

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: DEAN M. SILVA, SR.
Developer: GLENDA S. SILVA
Address: 6204-B OLOHENA ROAD
KAPAA, KAUAI, HAWAII 96746-8705
Project Name (\*): SILVALINED ESTATES
Address: 6204-B OLOHENA ROAD
KAPAA, KAUAI, HAWAII 96746
Registration No. 4844
Effective date: July 12, 2002
Expiration date: August 12, 2003
(Conversion)

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

(\* Exactly as named in the Declaration
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 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:**

1. 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.
2. 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.
3. 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 may not be available for interior roads and driveways.

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

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## **General Information On Condominiums**

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

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

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

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

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

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

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

## **Operation of the Condominium Project**

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: DEAN M. SILVA, SR.
GLENDA S. SILVA Phone: (808) 822-5286
Name\* 6204-B OLOHENA ROAD (Business)
Business Address KAPAA, HAWAII 96746-8705

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\*: VISION PROPERTIES INC. Phone: (808) 822-1141
Name 4-1070 KUHIO HIGHWAY (Business)
Business Address KAPAA, HAWAII 96746

Escrow: FIRST HAWAII TITLE CORPORATION Phone: (808) 826-6812
Name 5-4280 KUHIO HIGHWAY, B-201 (Business)
Business Address HANAIEI, HAWAII 96714

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

Condominium Managing Agent\*: SELF-MANAGED BY Phone: (Business)
Name THE ASSOCIATION
Business Address OF APARTMENT OWNERS

Attorney for Developer: STEVEN R. LEE, ESQ. Phone: (808) 246-1101
Name 4473 PAHE'E STREET, STE. L (Business)
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. 2001-201910  
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]: Correction Amendment to Declaration of Condominium Property Regime dated March 6, 2002, recorded as Document NO. 2002-051957.

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. 3383  
 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. 2001-201911  
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 Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>N/A</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:



[ ] 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:**

Lot 121-A-1-A-1, Por.  
Address: Grant 7645, Kapaa Homesteads Tax Map Key (TMK): (4) 4-4-03: 35  
Kawaihau, Kapaa, Kauai, Hawaii

[X] Address [X] TMK is expected to change because each unit is entitled  
to its own TMK# and street address

Land Area: 1.192 [ ] square feet [X] acre(s) Zoning: Agriculture

Fee Owner: DEAN M. SILVA, SR.  
GLEND A S. SILVA  
 Name  
6204-B OLOHENA ROAD  
 Address  
KAPAA, HAWAII 96746-8705

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: 3 Floors Per Building: Unit A Residence - 1  
Unit A-1 Workshop - 2  
Unit B Residence - 1  
 Exhibit "C" contains further explanations.

3. **Principal Construction Material:**

Concrete       Hollow Tile       Wood  
 Other \_\_\_\_\_

4. **Uses Permitted by Zoning:**

	<u>No. of</u>		<u>Use Permitted By Zoning</u>	
	<u>Apts.</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	<u>2</u>	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Recreational	_____	<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:

Pets: Household pets may be kept consistent with any applicable law and restrictive covenants applicable to the project.

Number of Occupants: \_\_\_\_\_

Other: \_\_\_\_\_

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -0-                      Stairways: -0-                      Trash Chutes: -0-

<u>Apt Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
_____	_____	_____	_____	_____	_____
_____	_____	SEE PAGE 11a	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 2

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

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

**Boundaries of Each Apartment**

Per 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.

6. Interior:

<u>Apt. No.</u>	<u>Qty.</u>	<u>No. of Br./Bath</u>	<u>Net Living Area (Sq. Ft.)</u>	<u>Other Area (Sq. Ft.)</u>	<u>Description</u>
A	Bldg. 1	2/2	832	87 98 367	lanai outside bath/ utility/storage carport
A-1	Bldg. 2			3,271 60	2-story structure w/workshop/equip shed/warehouse/ storage loft stairway
B	1	1/1	521	69 58	entry lanai laundry

7. Parking Stalls:

Total Parking Stalls: 2\*

	<u>Regular</u> <u>Covered Open</u>	<u>Compact</u> <u>Covered Open</u>	<u>Tandem</u> <u>Covered Open</u>	TOTAL
Assigned (for each unit) (Unit A)	<u>2</u>	_____	_____	<u>2</u>
Guest	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____
Total Covered & Open:	<u>2</u>	<u>-0-</u>	<u>-0-</u>	<u>2</u>

\*Each unit has ample space for two parking stalls in its 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):

Developer hereby adopts the statement of architect Avery H. Youn dated December 13, 2001 that the dwelling and workshop/storage for Unit A and the dwelling for Unit B of this project are in good condition with an expected useful life in excess of thirty (30) years and were constructed pursuant to permits issued by the County of Kauai. There are no warranties on any structure.

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:

See Exhibit "I" attached.

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 March 8, 2002 and issued by Chicago Title Insurance Company

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 <b>Prior to Conveyance</b></u>
Mortgage	Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Buyer shall be entitled to a refund of all deposits, less escrow cancellation fees.

F. Construction Warranties:

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

1. Building and Other Improvements:

None

2. Appliances:

None

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

Unit A's dwelling was constructed in 1994. The Workshop/Storage for Unit A was constructed in 1988. The Unit B dwelling was constructed in 1986.

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):

N/A

**IV. CONDOMINIUM MANAGEMENT**

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

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

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

not affiliated with the Developer  the Developer or Developer's affiliate  
 self-managed by the Association of Apartment Owners  Other: \_\_\_\_\_

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

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

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

Exhibit N/A contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change). There are no common expenses for the project, therefore there are no maintenance fees.

- C. **Utility Charges for Apartments:**

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

None  Electricity ( \_\_\_ Common Elements only \_\_\_ Common Elements & Apartments)  
 Gas ( \_\_\_ Common Elements only \_\_\_ Common Elements & Apartments)  
 Water  Sewer  Television Cable  
 Other \_\_\_\_\_

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 January 29, 2002  
Exhibit "D" contains a summary of the pertinent provisions of the escrow agreement.
- Other Apartment Deed - Specimen

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 Items 5, 6, 7, 9 and 10 in Exhibit "F", copies of  
which have been submitted to the Real Estate Commission.

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. 4844 filed with the Real Estate Commission on May 2, 2002.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. Additional Information Not Covered Above:

1. 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.

Units A and B have been developed with farm dwellings. The necessary permits for construction of these dwellings were obtained.

Subject to all applicable laws and ordinances and the recorded project documents, the prospective purchaser shall have the right to remodel or replace their residence 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 improvement. Except as limited specifically by the condominium documents and subdivision restrictive covenants, all uses permitted in the agricultural zone are permitted.

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.

2. Unit B is not for sale at this time.

- 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.

Name of Developer

By: Dean M. Silva Sr.  
Duly Authorized Signatory\*

1/28/2002  
Date

By: Glenda S. Silva  
Duly Authorized Signatory\*

1/28/2002  
Date

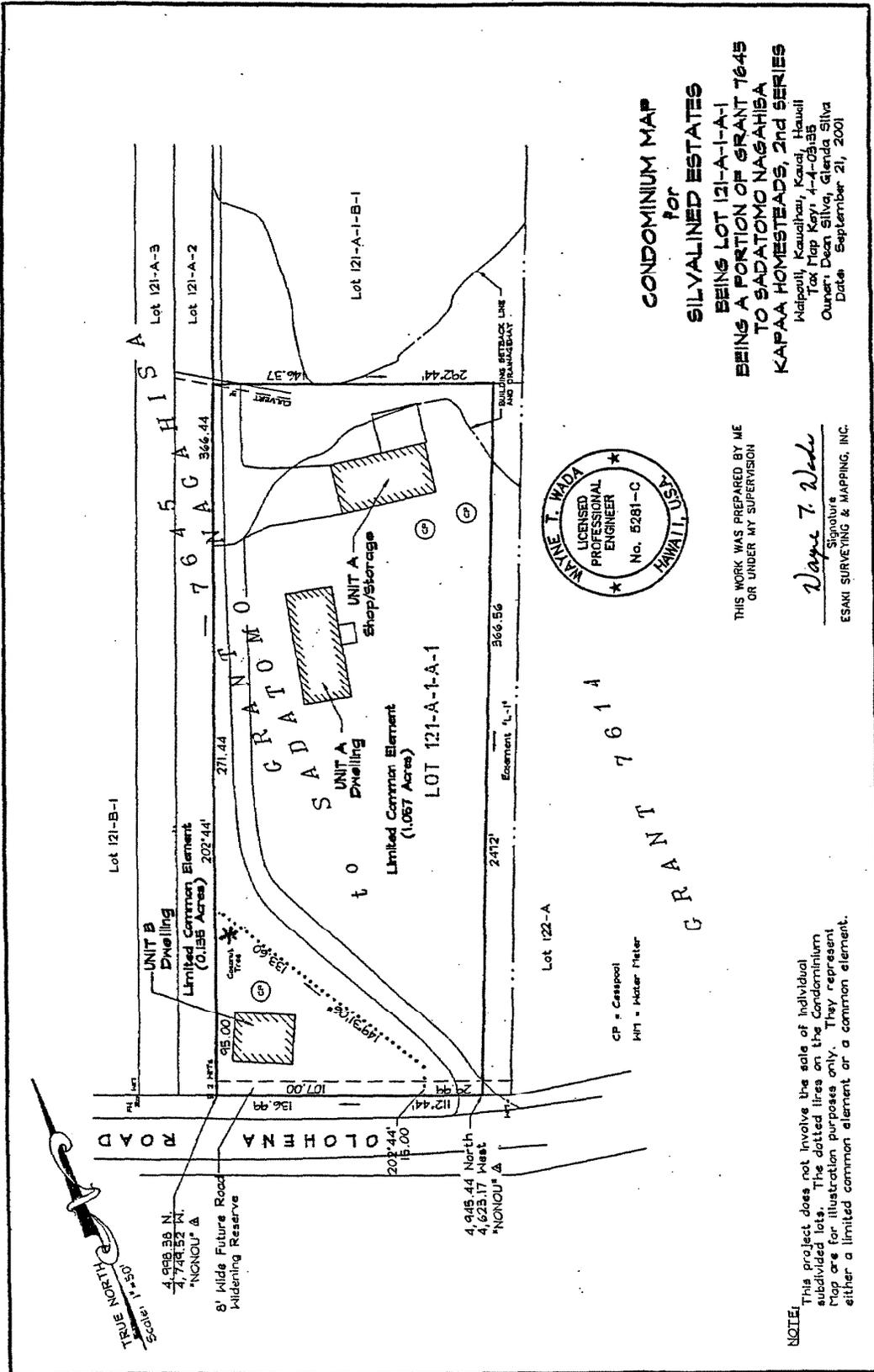
DEAN M. SILVA SR. AND GLENDA S. SILVA, DEVELOPER  
Printed Name & Title of Person Signing Above

**Distribution:**

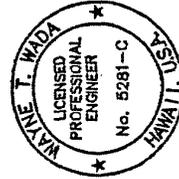
Department of Finance, COUNTY OF KAUAI

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.**



**CONDOMINIUM MAP**  
 for  
**SILYALINED ESTATES**  
 BEING LOT 121-A-1-A-1  
 BEING A PORTION OF GRANT 7645  
 TO SADATOMO NASAHISA  
 KAPAA HOMESTEADS, 2nd SERIES  
 Waipouli, Kaula, Kaula, Hawaii  
 Tax Map Key: 4-4-08135  
 Owner: Dean Silva, Glenda Silva  
 Date: September 21, 2001



THIS WORK WAS PREPARED BY ME  
 OR UNDER MY SUPERVISION

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

**NOTE:** This project does not involve the sale of individual subdivided lots. The dotted lines on the Condominium Map are for illustration purposes only. They represent either a limited common element or a common element.

K10 Hokenaka Street  
 Ulu, Hawaii 96766

ESAKI SURVEYING & MAPPING, INC.  
 Civil Engineers - Land Surveyors - Planners

Job No. 99-143  
 Drawing File: 99-143.dwg

**EXHIBIT B**

**SUMMARY OF SALES CONTRACT**

This Project utilized a Condominium Addendum to Sales Contract (the "Addendum") to be used in conjunction with a standard printed form contract provided by the Hawaii Association of Realtors. The Addendum protects the rights of the Purchasers and the handling of funds under the Condominium Property Act (the "Act"), as well as insuring compliance with the Act by all parties. Relevant portions of the Addendum are summarized as follows:

1. The fact that the Act controls over any provision of a contract to sell a condominium unit.

2. That an effective date for a final or supplementary public report must be in place and a receipt for same signed by the buyer to have an effective sale.

3. That all purchaser funds must be held in escrow until the law allows closing and disbursement of the funds.

4. The conditions precedent to release of funds are enumerated, including, in part:

(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) If there is dual agency by a single broker, it will be disclosed in 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.

**EXHIBIT C**

**SCHEDULE OF APARTMENTS AND COMMON INTERESTS**

<u>Qty.</u>	<u>Unit No.</u>	<u>Area of Limited Common Element* (Acres)</u>	<u>No. of Br./Bath</u>	<u>Appx. Net Living Area (Sq. Ft.)</u>	<u>Appx. Other Area (Sq. Ft.)</u>	<u>% of Common Int.</u>
1	A	1.057	2/2	832	87 lanai 98 outside bath/ utility/storage 367 carport	65%
	A-1		Building 2	3,271	workshop/equip shed/warehouse/ storage loft 60 stairway	
1	B	.135	1/1	521	69 entry lanai 58 laundry	35%

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 and B will each burden the common elements as shown above. Therefore, the assessment of undivided interest both for common expense and for voting is 65% - Unit A and 35% - Unit B.

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 DEAN M. SILVA, SR., AND GLENDA S. SILVA, (the "Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

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

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

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

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

5. In the event of default by the Buyer, Buyer may forfeit his or her deposit, which will be paid to the Seller, less any cancellation fees charged by Escrow.

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

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

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

END OF EXHIBIT "D"

EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

(a) the land in fee simple;

(b) 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

(c) 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 and B are located, shown and designated on the Condominium Map and the table below.

Unit Number	Area of Limited Common Element*
A	1.057 Acres
B	.135 Acres

Landscaping Easement L-1 over an adjoining property to the East gives Unit A the right to control landscaping and improvements on the flagpole portion of the lot behind this project.

\*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. Excepting and reserving all riparian and other right, in or to these steams and the waters thereof, as excepted and reserved in Land Patent Grant No. 7645 dated October 29, 1920.
3. 100 year flood limits over a portion of the land described herein, as shown on survey map prepared by Calvin L. K. Ching, Registered Professional Land Surveyor No. 1415, dated January 15, 1982.
4. An 8-foot widening setback line along Olohena Road, as shown on survey map prepared by Calvin L. K. Ching, Registered Professional Land Surveyor No. 1415, dated January 15, 1982.
5. Agreement to Incorporate Agricultural Restrictions Into Instruments of Conveyance dated September 22, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16593, Page 114.
6. Farm Dwelling Agreement dated January 6, 1987, recorded in said Bureau of Conveyances in Book 20298, Page 588, made by and between Dean M. Silva, Sr. and Glenda S. Silva, as "Applicants", and the County of Kauai, Planning Department, as "Department".
7. The terms, provisions, covenants, easements and reservations as contained in the following:

### DECLARATION OF RESTRICTIVE COVENANTS

Dated: July 22, 1997

Document No. 97-100112

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

### 8. MORTGAGE

Mortgagor: DEAN MICHAEL SILVA and GLENDA SUE SILVA, husband and wife, as Tenants by the Entirety

Mortgagee: GATEWAY SERVICES INC., a California corporation

Dated: September 17, 1999

Document No. 99-161143

Principal Sum: \$288,750.00

The present amount due should be determined by contacting the owner of the debt.

Through mesne assignment(s), the foregoing mortgage was assigned by:

ASSIGNMENT OF MORTGAGE

Assignor: BNC MORTGAGE, INC., a Delaware corporation  
Assignee: OPTION ONE MORTGAGE CORPORATION, a California corporation  
Dated: October 17, 2001  
Filed/Recorded: November 14, 2001  
Document No. 2001-178147

9. Building Setback line, as shown on survey map prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, Certificate Number 4383, dated April, 2001, as disclosed by instrument recorded in said Bureau as Document No. 2001-070977.
10. Drainageway Line, as shown on survey map prepared by Dennis M. Esaki, Licensed Professional Land Surveyor, Certificate Number 4383, dated April, 2001, as disclosed by instrument recorded in said Bureau as Document No. 2001-070977.
11. NOTICE OF PENDENCY OF ACTION - FIFTH CIRCUIT COURT - STATE OF HAWAII, CIVIL NO.01-10150

Plaintiff: OPTION ONE MORTGAGE CORPORATION  
Defendant: DEAN MICHAEL SILVE, GLENDA SUE SILVA  
Dated: September 7, 2001  
Document No. 2001-193279  
Re: Action to foreclose that certain mortgage shown as Exception No. 8, herein

(Attorney for Plaintiff: RUSH MOORE CRAVEN SUTTON MORRY & BEH, WALTER BEH, II, 1129-0, 2000 Hawaii Tower, 745 Fort Street, Honolulu, Hawaii 96813, Tel No. (808) 521-0416, FAX No. (808) 521-0497)

NOTE: Attorney Walter Beh II confirmed on July 2, 2002 that this exception number 11 was discharged after the date of the title report submitted to the Real Estate Commission.

12. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "SILVALINED ESTATES"

Dated: November 16, 2001

Document No. 2001-201910

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.

Condominium Map No. 3383, to which reference is hereby made.

The Declaration was amended by the Correction Amendment to Declaration of Condominium Property Regime dated March 6, 2002, recorded as Document No. 2002-051957.

13. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF SILVALINED ESTATES

Dated: November 16, 2001

Document No. 2001-201911

to which reference is hereby made

14. The property described herein is subject to possible rollback taxes. Verification should be made with the County of Kauai, Real Property Tax Office.

**END EXHIBIT "F"**

**EXHIBIT "G"**  
**DISCLOSURE ABSTRACT FOR**  
**SILVALINED ESTATES**

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

1. The Developer of the project is DEAN M. SILVA, SR. and GLENDA S. SILVA, 6204-B Olohena Road, Kapaa, HI 96746; their telephone number is (808) 821-0000.

2. Since there are no common expenses for the project, there are no maintenance fees.

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. The broker for the project is: Edward J. MacDowell, Vision Properties, Inc., 1070 Kuhio Highway, Kapaa, HI 96746, Telephone Number (808) 822-1141.

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.**

6. The escrow company to be used for the Project is First Hawaii Title Corporation, 5-4280 Kuhio Highway, B-201, P.O. Box 507, Hanalei, HI 96714 and whose telephone number is (808) 826-6812.

7. Developer discloses the common interests for the project are divided 65% as to Unit A and 35% to Unit B, because Unit A has a substantially larger limited common element and multiple structures, which will result in a greater burden on the common elements by Unit A.

<u>Dean M. Silva Sr.</u> DEAN M. SILVA, SR.	<u>1/28/2002</u> Date
<u>Glenda S. Silva</u> GLENDA S. SILVA	<u>1/28/2002</u> Date

---

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract this \_\_\_ day of \_\_\_\_\_, 200\_\_.

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



**DECLARATION OF RESTRICTIVE COVENANTS  
LOTS 121-A-1-A AND 121-A-1-B, KAPAA HOMESTEADS,  
2ND SERIES, KAUAI, HAWAII**

**KNOW ALL MEN BY THESE PRESENTS:**

WHEREAS, DEAN M. SILVA, SR. and GLENDA S. SILVA, husband and wife, whose mailing address is 6204 Oloheua Road, Kapaa, Hawaii 96746, herein called the "Declarants", are the owners of Lot 121-A-1, Kapaa Homesteads, 2nd Series, Kapaa, Island and County of Kauai, State of Hawaii, more particularly identified as Kauai Tax Map Key: 4-4-03-35; and

WHEREAS, the Declarants have caused the said Lot 121-A-1 to be subdivided into Lots 121-A-1-A and 121-A-1-B, said subdivision having been approved by the Planning Commission of the County of Kauai on January 12, 1995; and

WHEREAS, the Declarants desire to impose certain restrictions and covenants relating to the use of the subdivided lots to protect, preserve and maintain the value and beauty of the properties,

NOW, THEREFORE, the Declarants do hereby declare that Lots 121-A-1-A and 121-A-1-B shall, from and after the date hereof, be subject to the restrictive covenants and conditions contained in Exhibit "A", attached hereto and made a part hereof.

The said covenants shall run with the land and be binding and inure to the benefit of the Declarants, the owners of the

said lots, and their respective heirs, personal representatives, successors and assigns.

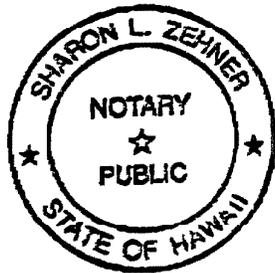
IN WITNESS WHEREOF, the Declarants have hereunto set forth their hands as of this 22<sup>nd</sup> day of July, 1997.

Dean M. Silva Sr.  
DEAN M. SILVA, SR.

Glenda S. Silva  
GLENDA S. SILVA

STATE OF HAWAII            )  
                                  ) ss.  
COUNTY OF KAUAI        )

On this 22<sup>nd</sup> day of July, 1997, before me personally appeared DEAN M. SILVA, SR. and GLENDA S. SILVA, husband and wife, 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.



Sharon L. Zehner  
Notary Public, State of Hawaii  
My commission expires: 7.30.99

es/Silva

EXHIBIT "A"

DECLARATION OF RESTRICTIVE COVENANTS

The sale and use of Lots 121-A-1-A and 121-A-1-B, Kapaa Homesteads, 2nd Series, Kapaa, Kauai, Hawaii, shall be subject to the following conditions, covenants and restrictions from July 1, 1997 until the last day of June, 2027, unless further extended or earlier terminated as herein set forth:

1. **LAND USE AND BUILDING TYPE.** Except as otherwise stated, each of the said lots shall be used for agricultural purposes, including permitted farm dwellings for private residence purposes, only. Additional dwelling units shall also be permitted if the same are allowed under applicable County ordinances. However, no multi-family or apartment type structure shall be allowed.

2. **QUANTITY AND SIZE.** No dwelling erected on any of the said lots shall exceed two stories in height. All buildings shall be built entirely of new materials, and no old, quonset hut or geodesic dome type of building shall be erected, placed or maintained on any of the said lots. No corrugated metal roofing shall be allowed. The foregoing provision, however, shall not apply to any structure legally existing as of the effective date of this declaration.

3. **TEMPORARY STRUCTURES.** No structure of a temporary character, trailer, tent, or shack shall be maintained on any of the said lots, either temporarily or permanently.

4. **HOUSEHOLD PETS.** Dogs, cats, and other ordinary household pets may be kept on the said lots, provided that such pets shall be kept only in reasonable numbers, do not create a nuisance to the properties in the neighborhood, and are not kept, bred or maintained for any commercial purposes.

5. **PROHIBITED ANIMALS.** Pigs and exotic tropical birds shall not be kept, bred or maintained on any of the said lots, whether for personal, household or commercial purposes.

6. **TERM.** These covenants are to run with the land and shall be binding on all parties and all persons claiming under them from the effective date of these covenants until the last day of June, 2027, after which time said covenants shall be automatically extended for successive periods of 10 years unless an instrument signed by a majority of the then owners of the lots have been recorded, agreeing to change said covenants in

whole or in part, PROVIDED, however, that these covenants may be changed in whole or in part within the initial 30 year term of these covenants should the State Land Use district boundary classification and the County of Kauai zoning for the lots be changed from the "Agricultural", and no less than 75% of the then owners of the lots agree in writing to such change.

7. ENFORCEMENT. Each and all of the foregoing covenants and restrictions shall run with the land, and jurisdiction may be taken in equity at suit of the Declarants, or their heirs, personal representatives, successors or assigns, or of any other owner or owners of any of said lots, to restrict or prevent by injunction, mandatory or restraining, any violation of any of said covenants upon the part of the owners, lessees or other occupants of the said lots to be observed and performed, without prejudice to the right of the Declarants, or their heirs, personal representatives, successors and assigns, or any other owner or owners of any of said lots, to adopt or pursue any other remedy thereafter for the same breach or failure, or for any subsequent breach or failure, or to take any action to recover damages for any such breach or failure.

8. SEVERABILITY. Invalidation of any of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

END EXHIBIT "H"

c.1281va

EXHIBIT "I"

MARYANNE W. KUSAKA  
MAYOR



DEE M. CROWELL  
PLANNING DIRECTOR  
SHELLAH N. MIYAKE  
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 241-6677  
FAX (808) 241-6699

PLANNING DEPARTMENT

DATE: June 27, 2002

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

COPY

FROM *Jr* Dee M. Crowell, Planning Director *Miyake*

SUBJECT: Certification of Inspection of Existing Buildings

PROJECT NAME: SILVALINED ESTATES CONDOMINIUM PROJECT  
TAX MAP KEY: (4) 4-4-03:35

The developer of the above-mentioned condominium project has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai, (Section 514A-40 (b), (1), Hawaii Revised Statutes. Subject to the disclosures and waivers (item "5" below) specified herein, we certify the following:

1. The developer has contracted architect Avery H. Youn to certify that the existing buildings on the proposed project referred to as Silvalined Estates Condominium Unit A and Unit B are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by the Department.
2. There were no variances approved for the subject property.
3. The parcel does not contain any outstanding nonconforming uses or structures as a result of the adoption or amendments of any ordinances or codes and regulations.

Senior Condominium Specialist

Page 2

June 27, 2002

4. There are no notices of violation of County Building or zoning codes outstanding according to our records.

5. **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 514A-40, (b), and (1), Hawaii Revised Statutes.

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

cc: Steven R. Lee

END EXHIBIT "I"