

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Robert Farias and Bronwyn Farias
Address 1714 Hulu Road, Kapaa, Hawaii 96746

Project Name (*): HULU CONDOMINIUM
Address: 1714 Hulu Road, Kapaa, Hawaii 96746

Registration No. 5464
(Partial Conversion)

Effective date: September 24, 2004
Expiration date: October 24, 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, 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 586-2643 to submit your request.

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I. PERSONS CONNECTED WITH THE PROJECT

Developer: Robert Farias and Bronwyn Farias Phone: (808) 822-1123
Name* (Business)

Business Address 1714 Hulu Road,
Kapaa, Hawaii 96746

Names of officers and directors of developers who are corporations; general partners of a partnership, partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate Broker*: None. Please see Page 20 Phone: (Business)

Name
Business Address

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 826-5300
Name (Business)

Business Address P.O. Box 223330
Princeville, Hawaii 96722

General Contractor*: Randal K. Miyashiro dba Kalani Construction Phone: (808) 822-1424
Name (Business)

Business Address 5773 A Kaapuni Road
Kapaa, Hawaii 96746

Condominium Managing Agent*: None- self managed by the Association of Phone: (Business)
Name Condominium Owners

Business Address

Attorney for Developer: Peter C. Miller, Attorney at Law Phone: (808) 826-4606
Name (Business)

Business Address P.O. Box 1230
Hanalei, Hawaii 96714

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

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 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

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

Fee Owner: Robert Farias and Bronwyn Farias
 Name
1714 Hulu Road,
 Address
Kapaa, Hawaii 96746

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: Unit A=1 Unit B=1 Floors Per Building: Unit A=1 Unit B=2

Exhibit B contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Unit A = Shade cloth & steel fence posts shed; Unit B = Wood

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	<u>Use Permitted By Zoninci</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>1*</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Other <u>Agricultural Shed</u>	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

*NOTE: The subject property is within the State Land Use Agricultural District and is zoned Agricultural by the County of Kauai. "Farm Dwellings" and other structures appropriate to agricultural usage are permitted, subject to certain guidelines. See the disclosure on Page 20 of this Final Public Report and Exhibit "K", Farm Dwelling requirements.

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u>2</u>	<u>2</u>					<u>4</u>
Guest							
Unassigned							
Extra for Purchase							
Other: _____							
Total Covered & Open:	<u>4</u>		<u>0</u>		<u>0</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 B 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 makes no representations or warranties as to the expected useful lives of those components and installations. Developer, based upon report of architectural inspection, states that those elements are in normal, satisfactory, and workable condition.

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

The Unit A structure (ag. shed) was completed April 4, 2004

The Unit B structure (dwelling) was completed in May of 1976

H. Project Phases:

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit G contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 13, 2004
Exhibit H 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 buyers 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.

C. **Additional Information Not Covered Above**

1. The Developer has not selected a real estate broker for the sale of units in the Project. In the event the Developer chooses to use a real estate broker for the sale of an apartment, then prior to entering into a binding contract for such sale the Developer shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed disclosure abstract identifying the designated broker, and (2) provide a copy of the disclosure abstract to the purchaser, together with a copy of this Final Public Report.

2. Residential Dwellings within State Land Use Agricultural District: Purchasers should be aware that the State Land Use Commission issued a Declaratory Ruling in December, 1994, regarding the construction of residential dwellings on properties located within the State Land Use Agricultural District. In response to said ruling, the Kauai County Planning Department is requiring applicants for building permits on such lands to acknowledge receipt of a "Farm Dwelling Notice" This Farm Dwelling Notice reads as follows:

FARM DWELLING NOTICE

To: Applicants for Building Permits on Land in State Land Use Agricultural District.

This is to inform you that Chapter 205, Hawaii Revised Statutes, does not authorize residential dwellings as a permissible use in an agricultural use district, unless the dwelling is related to an agricultural activity or is a 'farm dwelling'.

Farm Dwelling is defined in Chapter 205-4.5(a)(4) as "a single family dwelling located on and used in connection with a farm, including clusters of single-family farm dwellings permitted within agricultural parks developed by the State or where agricultural activity provides income to the family occupying the dwelling."

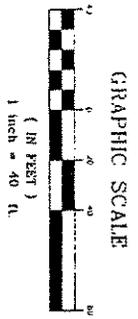
Penalty for violation of Section 205-4.5, Hawaii Revised Statutes, is a fine of not more than \$5, 000. 00. If any person who is cited for a violation of the law fails to remove the violation within six months of such citation and the violation continues, such person is subject to a citation for a new and separate violation. There shall be a fine of not more than \$5, 000. 00 for any additional violation.

*I acknowledge that I have read the above
and have been given a copy*

Signature of Applicant

Signature of Witness

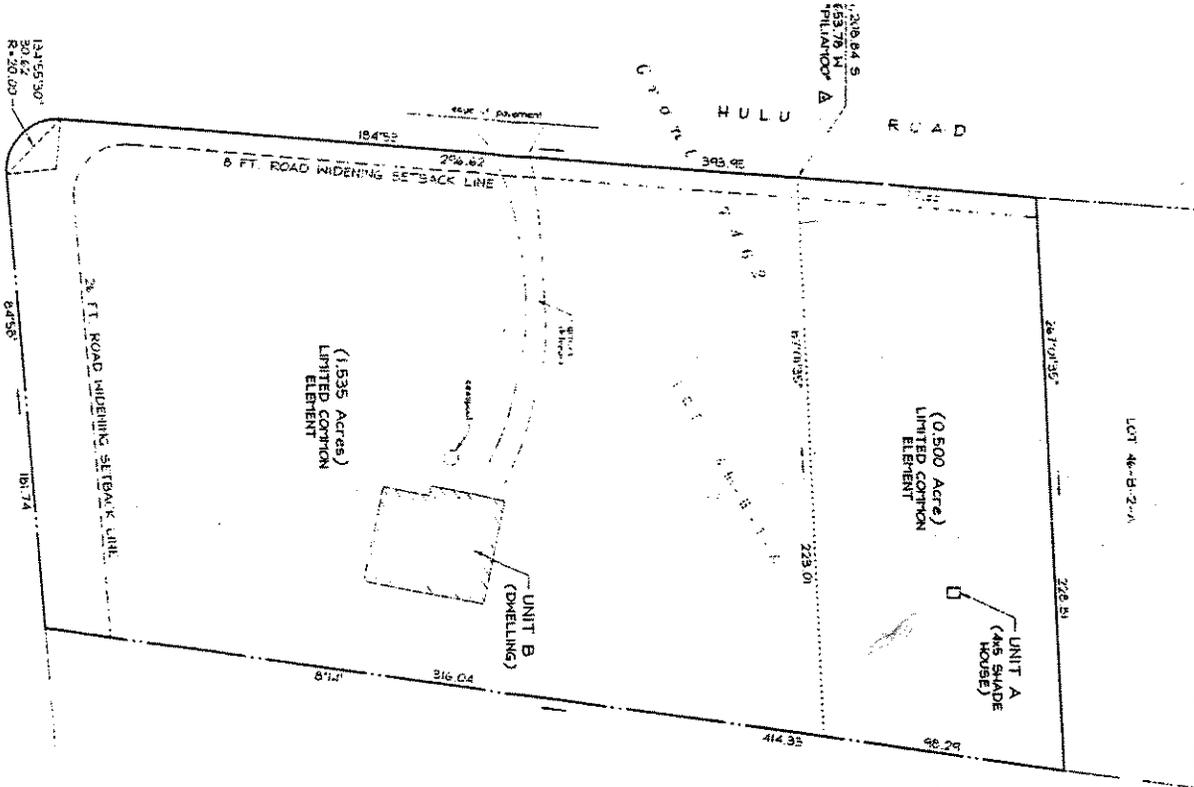
3. This Project is entitled to no "guest house" as defined by the County of Kauai under current interpretation of the law. If any change or reinterpretation of the law should hereafter allow for a guest house in the Project, that right shall belong to Unit A. A record of that award shall be recorded in the Bureau of Conveyances of the State of Hawaii. After such award, this right may thereafter be assigned at any time to the then-owner of the other unit by written agreement recorded in the Bureau of Conveyances of the State of Hawaii. All provisions of the Comprehensive Zoning Ordinance of the County of Kauai, and any other laws, ordinances or regulations with applicability shall then be observed by the owner of the unit to which the guest house right applies. No use of the guest house shall impair the right of any other unit owner to construct or maintain a farm dwelling, or the offending aspect(s) of the guest house shall be removed promptly. Any prospective owner of a unit with guest house rights should consult with the appropriate County of Kauai agency having jurisdiction of matters of concern before purchasing the unit and before construction. In the event that the law is changed to allow further condominiumization of the unit with guest house rights, or further conversion to an additional dwelling unit ("ADU"), then this Declaration shall be interpreted to allow such, provided it does not interfere with the right of any other owner to have a farm dwelling on that owner's unit. Upon such further condominiumization or conversion to ADU, the common interests will be apportioned in equal one third shares to reflect one equal share for each residence.



GRAPHIC SCALE
(IN FEET)
1 inch = 40 ft.

KAHUNA ROAD

HULU ROAD
KAPAA KAWAIIHAU KAUAI HAWAII



THIS WORK WAS PREPARED BY ME
ON UNDER MY SUPERVISION

Signature: *Wayne T. Wada*
ESKAT SURVEYING & MAPPING, INC.

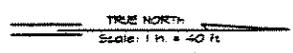


Exhibit A

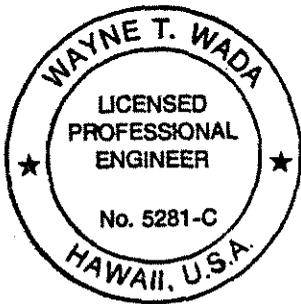
HULU CONDOMINIUM
UNITS A AND B
Being Lot 46-B-1-A
of Grant 7462
KAPAA, KAWAIIHAU KAUAI, HAWAII
Tax Map Key: (4) 4-6-04: 52
Owner: Bob Farlow
Date: February 19, 2004

ESAKI SURVEYING AND MAPPING, INC.
1610 HALEUKANA STREET
LIHUE, KAUAI, HAWAII 96766
Phone: (808) 246-0625
Fax: (808) 246-0229
Email: esm@esakimap.com

ENGINEER'S CERTIFICATION

STATE OF HAWAII)
) SS
COUNTY OF KAUAI)

The undersigned being a Licensed Engineer within the State of Hawaii and bearing Registration Number 5281-C, hereby certifies that the Condominium Map for the project known as "HULU CONDOMINIUM" accurately reflects the location and division of the apartment units and dimensions of the limited common elements. Floor plans and elevations of the structures are subject to separate Certification by a Registered Hawaii Architect or Engineer upon completion of construction.



Wayne T. Wada

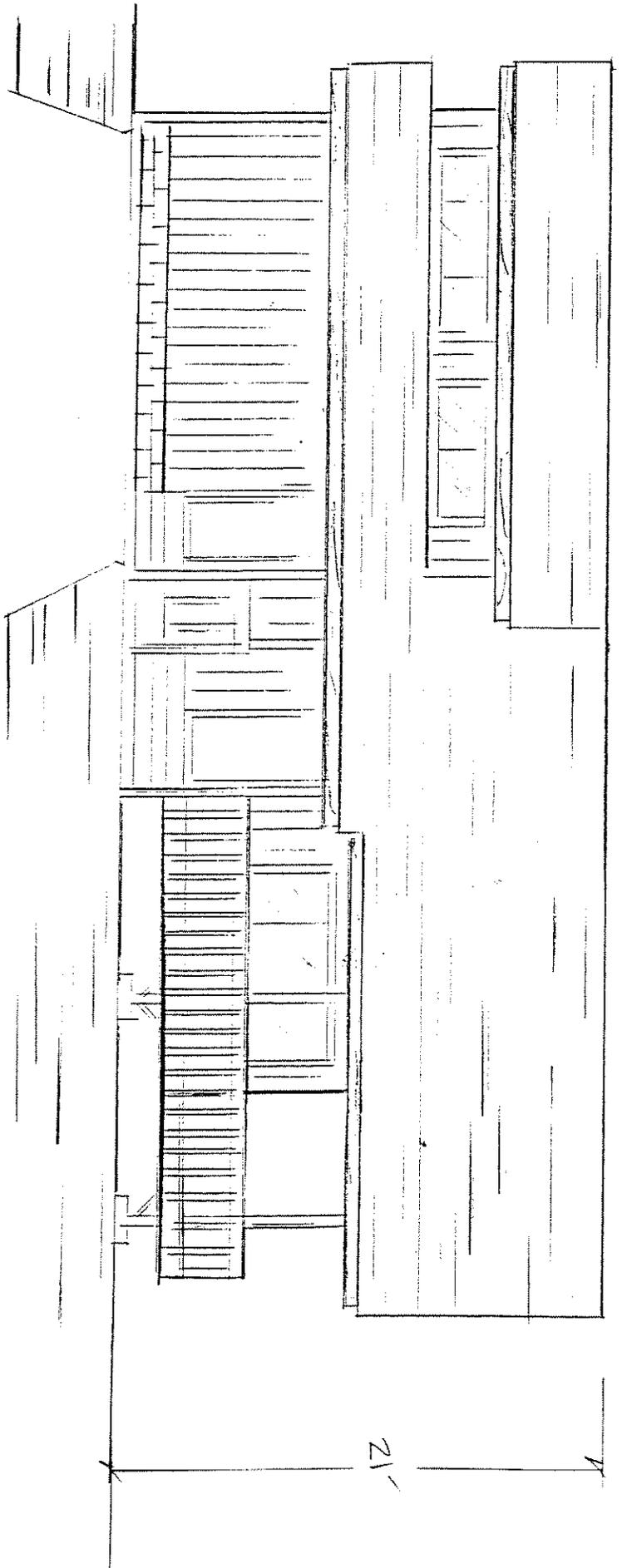
WAYNE T. WADA

Subscribed and sworn to before me this 19th day
of February, 2004.

Grace Tanaka

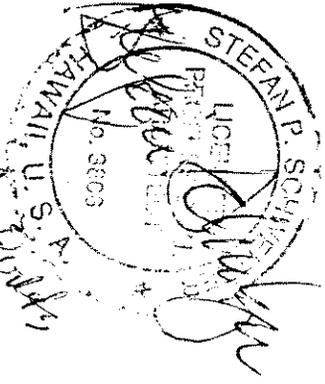
NOTARY PUBLIC, State of Hawaii
Name: Grace Tanaka
My commission expires: 1/7/2006

LS

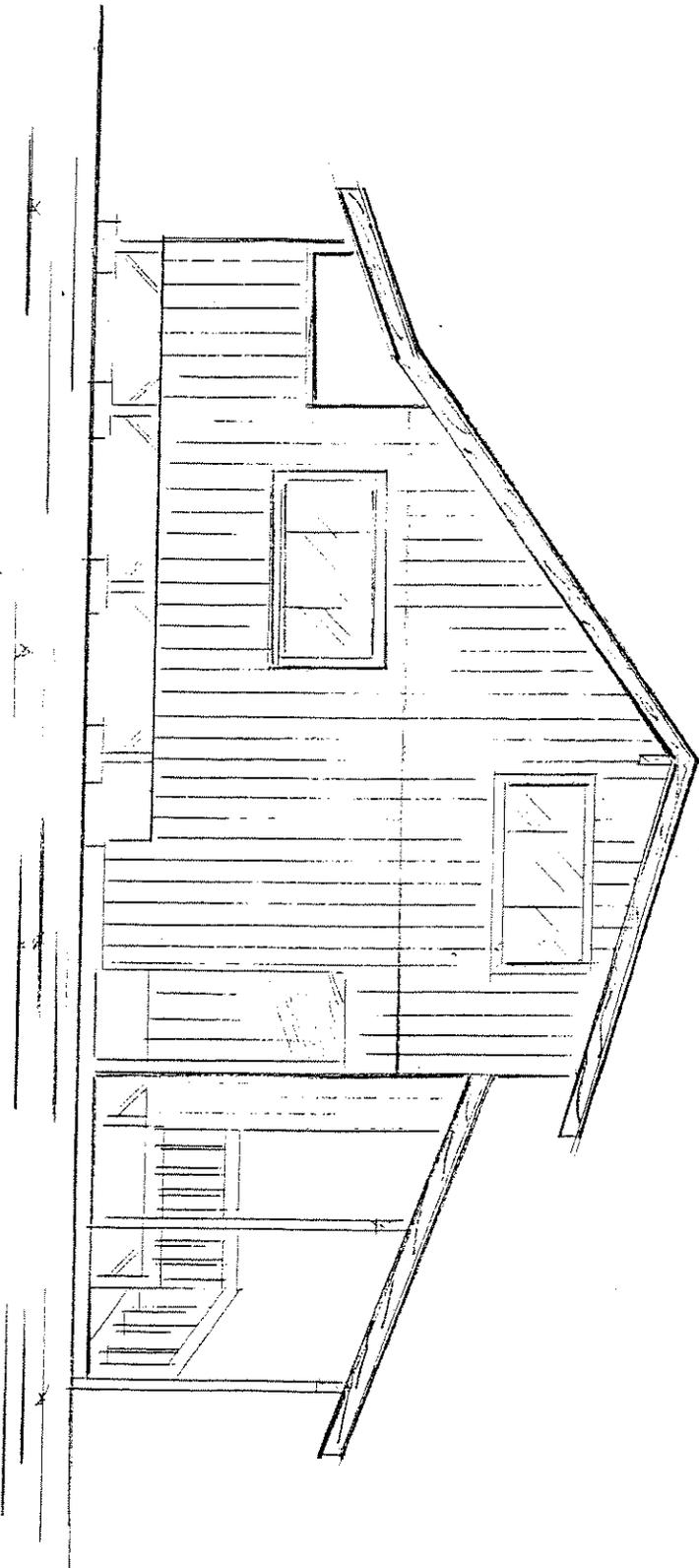


FRONT

UNIT B OF HULU CONDOMINIUM
OWNERS-MR. AND MRS. ROBERT FARIAS
Tax Key-Kauai (4) 4-6-4-32



12-2-03



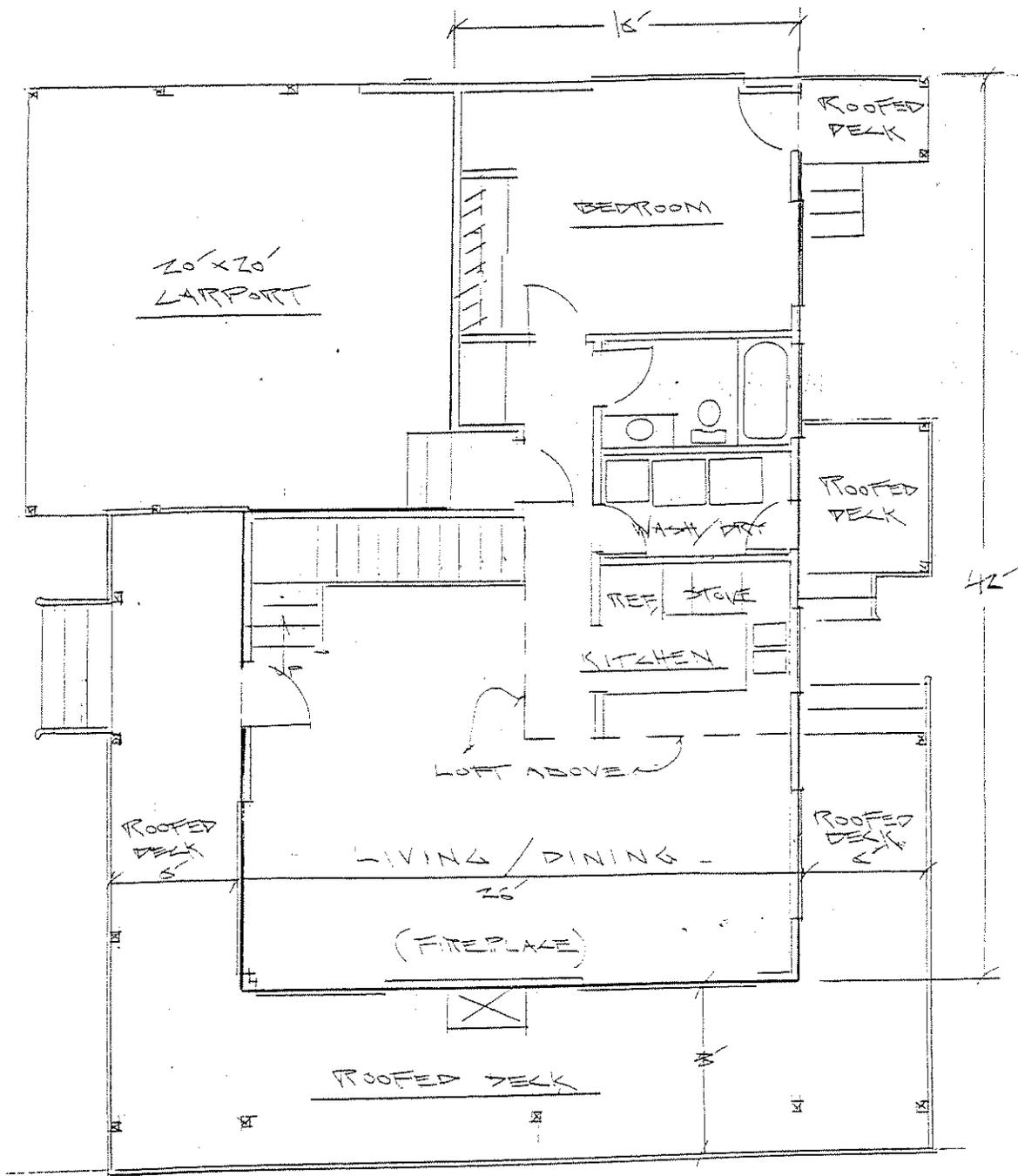
LEFT SIDE

UNIT B OF HULLU CONDOMINIUM
OWNERS-MR. AND MRS. ROBERT FARIAS

Tax Key-Kauai (4) 4-6-4-32

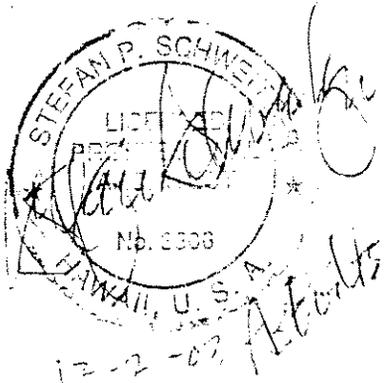


11-2-09
Stefan Schmeider



FLOOR PLAN-GROUND FLOOR

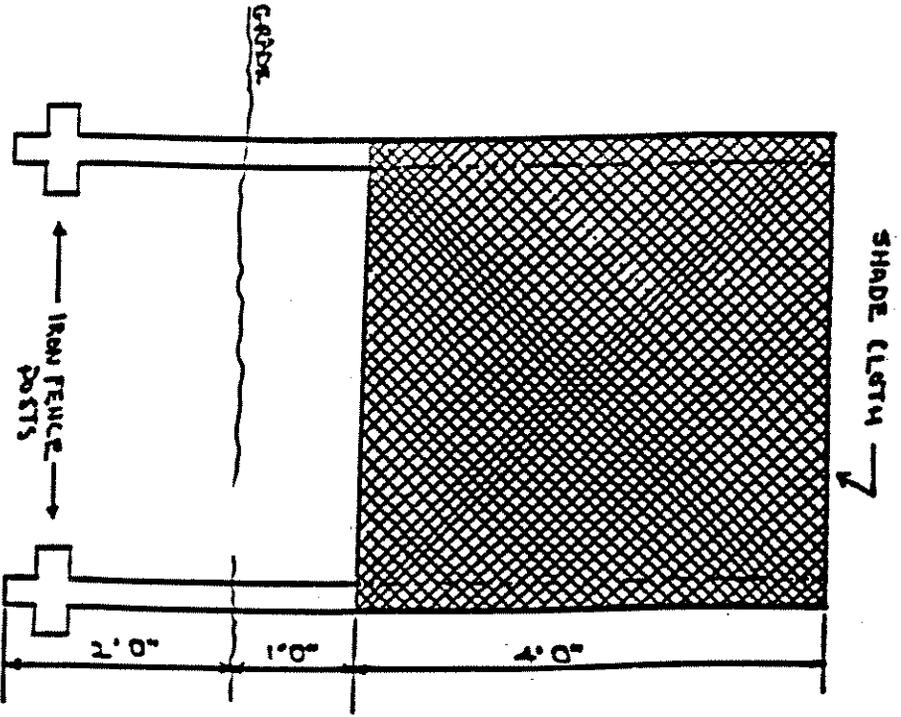
UNIT B OF HULU CONDOMINIUM
 OWNERS-MR. AND MRS. ROBERT FARIAS
 Tax Key-Kauai (4) 4-6-4-32



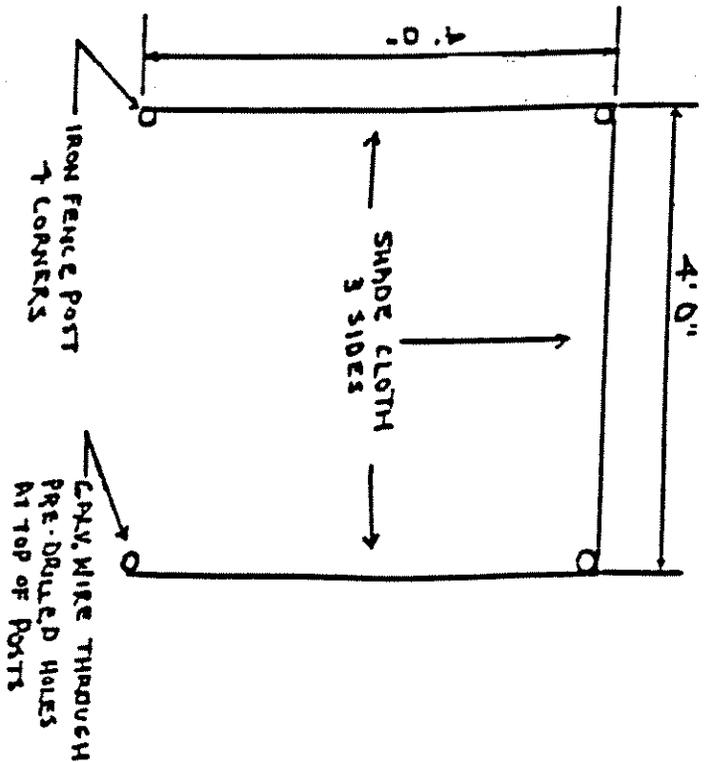
SHADE HOUSE FOR HULU CONDOMINIUM – Unit A

1714 Hulu Road
Kapaa, Kauai, Hawaii

Scale: 1/2" = 1'-0"



FRONT/REAR/LEFT/RIGHT ELEVATION



FLOOR PLAN

Robert Farias ♦ 1714 Hulu Road ♦ Kapaa, Hawaii 96746 ♦ Tel. (808) 822-1123

EXHIBIT C

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- (1) All of the land in fee simple;
- (2) All commonly used present and future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water; sewage, irrigation, cable and telephone;
- (3) Any and all areas or facilities designated on the Condominium Map for common use of the units; and
- (4) Any and all other future elements and facilities for common use or reasonably necessary to or useful to the existence, upkeep and safety of the Project.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, herein referred to as the "limited common elements", are hereby designated and set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (1) The immediate land area around and upon which each apartment is located, the boundaries of which are as so shown and designated on the Condominium Map and the table below, said land area being deemed a limited common element appurtenant to and for the exclusive use of that respective apartment.

Apartment No.	Area of Limited Common Element*
A	0.500 acre
B	1.535 acre

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement shall be borne solely by the owner of the apartment to which said limited common elements are appurtenant.

* Land areas referenced herein are not legally subdivided lots.

LOAN/ACCOUNT NO. 999987323

MORTGAGOR : ROBERT FARIAS and BRONWYN FARIAS, husband and wife

MORTGAGEE : MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.,
solely as a nominee for The Mortgage Store Inc., a Hawaii corporation

DATED : April 8, 2004
RECORDED : Document No. 2004-076508
AMOUNT : \$223,600.00

7. 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 OF
HULU CONDOMINIUM

DATED: May 11, 2004
RECORDED: 2004-115494
MAP: 3777

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

DATED: May 11, 2004
RECORDED: 2004-115495
MAP: 3777

the Buyer pursuant to the terms set forth in the Contract and Hawaii Revised Statutes Section 514A-63.

- (e) The closing date for the purchase. Time shall be of the essence of the obligations of Buyer under the Contract.
- (f) The payment of commissions, if any.
- (g) Acknowledgement by Buyer that neither the Seller nor any of its representatives have made any representations as to the rental income or profit to be derived from the Unit.
- (h) Acknowledgement by Buyer that Seller makes no warranties of any kind regarding the Unit, the Project or any improvement, appliance or furnishing related thereto.
- (i) The Contract shall not be construed as a present transfer of any interest in the Property, but it is instead an agreement to transfer in the future, contingent upon issuance of an effective date by the Real Estate Commission of a Final Public Report for the Project.
- (j) In the event of default under the Contract by Buyer:
 - (i) Seller may bring an action against Buyer for breach of contract'
 - (ii) Seller may retain Buyer's deposit(s)'
 - (iii) Buyer shall be responsible for expenses incurred.
- (k) In the event of default under the Contract by Seller:
 - (i) Buyer may bring an action against Seller for breach of contract;
 - (ii) Buyer may bring an action compelling Seller to perform under the Contract;
 - (iii) Seller shall be responsible for expenses incurred.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL TERMS AND/OR PROVISIONS TO BE CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE SALES CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THAT CONTRACT, THE CONTRACT WILL CONTROL, NOT THIS SUMMARY.

End of Exhibit G

perform in any matter that is being handled by Escrow, and if Seller certifies in writing to Escrow that Seller has terminated the sales contract in accordance with the terms thereof, and supplies Escrow with copies of the notices of termination, then Escrow shall thereafter treat all funds of the Buyer paid on account of the sales contract as funds of the Seller and not of the Buyer and shall hold them for the account of the Seller, free of the escrow. Upon written request of Seller, Escrow will pay such sums to Seller, less any escrow cancellation fee. Any partially executed conveyance documents held by Escrow shall be returned to Seller. Escrow shall hold all other documents theretofore delivered to Escrow for the statutory period.

8. Escrow, in carrying out its responsibilities under the Agreement, is provided several important protections and limitations to its liability. Escrow is not required to resolve any disputes and may instead await settlement or remove itself by depositing monies held by it into court. Seller and Buyer are required to indemnify and hold Escrow harmless from costs, damages and liabilities of all sorts incurred by Escrow for any act of Escrow that is not generally accepted as a reasonable business practice in the Honolulu business community.

9. Escrow's compensation for performance as escrow holder hereunder and for issuing title insurance shall be according to its scheduled rates plus applicable excise tax. In addition, Escrow will charge Buyer a fee of \$100 for each mortgage obtained by Buyer if it is not from a lender designated by Seller. Escrow will also charge a cancellation fee commensurate with its services, but not less than \$25 plus all costs incurred by Escrow, as well as a fee for changing documents previously approved.

SPECIAL NOTICE: THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH OR EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT, WHICH IS FAR MORE COMPREHENSIVE AND DETAILED THAN THIS SUMMARY. WHILE ONE CAN USE THIS SUMMARY AS A VERY GENERAL SUMMARY OF SOME KEY TERMS 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 H

Senior Condominium Specialist
Hulu Condominium
TMK: (4) 4-6-004: 032
Page two
August 31, 2004

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

If you have any questions, please contact Sheilah Miyake at (808) 241-6677.

cc: Peter Miller, Attorney at Law
Robert Farias, Project Developer

as defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District regulations, as recited herein; and

2. That the dwelling shall only be occupied by a "family", as defined by the State Land Use District regulations and as recited herein, who derive income from the agricultural activity on the parcel; and

3. That the APPLICANT(S) and all present and future owners, lessees and occupants of said land grant the DEPARTMENT the right of entry at the request of the DEPARTMENT to inspect the premises to assure compliance with the provisions of this Agreement; and

4. That this Agreement shall be a covenant running with the land and be binding on the APPLICANT(S), and all present and future owners, lessees and occupants of said land and anyone claiming under said APPLICANT(S), their heirs, executors, administrators, successors and assigns, as owners or occupants thereof or otherwise; and

5. That this Agreement shall remain in effect so long as the land retains its Agriculture District classification under the State Land Use Commission and the pertinent restrictive provisions of Chapter 205, Hawaii Revised Statutes, and the State Land Use District regulations remain in effect; and

6. That the APPLICANT(S) expressly set forth the provisions of this Agreement in any subsequent conveyance, deed, lease or rental agreement to said property executed by them, so as to give effect to said covenant; and

7. That this Agreement shall be recorded with the State of Hawaii Bureau of Conveyances, fees to be paid by the APPLICANT(S); and

8. The DEPARTMENT and APPLICANT(S) shall execute the Farm Dwelling Agreement; and

9. The APPLICANT(S), for themselves (himself, herself), their (his/her) heirs, administrators, successors and assigns, do hereby waive and release the DEPARTMENT and the County of Kauai, a political subdivision of the State of Hawaii, whose principle place of business is 4444 Rice Street, Suite 473, Lihue, Hawaii 96766, from all claims and causes of action, either legal or equitable, which may hereafter accrue by reason of the DEPARTMENT'S execution of said Farm Dwelling Agreement; and

10. The APPLICANT(S) do(es) hereby promise to indemnify and hold the DEPARTMENT and the County of Kauai, its successors, assigns, offices, employees, agents, attorneys or any other person or legal entity connected with or legally responsible to them, harmless from any and all claims, actions, causes of action, lawsuits, demands or liability for damages of whatever kind and nature, arising out of the DEPARTMENT'S execution of said Farm Dwelling Agreement; and

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this ___ day of _____, 20___, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____

STATE OF HAWAII)
) SS:
COUNTY OF KAUAI)

On this day of _____, 20___, before me appeared _____ to me personally known, who being by me duly sworn, did say that (s)he is the _____ of the PLANNING DEPARTMENT of the COUNTY OF KAUAI; and that said instrument was executed on behalf of said PLANNING DEPARTMENT; and that said _____ acknowledged that (s)he executed the same as his/her free act and deed of the PLANNING DEPARTMENT of the COUNTY OF KAUAI. Said Department has no seal.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____

END OF EXHIBIT "K"