

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer: MICHAEL M. DYER and CHARLENE G. DYER
Address: P.O. BOX 68
KILAUEA, HAWAII 96754

Project Name(*): KILAUEA WATERFALL FARMS
Address: 4141 KILAUEA ROAD
KILAUEA, HAWAII 96756

Registration No. 5207
(Conversion)

Effective date: August 14, 2006
Expiration date: September 14, 2007

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY:
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A final Public Report will be issued by the developer when complete information is filed.
- FINAL:
(white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with
- SUPPLEMENTARY:
(pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[] Final Public Report dated: October 29, 2003
[] Supplementary Public Report dated:
- And [] Supersedes all prior public reports
[] Must be read together with the Final Public Report dated October 29, 2003
[] This report reactivates the _____ public report(s) which expired on _____.

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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.

No prior reports have been issued by the developer.

Changes made are as follows:

Page 2 to show two new utility easements (T-1 and T-2)
Page 5 to update attorney for Developer's address
Page 6 to show recording of First Amendment and Amended Condominium Map
Exhibit A (Amended Condominium Map)
Exhibit F (adding Grant of Easement)
Exhibit G (Amended Disclosure Abstract)
(in addition to or replacing prior filing)

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 PURCHASE IS PURCHASING THE UNIT WITH THE 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, UPON THE PROPERTY.

1. There is presently ONE FARM DWELLING STRUCTURE on Unit 5 of the Project as well as one shade structure. The only buildings on Units 1 through 4 are shade structures, each of which may be defined as an "apartment" under the Condominium Property Act.
2. Issuance of an effective date for this Public Report does not constitute an approval of the project by the Real Estate Commission or other agency, nor does it imply that all County codes, ordinances or other requirements have been complied with.
3. This project does not involve the sale of subdivided lots. The land area beneath and adjacent to each unit, as shown on the Condominium Map, is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Condominium Map merely represent the location of the limited common element assigned to each unit.
4. Facilities and improvements normally associated with County approved subdivisions, such as improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior driveways.
5. The land may be subject to rollback real property taxes. The failure of an owner to observe restrictions on the use of the land may cancel the County dedication and special real property tax assessment. Please refer to the Director of Finance, County of Kauai for further information.
6. Developer Michael M. Dyer is a licensed Real Estate Broker in the State of Hawaii dealing on his own account. He is also the listing broker for sale through Kilauea Real Estate Company. See page 5 below.

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: MICHAEL M. DYER and CHARLENE G. DYER Phone: (808) 828-1705
Name*
P.O. BOX 68
Business Address
KILAUEA, HAWAII 96756

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*: KILAUEA REAL ESTATE COMPANY, LLC Phone: (808) 828-1705
Name
P.O. BOX 39
Business Address
KILAUEA, HAWAII 96754

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 521-0211
Name
235 QUEEN STREET
Business Address
HONOLULU, HAWAII 96813

General Contractor*: N/A Phone: _____
Name
Business Address

Condominium Managing Agent* : SELF-MANAGED BY ASSOCIATION Phone: _____
Name
OF APARTMENT OWNERS
Business Address

Attorney for Developer: STEVEN R. LEE, ESQ. Phone: (808) 246-1101
Name
4334 RICE STREET, SUITE 204-C
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:

<input type="checkbox"/> Proposed			
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No.	2003-154246
		Book	Page
<input type="checkbox"/> Filed -	Land Court:	Document No.	

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

First Amendment to Declaration of Condominium Property Regime of Kilauea Waterfall Farms and Condominium Map No. 3616 dated April 7, 2006, recorded as Document No. 2006-072166

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

The Condominium Map for this condominium project is:

<input type="checkbox"/> Proposed			
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances Condo Map No.	3616	
<input type="checkbox"/> Filed -	Land Court Condo Map No.		

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

First Amendment to Declaration of Condominium Property Regime of Kilauea Waterfall Farms and Condominium Map No. 3616 dated April 7, 2006, recorded as Document No. 2006-072166

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

The Bylaws for this condominium are:

<input type="checkbox"/> Proposed			
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No.	2003-154247
		Book	Page
<input type="checkbox"/> Filed -	Land Court:	Document No.	

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

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

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

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5207 filed with the Real Estate Commission on September 17, 2003.

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

YELLOW paper stock WHITE paper stock PINK paper stock

- D. The developer declares subject to the penalties set forth in Section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

MICHAEL M. DYER and CHARLENE G. DYER
 Printed Name of Developer

By: Michael M. Dyer 5/6/06
 Michael M. Dyer * Date

By: Charlene G. Dyer 5/6/06
 Charlene G. Dyer Date

MICHAEL M. DYER and CHARLENE G. DER. DEVELOPER
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, COUNTY OF KAUAI

Planning Department, COUNTY OF KAUAI

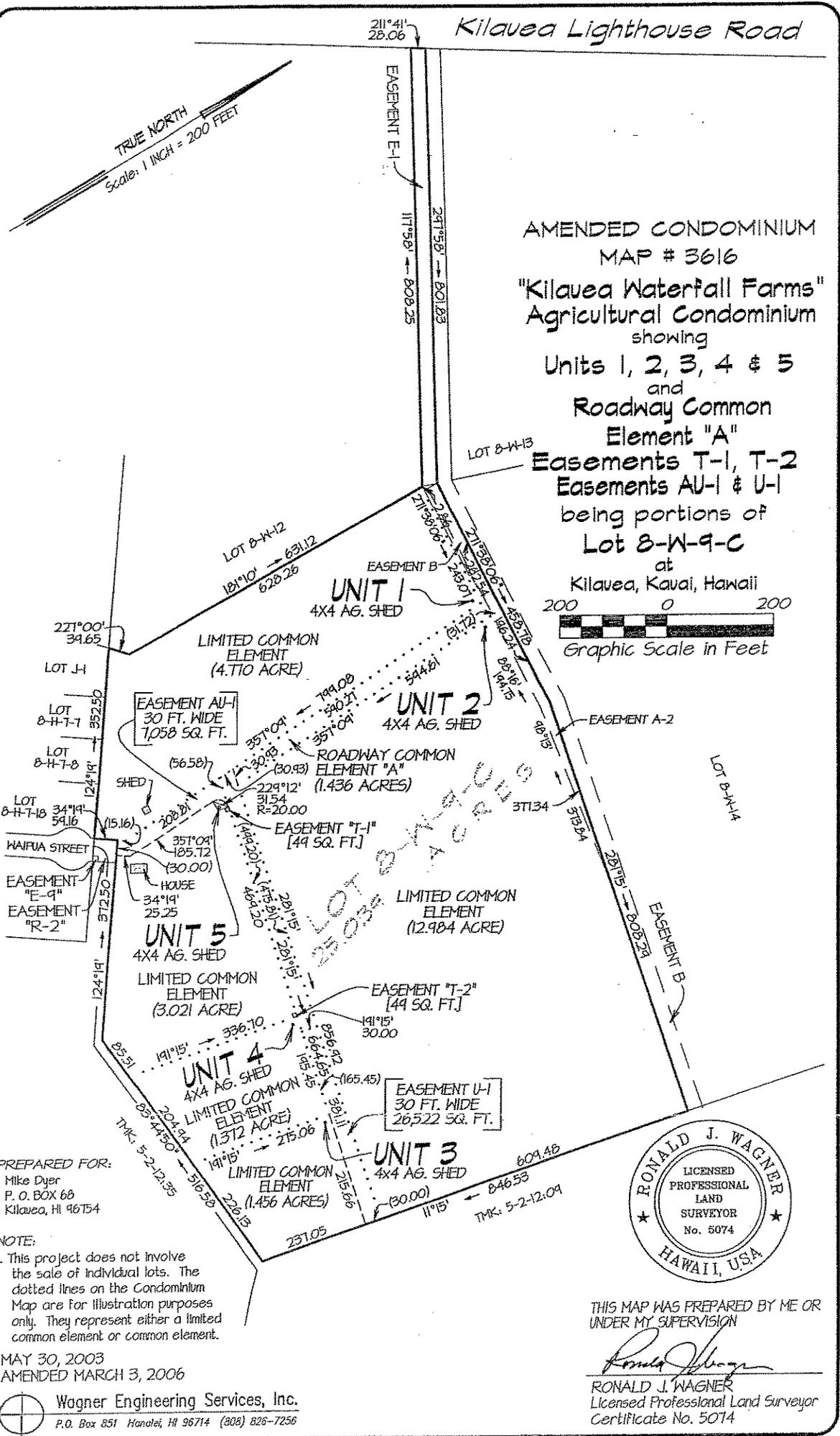
*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner, Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.

Kilauea Lighthouse Road

TRUE NORTH
Scale: 1 INCH = 200 FEET

AMENDED CONDOMINIUM
MAP # 3616
"Kilauea Waterfall Farms"
Agricultural Condominium
showing
Units 1, 2, 3, 4 & 5
and
Roadway Common
Element "A"
Easements T-1, T-2
Easements AU-1 & U-1
being portions of
Lot 8-W-9-C
at
Kilauea, Kauai, Hawaii

200 0 200
Graphic Scale in Feet

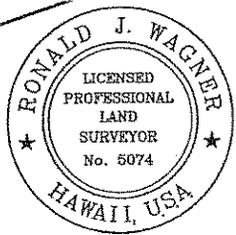


PREPARED FOR:
Mike Dyer
P. O. BOX 68
Kilauea, HI 96754

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

MAY 30, 2003
AMENDED MARCH 3, 2006

Wagner Engineering Services, Inc.
P.O. Box 851 Hanalei, HI 96714 (808) 826-7256



THIS MAP WAS PREPARED BY ME OR UNDER MY SUPERVISION

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

EXHIBIT "A"

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. Real property taxes that may be due and owing. The property described herein is subject to possible rollback taxes. Verification should be made with the County of Kauai, Real Property Tax Office.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Letter Agreement dated July 10, 1972, as contained in DEED dated December 2, 1972, recorded in Liber 8782 at Page 1.

4. RIGHT-OF-ENTRY

TO : CITIZENS UTILITIES COMPANY, whose
interest is now held by KAUAI ISLAND UTILITY
CO-OP and VERIZON HAWAII, INC.
DATED : September 14, 1978
RECORDED : Liber 13263 Page 93
GRANTING : a right-of-entry and temporary easement for
construction and maintenance of power and
communication lines

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

INSTRUMENT : WARRANTY DEED
DATED : June 19, 1981
RECORDED : Liber 15650 Page 783

6. GRANT

TO : BENJAMIN BOLLAG
DATED : October 3, 1989
RECORDED : Liber 23734 Page 730
GRANTING : the right in the nature of a perpetual nonexclusive
easement for utility purposes, over, under, across
and upon Easement "AU-1" (30 feet wide)
containing an area of 0.5367 acre, more or less,
being more particularly described therein

RELOCATION OF UTILITY EASEMENT, by MICHAEL DYER
and CHARLENE DYER, husband and wife, dated--- (acknowledged
July 8, 2002), recorded as 2002-121095.

7. GRANT

TO : NICHOLAS IAN HOUSEGO and PASCALE
MARIE-FRANCOISE HOUSEGO, husband and
wife, and MICHAEL ROY STRONG and
CANDACE LOUISE STRONG, husband and wife,
and ASSOCIATION OF APARTMENT OWNERS
OF HONUFA FARMS
DATED : November 18, 1992
RECORDED : Document No. 92-196471
GRANTING : the right in the nature of a perpetual nonexclusive
easement (subject to termination) for roadway
(including vehicular, pedestrian and equestrian
traffic) purposes, over, under, across and upon
Easement "A-2" as shown on the map attached
thereto

8. GRANT

TO : CITIZENS UTILITIES COMPANY, whose
interest is now held by KAUAI ISLAND UTILITY
CO-OP and VERIZON HAWAII, INC.
DATED : January 14, 1994
RECORDED : Document No. 94-039101
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. as Easement "E-1" as shown on the map
attached thereto

9. 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 "KILAUEA WATERFALL FARMS"
CONDOMINIUM PROJECT
DATED : July 17, 2002
RECORDED : Document No. 2003-154246
MAP : 3616 and any amendments thereto

The foregoing Declaration was amended by instrument recorded April 18, 2006,
as Regular System Document No. 2006-072166 of Official Records.

10. 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 : January 17, 2002
RECORDED : Document No. 2003-154247

11. GRANT

TO : KAUAI ISLAND UTILITY COOPERATIVE and
VERIZON HAWAII, INC.
DATED : February 17, 2005
RECORDED : Document No. 2005-143758
GRANTING : a perpetual right and easement for utility purposes
over Easements "T-1", "T-2", "U-1" and "AU-1",
said Easements being more particularly described
therein

END OF EXHIBIT "F"

AMENDED DISCLOSURE ABSTRACT
KILAUEA WATERFALL FARMS

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of Kilauea Waterfall Farms condominium makes the following disclosures:

1. The Developers of the project are Michael M. Dyer and Charlene G. Dyer, PO Box 68, Kilauea, Kauai, HI 96756 telephone (808) 828-1705.
2. The original maintenance fees still serve the needs of the project. There are no depreciable common elements in the project, and therefore no reserves are required at this time.
3. No warranty will apply to any individual apartment. There are pre-existing structures on the property.
4. If any condominium unit is converted to residential use, no unit will be used for hotel use.
5. There will be no commercial use except those activities permitted by the Kauai County Comprehensive Zoning Ordinance.
6. Units 2 and 4 of the Project are currently listed for sale. The real estate broker for said units is Michael M. Dyer, dba Kilauea Real Estate Company, P.O. Box 68, Kilauea, Hawaii 96754, (808) 828-1705.
7. The Developer discloses Common Interest has been divided equally, a twenty percent (20%) undivided interest for each unit in the project, reflecting the burden on common elements by the five units.


Michael M. Dyer

4/17/06
Date


Charlene G. Dyer

4/17/06
Date

RECEIPT

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

Purchaser(s): _____