

**CONDOMINIUM PUBLIC REPORT**

Prepared &  
Issued by: Developer: JOHN DAVID HOOK and PEGGY LOUISE HOOK  
Address: 105 South. El Camino Real  
San Clemente, California 92672

Project Name(\*): KAILUA CONDOMINIUM  
Address: 6701 Puu Pilo Place  
Wailua, Kauai, Hawaii 96746

Registration No. 5214

Effective date: December 4, 2003  
Expiration date: January 4, 2005

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: \_\_\_\_\_
    - Supplementary Public Report dated: \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_  
 This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

(\*) Exactly as named in the Declaration  
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.  
FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report                       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:

**SPECIAL ATTENTION**

This is a CONDOMINIUM PROJECT, **not** a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, **THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY.** The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit, or any other type of structure, on the property.

1. There are presently **TWO RESIDENTIAL STRUCTURES ON THE PROPERTY.** The only buildings on the property are two single family dwellings, each of which may be defined as an "apartment" under the condominium property act.
2. This public report does **not** constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it warrant that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.
3. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and is **not** a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.
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 owners and emergency traffic, drainage facilities, etc., may not be provided, 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: JOHN DAVID HOOK and PEGGY LOUISE HOOK Phone: (714) 8990588  
105 South El Camino Real  
San Clemente, California 91672

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):

TRICIA GERUM, attorney-in-fact for Developer  
210 Kuupua Street, Kailua, Hawaii 96734

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Real Estate Broker: Pacific Ocean Properties, Inc. Phone: (808) 742-6428  
2253 Poipu Road  
Poipu Beach, Kauai, Hawaii 96756

Escrow: First American Title Company, Inc. Phone: (808) 2467001  
4374 Kukui Grove Street, Suite 201  
Lihue, Kauai, Hawaii 96766

General Contractor: Steve L. Mauk, dba Phone (808) 3738313  
Cherry Construction  
5799 Kalaniana'ole Highway  
Honolulu, Hawaii 96821

Condominium Managing Agent: Self-managed by Association of Unit Owners Phone: N/A

Attorney for Developer Hiroshi Sakai, Esq. Phone: (808) 734-8619  
3773 Diamond Head Circle  
Honolulu, Hawaii 96815

\*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. 2003-209854  
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. 3651  
 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. 2003-209855  
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

\*Note: The Association has the power to adopt house rules, but none have yet been adopted.

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 interests 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>BOARD OF DIRECTORS</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:

\*The Developer , however, can exercise its voting powers through the units that it owns to change the Declaration and Condominium Map and file the "as built" verified statement for the units that are built as provided in Section 16.0 of the Declaration, and further the Developer can exercise its voting powers through the units that it owns to change the Bylaws as provided for in Section 1, Article VI of the Bylaws.

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: 6701 Puu Pilo Place  
Wailua, Kauai, Hawaii 96746

Tax Map Key: (TMK): (4) 4-2-22: 047

[ X ] Address [ X ] TMK is expected to change because addresses will be assigned by the County when houses are completed; CPR numbers will be added to the current TMK number.

Land Area: 21,856 [ X ] square feet [ ] acre(s) Zoning: R-2 Residential

Fee Owner: JOHN DAVID HOOK and PEGGY LOUISE HOOK  
 105 South El Camino Real  
 San Clemente, California 92672

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: 2 Floors Per Building 1  
 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>2</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:

- Pets: Dogs, cats, and other typical household pets in reasonable numbers.
- Number of Occupants: \_\_\_\_\_
- Other: See Section 8 of Declaration and Exhibit F
- 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>
<u>Unit A</u>	<u>1</u>	<u>3BR/2BA</u>	<u>1,402</u>	<u>395/23</u>	<u>Garage/Entry</u>
<u>Unit B</u>	<u>1</u>	<u>3BR/2BA</u>	<u>1,402</u>	<u>395/23</u>	<u>Garage/Entry</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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:

The exterior surfaces of the structures and the description of the limited common elements for each of the units as set forth in the Condominium Map.

Permitted Alterations to Apartments:

Any apartment owner can increase the total square footage of his structure, add additional structures, alter the location of his structure and/or subdivide in accordance with the Declaration, Building and House Rules, building code, zoning and subdivision ordinances.

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>4</u>						
	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	TOTAL
Assigned (for each unit)	<u>2</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>4</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>
Other: _____	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total Covered & Open:	<u>4</u>	<u>      </u>	<u>0</u>	<u>      </u>	<u>0</u>	<u>      </u>	<u>4</u>

Each apartment will have the exclusive use of at least 2 parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

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

8. Recreational and Other Common Facilities:

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

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

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

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

N/A

11. Conformance to Present Zoning Code

- a.  No variances to zoning code have been granted.  
 Variance(s) to zoning code was/were granted as follows:

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

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was 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   "A"  .  
 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 \_\_\_\_\_.

as follows:

Apartment A – 7,379 square feet  
Apartment B - 12,501 square feet

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 \_\_\_\_\_.

as follows:

Each unit shall have appurtenant thereto an undivided fifty percent ( 50%) interest in all common elements of the property, and the same proportionate share in all common profits and common expenses of the property (except as may be otherwise provided in the Bylaws) and for all other purposes, including voting. The fractional common interest for each unit is determined by assigning a 50% fractional interest to each of the units irrespective of the actual land areas contained in the limited common elements appurtenant to each unit.

- 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 "B" describes the encumbrances against the title contained in the title report dated 9/30/03 and issued by First American Title Company, 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>
---------------------	---

**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: Units are sold "as is".

2. Appliances:

Manufacturer's warranty only.

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

The construction of Units A and B were completed on July 18, 2003.

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):

#### 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 affiliated 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 the 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 "E" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

- 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 \_\_\_\_\_

Note: Developer discloses that no reserve study was done in accordance with Chapter 514A-83.6 and replacement reserve rules, Subchapter 5, Title 16, Chapter 197, Hawaii Administrative Rules, as amended.

## 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 "C" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated 7/16/03  
Exhibit "D" contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

### B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all 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 \_\_\_\_\_

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and or through the developer's sales agent, if any. 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. 5214 filed with the Real Estate Commission on October 13, 2003.

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:**

- 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.

JOHN DAVID HOOK and PEGGY LOUISE HOOK

Owner/Developer

By  12-3-03  
 Tricia Gerum Date  
 Their Attorney-in-fact

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**

**Common Elements**

The common elements which the apartments have immediate access to include:

- a. The land in fee simple.
- b. The driveway of 1,976 square feet as shown on the Condominium Map.
- c. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.
- d. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

**EXHIBIT B**

**Encumbrances against Title**

The title report of First American Title Company, Inc. reports that the land is subject to the following encumbrances:

1. Real Property taxes - To have a confirmation with respect to taxes contact the Director of Finance, County of Kauai.
2. Excepting and reserving therefrom the waters and all riparian and other rights in or to the Opaekaa Stream as disclosed in Warranty Deed recorded January 18, 2002 in said Bureau of Conveyances as Document No. 2002-009241.
2. Location of the boundary of Opaekaa Stream and the effect, if any, upon the area of the land described herein, and the free flowage thereof, as disclosed in Warranty Deed recorded January 18, 2002 in said Bureau of Conveyances as Document No. 2002-009241.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following: Right-of-Entry agreement recorded on October 9, 2000 as Document No. 2002-142055 in said Bureau of Conveyances.
4. Right-of-Way to Citizens Utilities Company, a Delaware corporation, recorded on April 17, 2001 as Document No. 2001-054809 granting a right-of-entry for utility purposes, as shown on the map attached thereto in said Bureau of Conveyances.
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following: Conveyance of Water Facility recorded June 21, 2001 as Document No. 2001-093883 in said Bureau of Conveyances.
6. Right-of-Way to Citizens Communications Company, a Delaware corporation, and Verizon Hawaii, Inc., recorded July 17, 2001 as Document No. 2001-109833, granting a right-of-entry for utility purposes as shown on the map attached thereto in said Bureau of Conveyances.

7. Terms, provisions, reservations covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 41, Section 3604(c) of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the Declaration of Easements, Covenants and Restrictions recorded August 10, 2001 as Document No. 2001-124839 in said Bureau of Conveyances.

8. The terms and provisions contained in or incorporated by reference in the Declaration of Condominium Property Regime for the KAILUA CONDOMINIUM project recorded on September 29, 2003 as Document No. 2003-209854. Condominium Map No. 3651 recorded with said Declaration on September 29, 2003.

9. The terms and provisions contained in or incorporated by reference in the By Laws of the Association of Apartment Owners of the KAILUA CONDOMINIUM recorded on September 29, 2003 as Document No. 2003-209855.

**EXHIBIT C**

**SUMMARY OF SALES CONTRACT**

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project.

(a) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(b) That interest on deposits shall belong to the Seller unless purchaser arranges with Escrow to establish a separate savings account and to pay \$25.00 to Escrow for the establishment and maintenance of such account. Upon establishment of such account, then such interest shall accrue to the benefit of the Purchaser.

(c) That the unit will be subject to various legal documents, including Declaration, By Laws, Final Public Report including Encumbrances and Disclosure Statement attached thereto, Building/House Rules, Escrow Agreement, Apartment Deed, Certificate of Architect or Engineer and Condominium Map and any other documents which the purchaser is given a copy of and for which he has received for the same.

(d) That the purchaser must close the purchase at a certain date and pay all closing costs, in addition to the purchase price.

(e) If purchaser has paid all payments required under the Sales Contract, Purchaser shall be entitled to specific performance.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

## EXHIBIT D

### Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits, which a purchaser makes under a Sales Contract, will be held in a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Developer will let purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement states the following conditions under which a refund will be made to a purchaser. Developer and purchaser must make a written request to Escrow: (a) Requesting the return of purchaser's funds to purchaser; (b) Notifying Escrow of Developer's exercise of any option to rescind the Sales Contract; or (c) Notifying Escrow that the conditions provided for a refund under Section 514A-62 or 514A-63 of the Condominium Act have been met.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract, that is, the purchaser's funds shall be retained by the Seller as liquidated damages.

(e) A summary of the conditions under which disbursement of the purchaser's fund may be made are as follows:

(1) Escrow shall make no disbursements of purchaser's funds or proceeds on the sale of such apartments including any payments made on loan commitments from permanent lenders), except by way of refunds thereof as provided herein below until:

(i) Escrow receives a copy of a "Receipt for Public Report(s) and Notice of Right to Cancel", in the form specified by Section 514A-62 of the Condominium Act for the Final and any Supplementary Public Report, executed by the purchaser;

(ii) Escrow has received a certification from Developer, acceptable to Escrow, stating that the Sales Contract has become effective and the requirements of Sections 514A-39 and 514A-63 have been met as those quoted phrases are used in Section 514A-65 of the Condominium Act; and

(iii) Until the purchaser's apartment deed is recorded in the Bureau of Conveyances, State of Hawaii.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

Note: Section 514A-63, Hawaii Revised Statutes provides for Rescission Rights to a purchaser under a binding Sales Contract if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the Project available for such purchaser's use.

**EXHIBIT "E"**

KAILUA CONDOMINIUM

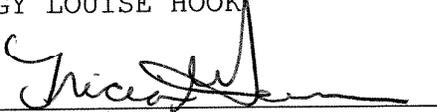
REGISTRATION NO. 5214  
DISCLOSURE STATEMENT AS OF JULY 17, 2003

1. Name of Project: KAILUA CONDOMINIUM
2. Address: 6701 Puu Pilo Place, Wailua, Kauai, Hawaii 96746;  
Lot 5 of the Nonaka Subdivision, Phase II, as  
shown on File Plan 2031, Wailua, Kauai, Hawaii 96746
3. Name of Owner and Developer: JOHN DAVID HOOK and PEGGY  
LOUISE HOOK.
4. Address: 105 South El Camino Real, San Clemente, California  
92672
5. Attorney-in-Fact: Tricia Gerum  
Address: 210 Kuupua Street, Kailua, Hawaii 96734  
Telephone: (808) 2657106
6. Project Manager or Agent: Self managed by Association of  
Apartment Owners.
7. Association Address: 6701 Puu Pilo Place, Wailua, Hawaii  
96746
8. Maintenance Fees: There are presently no maintenance fees  
since the project is divided with each party having direct  
access through a driveway to Puu Pilo Place, a public road.  
At such time that the majority of the Apartments commence  
construction and completion of a farm dwelling unit, the  
Developer to maintain the common elements. Each Apartment  
owner to take out his or her own insurance for their  
respective Apartment and their appurtenant limited common  
element and shall add the name of the Association as an  
additional assured.
9. Commencement of Maintenance Fees: At such time that the  
majority of the owners decide that a maintenance fee is  
necessary and desire the maintenance fee to commence. Each  
owner to maintain his or her own respective premises at his  
or her own cost and expense.
10. Warranties: The Project is a fee simple condominium project  
and there are no warranties.
11. Project: The Project consists of two (2) condominium  
Apartments all of which are free standing detached  
structures. The uses will be residential and other uses  
that are allowed by the County of Kauai ordinances.

Dated: Honolulu, Hawaii, this 17 day of  
July, 2003.

OWNERS and DEVELOPER

JOHN DAVID HOOK and  
PEGGY LOUISE HOOK

By   
Tricia Gerum  
Their Attorney-in-Fact

Kailua - Exh. E

EXHIBIT F

**BUILDING AND HOUSE RULES  
KAILUA CONDOMINIUM**

The purpose of these Building and House Rules ("Rules") is to protect all owners and occupants from annoyance and nuisance caused by improper conduct and improper use of the condominium project, hereinafter referred to as "Project", and to provide for the maximum enjoyment of the premises. All owners and occupants, their agents, employees and invitees shall be bound by the Rules and standards of reasonable conduct whether covered by these Rules or not.

1. Definitions. As used herein:

a. The "Area" refers to the land set aside for the use of each owner as a limited common element.

b. The "Apartment" or "Unit" refers to any structure built on the land designated as the limited common element for the owner and any subsequent improvements built within the Area.

c. The "unit owner" as used in the condominium documents shall also refer to an "apartment owner" or "apartment unit owner" in the Project.

d. The "condominium documents" refers to the Declaration, By Laws, Building and House Rules, Certificate of Architect or Engineer, and the Condominium Map.

e. The "Declarant" refers to JOHN DAVID COOK and PEGGY LOUISE COOK.

2. Private Building Approvals. Any owner desiring to construct or install any additional building or improvements in an Apartment is required to submit the plans and specifications to the Declarant so long as he owns an apartment for approval of such plans and specifications to be in conformance with the condominium documents. Thereafter the plans and specification shall be submitted to the owners of the other Apartments for his or her review for conformance with the condominium documents. If there is a difference of opinion the matter is subject to arbitration as set forth in the By Laws.

3. Building Permit and Construction. Any owner desiring to construct additional improvements in a Unit will comply with the building and zoning ordinances as the same may be changed from time to time. The requirements of the County of Kauai ordinances are required to be observed in the securing of a

building permit and construction and maintenance of any dwelling as well as the following:

a. No house trailer, mobile home, motor home, permanent camping tent or similar facility or structure shall be kept, placed or maintained upon any Unit at any time to serve as an additional dwelling Unit, provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained for a period not to exceed one year during and used exclusively in connection with the construction or any work or improvement permitted on the Unit.

b. Each dwelling and all improvements from time to time located thereon shall be maintained by the owner(s) thereof in good and clean condition and repair and in such manner as not to create any fire, safety, or health hazard to the Project or any part thereof, all at such owner's sole cost and expense.

4. Use Restrictions. The property is zoned for residential use and such use shall be observed by each owner of a Unit in the Project. In addition the following Use Restrictions shall be observed by each Unit Owner:

a. Pets. Dogs, cats and other typical household pets may be kept, but only in reasonable numbers and under reasonable conditions so as not to become a nuisance to the neighboring Unit owners. All animals kept or maintained on a Unit, whether domestic pets, livestock, game and fish or any other animal or aquatic life propagated for economic or personal use shall be kept and maintain only in a density compatible with the residential zoning of the Unit and shall be cared for in conformance with practices of good animal husbandry, including but not limited to (i) fencing and animal housing facilities adequate to restrict such animals to their Unit where it is being maintained and (ii) control of noise and noxious odors to levels which are customary under practices of good animal husbandry and which are compatible with the residential zoning of the land.

b. Animals and Noise. The keeping and maintaining of pigs and fighting cocks and chickens are expressly prohibited as being incompatible with the neighboring residential use. No animals or fowl that are loud or obnoxious shall be maintained. This includes, but is not limited to peacocks, donkeys, hunting dogs, pit bulls or any other vicious animals.

c. Noxious Activities. No noxious chemicals or pesticides shall be sprayed without giving a 24 hour notice to

all Unit owners or agent of a Unit Owner prior to commencement of spraying. For the purpose of this paragraph, noxious shall be deemed to mean any chemical that presents a danger of physical injury to human beings, domestic pets and farm animals as well as offering a possible drift residue contamination to neighboring unit crops that will be harvested for human consumption. No aircraft serial spraying of noxious chemical or pesticides shall be allowed.

d. Garbage and Trash. Each owner or occupant shall place his or her own garbage, trash and rubbish in covered receptacles or in plastic or fastened bags. Each owner or occupant shall exercise reasonable care to avoid exposure of waste materials to flies, roaches, rodents and other insects or materials.

5. General Appearance.

a. Signs. Signs, signals and lettering may be inscribed or exposed on any part of a building or in the common elements of the Project that meets the requirements of the ordinances of the County of Kauai.

b. Storage. No open storage of furniture, fixtures, appliances and other goods not in use will be permitted if not screened from the street and the other apartments. This restriction does not apply to garden furniture, children's swings or recreational equipment, or barbecues.

c. Antenna. No antenna, satellite dish, or other device to receive or transmit any television, radio, C.B. or any electronic signal shall be erected, placed or maintained on any building or area that is visible from any other apartment without the prior written approval of the affected apartment owner(s).

d. Vehicles in Disrepair. No vehicle that is unlicensed, or in non-working order, or in an extreme state of disrepair shall be abandoned or allowed to remain on the property for a period in excess of five (5) days, unless placed in a garage or other covered space screened from view.

6. Upkeep of Area. Each owner will be responsible for the landscaping and upkeep of its own Area and shall not permit its Area to be overgrown with weeds and/or place used goods and/or storage of materials to make the Area become unsightly like a junkyard.

7. Water and Utilities. Declarant will have ~~such~~ water and utilities brought to the Unit's boundary at the cost

and expense of the Declarant. Each Unit Owner will be required to construct or extend the utilities to his/her own dwelling at his or her own cost and expense.

8. Cesspool and septic tanks. Each owner will be responsible for their own cesspool and septic tanks provided that where there is sharing of sewer lines, cesspool and/or septic tanks then the owner affected shall cooperate with each other and be responsible for any costs and expenses on connection therewith.

9. Setbacks. Any structure placed in an area shall observe setbacks as provided for in the County of Kauai from the perimeter boundaries of each limited common element land area.

10. Common Element roadway. Each owner will be responsible to keep the common element roadway free and clear of any objects and vehicles at all times.

11. Completion. After completion of any structure and/or improvements, the owner shall proceed to do the following:

a. Publish a Notice of Completion in the Garden Island or newspaper of general circulation in the State of Hawaii for two (2) consecutive weeks at least seven (7) days apart and have it filed with the Clerk of the Fifth Circuit Court.

b. The plans and drawings should meet the requirements of a Condominium Map, showing a site plan where the dwelling and improvements will be located. There should be a floor plan indicating the living/dining room, bedrooms, kitchen, bathrooms, etc. indicating the net living area and the elevations of the dwelling and improvement. The project's name, Tax Map Key, and the architect's or engineer's stamp should be stamped on the plans.

c. The architect or engineer's certificate should be executed reflecting the "as built" condition of the dwelling and improvements.

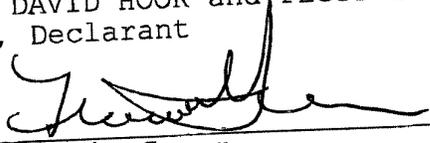
d. The owner should have prepared at his own cost an amendment to the Declaration and Condominium Map reflecting the change in the apartment.

e. The amendment to the Declaration should then be recorded in the Bureau of Conveyances.

2003.

Executed this 17 day of July,

JOHN DAVID HOOK and PEGGY LOUISE  
HOOK, Declarant

By   
Tricia Gerum  
Their Attorney-in-Fact

KAILUA CONDOMINIUM - BHR

EXHIBIT G

**KAILUA CONDOMINIUM  
UNIT A**

All of that certain parcel of land being the Limited Common Element containing Condominium Unit "A", Kailua Condominium, situate at Wailua, (Puna), Kauai, Hawaii.

Being a portion of Lot 5, "NONAKA SUBDIVISION", File Plan 2301, being a portion of Grant Number 11017, being also a portion of the WAILUA HOMESTEADS, FIRST SERIES and more particularly described as follows:

BEGINNING at the Westerly corner of this parcel of land, at the Northerly corner of the Limited Common Element for Unit B of Kailua Condominium, on the Easterly side of Lot 4 of Nonaka Subdivision, Phase II, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU", being 162.11 feet South and 9,337.36 feet West, thence running by azimuths measured clockwise from true South:

1. 241° 38' 40" 119.94 feet along Lot 4;

Thence along Puu Pilo Place on a curve to the left having a radius of 522.00 feet, the chord azimuth and distance being;

2. 328° 43' 13" 53.26 feet;

3. 54° 05' 40" 85.05 feet along the remainder of Lot 5, the Common Element of Kailua Condominium;

4. 57° 35' 30" 38.44 feet along same;

5. 151° 38' 40" 67.08 feet along the remainder of Lot 5, the Limited Common Element for Unit B of Kailua Condominium to the point of Beginning and containing an AREA of 7,379 Sq. Ft.

**TOGETHER WITH:**

1. A Common Element as shown on Kailua Condominium Map dated September 6, 2003.

**SUBJECT, HOWEVER, TO:**

1. Easement AU-1, for Access and Utility Purposes, as shown on Kailua Condominium Map dated September 6, 2003.



Kalaeo, Hawaii 96741  
September 7, 2003

DESCRIPTION PREPARED BY  
CAIRES LAND SURVEYING

*Roger M. Cairés*  
\_\_\_\_\_  
ROGER M. CAIRES  
Licensed Professional Land Surveyor  
Certificate Number 7919

**KAILUA CONDOMINIUM  
UNIT B**

All of that certain parcel of land being the Limited Common Element containing Condominium Unit "B", Kailua Condominium, situate at Wailua, (Puna), Kauai, Hawaii.

Being a portion of Lot 5, "NONAKA SUBDIVISION", File Plan 2301, being a portion of Grant Number 11017, being also a portion of the WAILUA HOMESTEADS, FIRST SERIES and more particularly described as follows:

BEGINNING at the Northerly corner of this parcel of land, at the Westerly corner of the Limited Common Element for Unit B of Kailua Condominium, on the Easterly side of Lot 4 of Nonaka Subdivision, Phase II, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU", being 162.11 feet South and 9,337.36 feet West, thence running by azimuths measured clockwise from true South:

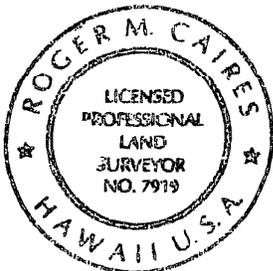
- |   |      |     |     |        |  |
|---|------|-----|-----|--------|--|
| 1.  | 331° | 38' | 40" | 85.08  | feet along the remainder of Lot 5, the Limited Common Element for Unit A of Kailua Condominium and the Common Element of Kailua Condominium; |
| 2.  | 54°  | 05' | 40" | 136.34 | feet along Lot 6;  |
| Thence along the centerline of Opaekaa Stream, the direct azimuth and distance being; |      |     |     |        |  |
| 3.  | 149° | 40' |     | 19.99  | feet;  |
| 4.  | 156° | 10' |     | 83.27  | feet;  |
| 5.  | 241° | 38' | 40" | 129.28 | feet along Lot 4 to the point of beginning and containing an AREA of 12,501 Sq. Ft.  |

**TOGETHER WITH:**

1. A Common Element as shown on Kailua Condominium Map dated September 6, 2003.

**SUBJECT, HOWEVER, TO:**

1. Existing 100 Year Flood Fringe and 100 Year Floodway lines as shown on Nonaka Subdivision Map.



Kalaheo, Hawaii 96741  
September 7, 2003

DESCRIPTION PREPARED BY  
CAIRES LAND SURVEYING

*Roger M. Cairns*  
\_\_\_\_\_  
ROGER M. CAIRES  
Licensed Professional Land Surveyor  
Certificate Number 7919

**KAILUA CONDOMINIUM  
COMMON ELEMENT**

All of that certain parcel of land being the Common Element of Kailua Condominium, situate at Wailua, (Puna), Kauai, Hawaii.

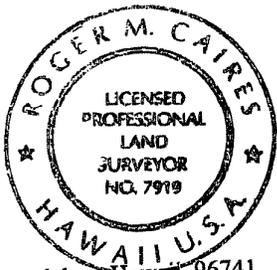
Being a portion of Lot 5, "NONAKA SUBDIVISION", File Plan 2301, being a portion of Grant Number 11017, being also a portion of the WAILUA HOMESTEADS, FIRST SERIES and more particularly described as follows:

BEGINNING at the Northerly corner of this parcel of land, at the Westerly corner of the Limited Common Element for Unit B of Kailua Condominium, on the Easterly side of Lot 4 of Nonaka Subdivision, Phase II, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU", being 87.24 feet South and 9,296.95 feet West, thence running by azimuths measured clockwise from true South:

- |    |              |       |   |
|----|--------------|-------|---|
| 1. | 151° 38' 40" | 18.00 | feet along the remainder of Lot 5, the Limited Common Element for Unit B of Kailua Condominium; |
| 2. | 237° 35' 30" | 38.44 | feet along the remainder of Lot 5, the Limited Common Element for Unit B of Kailua Condominium; |
| 3. | 234° 05' 40" | 85.05 | feet along same;  |

Thence along Puu Pilo Place on a curve to the left having a radius of 522.00 feet, the chord azimuth and distance being;

- |    |              |        |  |
|----|--------------|--------|--|
| 4. | 324° 56' 43" | 15.50  | feet;  |
| 5. | 54° 05' 40"  | 125.55 | feet along Lot 4 to the point of beginning and containing an AREA of 1,976 Sq. Ft. |



Kalaheo, Hawaii 96741  
September 7, 2003

DESCRIPTION PREPARED BY  
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