department of Finance, Real Property Tax Division, for detailed information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. SETBACK
PURPOSE: flood
SHOWN: as delineated on map prepared by Cesar C. Portugal, Registered Professional Surveyor, Certificate No. 2225-ES, dated January 11, 1988.
4. A 6-foot wide pedestrian easement along the bank of Opaekaa Stream, as delineated on map prepared by Cesar C. Portugal, Registered Professional Surveyor, Certificate No. 2225-ES, dated January 11, 1988.
5. RIGHT-OF-ENTRY
TO: BOARD OF WATER SUPPLY, COUNTY OF KAUAI
DATED: January 22, 1988
RECORDED: Liber 21623/Page 38
GRANTING: a right-of-entry easement for building, construction, etc., of a potable water pipeline with meters, valves, hydrants, and other waterworks appurtenances.
6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:
INSTRUMENT: DECLARATION
DATED: May 16, 1988
RECORDED: Liber 21930/Page 786
7. RIGHT-OF-ENTRY
TO: CITIZENS UTILITIES COMPANY
DATED: June 8, 1988
RECORDED: Liber 22134/Page 642

GRANTING: a right-of-entry for the purpose of building, etc., and operating pole and wire lines, and/or underground lines and related appliances and equipment, etc., for the transmission and distribution of electricity.

8. GRANT

TO: CITIZENS UTILITIES COMPANY
DATED: March 10, 1992
RECORDED: Document No. 92-094417
GRANTING: a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity, etc.

9. MORTGAGE

LOAN/ACCOUNT NO. 01-1541802

MORTGAGOR: JOSE GATIUAN and JOSEPHINA GATIUAN, husband and wife, and JAIME P. GARLIT and MARY G. GARLIT, as Trustees of the Jaime P. Garlit and Mary G. Garlit Revocable Trust under that certain unrecorded Trust Agreement dated March 16, 1988.
MORTGAGEE: AMERICAN SAVINGS BANK, F.S.B., a federal savings bank
DATED: February 21, 1995
RECORDED: Document No. 95-026408

10. 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 "ALOHA NONI" CONDOMINIUM PROJECT
DATED: July 11, 2001
RECORDED: Document No. 2001- 110381
MAP: 3306 and any amendments thereto

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

INSTRUMENT: BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED: July 11, 2001

RECORDED: Document No. 2001-110382

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

INSTRUMENT: DECLARATION OF PROTECTIVE COVENANTS AND HOUSE RULES FOR ALOHA NONI

DATED: July 11, 2001

RECORDED: Document No. 2001-110383

13. Any lien (or claim of lien) for services, labor or material arising from any improvement or work related to the land described herein.

END OF EXHIBIT "F"

EXHIBIT "G"

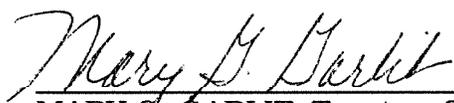
DISCLOSURE ABSTRACT FOR ALOHA NONI

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

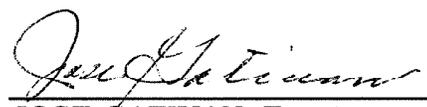
1. The Developers of the Project are MARY G. GARLIT, as Trustee and Successor Trustee of the First Amended and Restated Declaration of the Jaime P. Garlit and Mary G. Garlit Revocable Trust dated May 24, 2000, and as Bypass Trustee of the Bypass Trust set forth in the First Amended and Restated Declaration of the Jaime P. Garlit and Mary G. Garlit Revocable Trust dated May 24, 2000, whose mailing address is 1724 Paru Street, Alameda, California 94501, telephone: (510) 521-2215, and JOSE GATIUAN and JOSEPHINA GATIUAN, Trustees of the Jose Gatiuan and Josephina Gatiuan Joint Revocable Trust, dated August 19, 1999, whose mailing address is 5733B Noni Street, Kapaa, Hawaii 96746, telephone: (808) 822-5116.
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 residential purposes only. No apartments shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by County Ordinance.
5. There is no real estate broker for the Project.
6. The Developer has not conducted a reserve study in accordance with 514A-83.6, 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. This Project includes existing structures being converted to condominium ownership (Unit A, B and C) .

8. The owner of Unit B shall retain the right to divide Unit B into Units B and D as drawn on the Condominium Map and marked as follows: "Future Dividing Line for Unit B." Future Unit D will be the land area to the West of Unit B's apartment. The percentage of common interest ascribed to Unit B shall be divided between Unit B and future Unit D as the owner of Unit B so designates, but shall not be less than ten percent. The percentage interests of Units A and C shall not be less than one fourth each. Absent remedial measures acceptable to any agency with jurisdiction, any dwelling constructed on Unit D will use the existing septic system located in the southwest corner of Unit B and may not consist of more than two bedrooms based on the size of the septic system. Upon the division of Unit B, Unit D will be granted a right of entry over Unit B to repair, maintain and use the shared septic tank and leach field. In addition, upon the division of Unit B, Unit D shall be subject to the existing water line easement described in Article V of the Declaration for the benefit of Unit B.

In witness whereof, the developer has executed this Disclosure Abstract this 11th day of July, 2001.



MARY G. GARLIT, Trustee, Successor
Trustee and Bypass Trustee



JOSE GATIUAN, Trustee



JOSEPHINA GATIUAN, Trustee

RECEIPT

The undersigned has received a copy of the foregoing Disclosure Abstract with Exhibit H this ____ day of _____, 20__.

Purchaser(s):

END OF EXHIBIT "G"

EXHIBIT “H”

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>	
Unit A	\$10.00	\$120.00
Unit B	\$10.00	\$120.00
Unit C	\$10.00	\$120.00

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 Fee x 12 months = Yearly Total

Utilities and Services	\$	\$
Air Conditioning		
Electricity		
[] common elements only		
[] common elements and apartments		
Elevator		
Gas		
[] common elements only		
[] common elements and apartments		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building		
Grounds	\$ 30.00	\$ 360.00
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance		
Reserves(*)		
Taxes and Government Assessments		
Audit Fees		
Other	_____	_____
TOTAL	\$ 30.00	\$ 360.00

We, MARY G. GARLIT, Trustee, Successor Trustee, and Bypass Trustee, and JOSE GATIUAN and JOSEPHINA GARLIT, Trustees, as the developers, for the ALOHA NONI condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Jose Gatiuan
Signature

July 11, 2001
Date

Josephina Gatiuan
Signature

July 11, 2001
Date

Mary G. Garlit
Signature

July 11, 2001
Date

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

Pursuant to §514A-83.6, HRS, a new association 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 PROTECTIVE COVENANTS AND HOUSE RULES FOR ALOHA NONI

This is a summary of the recorded Declaration of Protective Covenants and House Rules ("House Rules") for the condominium Project. 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.

The prospective purchaser should also review the Covenants and Restrictions for Ali'i Gardens, identified as Exhibit J attached hereto.

Building Permits: Any owner desiring to construct improvements on a unit will have to comply with County of Kauai building and zoning codes.

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.

Wastewater Treatment: Each unit will be required to have its own state-approved wastewater treatment system located within its own limited common element area.

Roadway: Each unit owner will be responsible for clearing vegetation and growth from his area to the extent it enters or borders the area of the roadway common element.

Construction: There are limits on materials and types of construction. There shall be no fences or hedges within ten (10) feet of the dividing line of each unit unless the Association votes to permit a fence or hedge.

Pets and Farm Animals/Noise in General: There are restrictions on types and numbers of animals as well as the levels of noise and noxious odors permissible within the Project.

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.

Common Element Expenses and Enforcement: The Association shall provide for common area expenses necessary to maintain the project in acceptable condition.

Repeal or Modification: These Covenants may be modified by an affirmative vote of the holders of 75% of the common interests in the Project.

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

END OF EXHIBIT "I"

EXHIBIT "J"

COVENANTS AND RESTRICTIONS FOR ALI'I GARDENS

STC 146012

Recordation requested by:

SECURITY TITLE CORPORATION

After recordation, return to:
SECURITY TITLE CORPORATION
4370 Kukui Grove Street, #203
Lihue, Hawaii 96766

Return by Mail Pickup

7
88- 67209

RECORDED
INDEXED
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LIBER/PG. 21930 / 786
ARCHIE K. VIELA, REGISTRAR

In accordance with the provisions of
Section 502-31, Hawaii Revised Statutes,
this page is attached to that certain
instrument dated

February 20, 1987

between:

ALI'I PARTNERS

and

ALI'I GARDENS

21930 787

FEBRUARY 20, 1987

COVENANTS AND RESTRICTIONS FOR
ALI'I GARDENS

A 15 lot subdivision within Lot 48 of File Plan 1377, Lots 1-17
in the vicinity of Wailua, Kauai

1. PREAMBLE

The purpose of these covenants is to assure that property owners will be fully protected from poor quality surroundings, that they will be assured of pleasant, sanitary and safe sites to erect their houses, and that the esthetic quality of the area not be jeopardized.

2. LAND USE AND BUILDING TYPE

No lots shall be used except for residential purposes.

3. DWELLING QUALITY AND SIZE

No dwelling shall be permitted on any lot which is not built with a high quality of workmanship and which is not built with new materials substantially the same or better than that which can be produced on the date these covenants are recorded. The initial and Primary dwelling's floor area shall not be less than 1,500 square feet and all dwellings shall have an enclosed garage. All other subsequent dwellings shall be at least 1,000 square feet and all other restrictions shall apply.

4. BUILDING LOCATION

No building shall be located on any lot nearer to the lot lines than specified in the Kauai County standards at the time of construction.

5. EASEMENTS

Easements for installation and maintenance of utilities and drainage facilities are reserved as shown on recorded subdivision map.

6. NUISANCES

No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

7. TEMPORARY STRUCTURES

No structure of temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot at any time as a residence, either temporarily or permanently.

8. OUTBUILDINGS

Design of outbuildings to be approved by architectural committee and must be fully enclosed.

9. VACANT LOTS

Vacant lots shall be mowed on a regular basis so that the property maintains an attractive appearance.

10. GENERAL PROVISIONS

These covenants will be in effect for Ali'i Gardens from the date on which the subdivision map is recorded.

These covenants are to run with the land and shall be binding on all parties and persons claiming under them. These covenants may be changed at any time, in whole or in part, by an instrument signed by a majority of the then owners of the lots in the respective subdivision, provided, however, that changes to the covenants numbered 18 & 19 may be made only with the written approval of the Architectural Control Committee and the County of Kauai.

11. ARCHITECTURAL CONTROL

No building, driveway, and other structures and improvements such as walls, fences, and yard pads or terraces shall be constructed, placed, or altered on any lot until the construction plans and specifications and a plan showing the location of such structures and improvements have been approved by the Architectural Control Committee as to design, quality of workmanship and material, harmony of external design with existing structures, general appearance with regard to the character of the land and neighborhood, and as to location with respect to topography and finish grade elevation. The Architectural Control Committee shall review and approve in writing such plans and specifications prior to the securing of a building permit from the County of Kauai.

12. ARCHITECTURAL CONTROL COMMITTEE

The Architectural Control Committee is composed of:

Gary Hooser, P.O. Box 930, Hanalei, HI 96714
Graeme Merrin, P.O. Box 1252, Kapaa, HI 96746

A majority of the committee may designate a representative to act for it. In the event of death or resignation of any member of the committee, the remaining members shall have full authority to designate a successor. Neither the members of the committee nor its designated representative shall be entitled to any compensation for services performed pursuant to this covenant. At any time, the then record owners of a majority of the lots shall have the power through a duly recorded written instrument to change the

membership of the committee or to withdraw from the committee or restore to it any of its powers and duties.

13. ENFORCEMENT

Any lot owner in the subdivision may enforce this covenant at law or in equity against any person or persons violating or attempting to violate any covenant either to restrain violation, recover damages, or both. The architectural Control Committee shall be responsible to enforce all provisions of this covenant. Damages collectible shall include reasonable attorney's fee.

14. PENALTIES

If violations of these covenants are not corrected within 45 days of written notification by the architectural control committee then penalties shall be assessed against the property owner or owners responsible for said violations in an amount equal to two times the cost of correcting the violation.

Such penalties shall continue to be assessed every 45 days until violations are corrected or the property owner enters into an agreement with the Architectural committee to correct the violations or a court of law deems otherwise.

With violations concerning the mowing and maintenance of vacant lots, the Architectural committee shall arrange to mow/maintain the lots and the owner shall be charged a sum equal to twice the mowing/maintenance fee.

Amounts which accrue from the collection of penalties shall be kept in an interest bearing account and used to pay the expenses of enforcement of future violations.

15. SEVERABILITY

Invalidation of any of these covenants by judgment or court order shall not affect any of the other provisions which shall remain in full force and effect.

16. SIGNS

No sign of any kind shall be displayed to the public view on any lot except one professional sign not more than one square foot, one sign of not more than 5 square feet advertising the property for sale or rent, or signs used by a builder to advertise the property during construction and sales period.

17. ANIMALS

No animals, livestock or poultry of any kind shall be raised, bred or kept on any lot except that two dogs, two cats or two other household pets may be kept on the lot, provided they are not kept, bred or raised for commercial purposes.

18. GARBAGE AND REFUSE DISPOSAL

No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage or other waste shall not be kept except in sanitary containers which are sheltered and kept from public view. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

19. NATURAL WATER COURSES

No construction of any improvements or any grading or disposal of soil, which will impede the free flow of water in the existing natural channels and water courses located within the subdivision shall be undertaken unless such impediments are approved in writing by the Department of Public Works of the County of Kauai.

20. GRADING

All cuts and fills shall be graded and maintained in accordance to the Engineer's Soils Reports submitted to the County for consideration of its approval of said subdivision and the County of Kauai Grading Ordinance, whichever is more restrictive, and planted or supported in whole or in part by a suitable retaining wall approved in writing by the Architectural Control Committee and the County of Kauai.

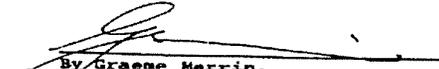
21. FURTHER SUBDIVISION

Lots may not be further subdivided.

The foregoing covenants and restrictions for building and use in the named subdivision are hereby declared and adopted by the owner of the subdivision and all easements created, granted and reserved are declared to be an act of the owner, and all conditions on purchase and ownership of property in the subdivision shall be deemed and considered covenants running with the land.

Dated at Wailua, Kauai, HI this 20th day of February, 1987.

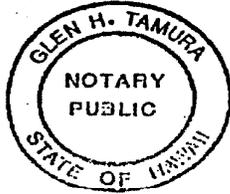
ALI'I PARTNERS


By Graeme Merrin,
General Partner

21930 791

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this 20TH day of FEBRUARY, 1988, before me appeared GRAEME MERRIN, to me personally known, who, being by me duly sworn, did say that he is one of the General Partners of Ali'i Partners, a Hawaii Limited Partnership, that the foregoing instrument was signed in the name of and in behalf of said partnership, and he acknowledged that he executed the same as his free act and deed and as the free act and deed of said partnership.



G. H. Tamura
My commission expires: 12/11/90

END OF EXHIBIT "J"

EXHIBIT "K"

MEMORANDUM FROM THE COUNTY OF KAUAI PLANNING DEPARTMENT

MARYANNE W. KUSAKA
MAYOR



PLANNING DEPARTMENT

RECEIVED
SEP 19 2001

DEE M. CROWELL
PLANNING DIRECTOR
SHEILAH N. MIYAKE
DEPUTY PLANNING DIRECTOR
TELEPHONE (808) 241-6677
FAX (808) 241-6699

DATE: September 17, 2001

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

COPY

From: Dee M. Crowell, Planning Director *DMC*

Subject: Certification of Existing Buildings

PROJECT NAME: ALOHA NONI CONDOMINIUM PROJECT
TAX MAP KEY: (4) 4-2-13:135

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 Aloha Noni Condominium Unit A, Unit B and Unit C 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
September 17, 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: Glenn T. Hale

END OF EXHIBIT "K"