

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer ADRIANNE NOAKALANI BLACKSTAD, KEVIN JOHN BLACKSTAD & KRIS K. BLACKSTAD
Address 4098A Koloa Road, Koloa, Kauai, Hawaii 96756

Project Name (\*): KIHU CONDOMINIUM
Address: 4098 Koloa Road and 4098A Koloa Road, Koloa, Kauai, Hawaii 96756

Registration No. 5847 (Conversion)

Effective date: January 26, 2006
Expiration date: February 26, 2007

Preparation of this Report:

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

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, 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. A Final Public Report will be issued by the developer when complete information is filed.

X FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[X] 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 586-2643 to submit your request.

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

Required and attached to this report As Exhibit "H"       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**

1. This is a CONDOMINIUM PROJECT; this is **not** a subdivision. This Project does **not** involve the sale of individual subdivided lots. A purchaser of a unit will be conveyed a unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element that each purchaser has the exclusive right to use is called a limited common element or area, but is not a separate, legally subdivided lot.

The land beneath and immediate adjacent to each unit, as shown on the Condominium Map, is designated as a limited common element and does not represent 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.

2. There are presently two (2) residential dwellings on the property, both of which may be defined as an "apartment" under the Condominium Property Act.
3. This Public Report does **not** constitute an approval of the project by the Real Estate Commission or any other governmental agency. This Public Report also does not ensure that all county codes, ordinances, and subdivision requirements have necessarily been complied with.
4. Facilities and improvements normally associated with County-approved subdivisions, such as improved access for owner and emergency traffic, street maintenance, and drainage facilities may not necessarily be provided.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO REVIEW CAREFULLY 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: ADRIANNE NOAKALANI BLACKSTAD, KEVIN JOHN BLACKSTAD & KRIS K. BLACKSTAD
Name\* Phone: (808) 332-6412 (Business)
Business Address
4098A Koloa Road
Koloa, Kauai, Hawaii 96756

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

N/A

Real Estate Broker\*: None selected Name Phone: (Business)
(See page 20 and Exhibit "H")
Business Address

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

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

Condominium Managing Agent\*: Self-managed by the Association of Name Phone: N/A (Business)
Unit Owners
Business Address

Attorney for Developer: Michelle S. Miyake, Esq. Name Phone: (808) 634-2244 (Business)
P.O. Box 3050
Business Address
Lihue, Kauai, Hawaii 96766-6050

\* 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. 2005-155824  
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. 4044  
 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. 2005-155825  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed       Adopted       Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>100%</u>
Bylaws	65%	<u>100%</u>
House Rules	---	<u>N/A</u>

\* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

The Developer reserves the right to change the Declaration and Condominium Map as provided for in Paragraph 24 of the Declaration; reserves the right to amend the Condominium Map or Bylaws in order to correct a typographical or grammatical error, or to comply with State, Federal, or local law; and reserves the right to enact House Rules.

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

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: 4098 & 4098A Koloa Road, Koloa, Kauai, Hawaii 96756 (Unit A – 4098 / Unit B – 4098A)  
Tax Map Key (TMK): (4) 2-6-003-037

Address  TMK is expected to change because the County of Kauai may assign additional numbers to the current TMK number

Land Area: 13,932  square feet  acre(s) Zoning: Residential R-4

Fee Owner: ADRIANNE NOAKALANI BLACKSTAD,  
 KEVIN JOHN BLACKSTAD &  
 KRIS K. BLACKSTAD  
 Name  
 4098A Koloa Road  
 Address  
 Koloa, Kauai, Hawaii 96756

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: 4 Floors Per Building: 2-story: Units A+B (Bldg #1)  
 1-story: Units A+B (Bldg #2)  
 Exhibit A contains further explanations.

3. Principal Construction Material:  
 Concrete  Hollow Tile  Wood  
 Other allied building materials, and vinyl \_\_\_\_\_

4. Uses Permitted by Zoning:

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

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?  
 Yes  No

\*Each Unit has a two-story residential dwelling unit, which is shown on the Condominium Map as Building #1 of Unit A and Building #1 of Unit B.

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: Animals and pets are permitted pursuant to Article 12, Section 12.1 of the Bylaws.

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

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

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: \_\_\_\_\_ Stairways: Each Unit: 1 Trash Chutes: \_\_\_\_\_

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Unit A	<u>1</u>	<u>3/2</u>	<u>1,742</u>	<u>480/32</u>	<u>garage, shed/kennel</u>
Unit B	<u>1</u>	<u>3/2</u>	<u>1,742</u>	<u>480/120</u>	<u>garage, storage shed</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: Two (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 boundaries of each unit is the exterior finished surfaces of the units' perimeter walls, roofs, foundations, windows and frames, doors, beams, posts and entry, if any.

Permitted Alterations to Apartments:

Each owner may alter the structure and any other improvements located within their unit's limited common land area as provided in Paragraphs 11 and 22 of the Declaration.

Apartments Designated for Owner-Occupants Only: Not Applicable

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has N/A elected to provide the information in a published announcement or advertisement.

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>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 \_\_\_\_\_ 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):

Units A and B were constructed in 1991. See Engineer's Certification, dated April 25, 2005, attached hereto as Exhibit G. Developer adopts this Certification that recites both Units A and B have an expected useful life in excess of ten (10) years.

11. Conformance to Present Zoning Code

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

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

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X		
Structures	X		
Lot	X		

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

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

- described in Exhibit B.  
 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 C\*.

as follows:

\*Note: The land areas referenced in Exhibit C are not legally subdivided lots.

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

described in Exhibit \_\_\_\_\_.

as follows:

Unit A 50% appurtenant common interest

Unit B 50% appurtenant common interest

100% total

The common interest was determined by allocating an equal percentage to both units.

See Page 20.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit D describes the encumbrances against the title contained in the title report dated October 19, 2005 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[ X] 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.

Type of Lien	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed <b>Prior to Conveyance</b></u>
MORTGAGE	Lender has priority over buyer's rights under a sales contract. If the Developer defaults under its loan, the Lender may foreclose on the property. A foreclosure would terminate a buyer's interest in a sales contract. Buyer shall be entitled to a refund of all deposits, less escrow cancellation fees.

F. Construction Warranties:

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

1. Building and Other Improvements:  
None. There are no warranties, express or implied.
  
2. Appliances:  
None. There are no warranties, express or implied.

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

The construction of Units A and B were completed in 1991. Unit A's detached storage shed/dog kennel structure, and Unit B's detached storage shed, which are shown on the Condominium Map as Building #2 of Unit A and Building #2 of Unit B, respectively, are roughly five (5) to seven (7) years old.

H. **Project Phases:**

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

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



## V. MISCELLANEOUS

### A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract  
Exhibit E contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated October 30, 2005  
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.
- Other Specimen Apartment Deed

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

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

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

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

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

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

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

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

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

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

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

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)  
Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)  
Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 5847 filed with the Real Estate Commission on November 28, 2005.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. **Additional Information Not Covered Above**

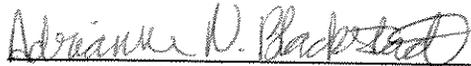
1. **Maintenance Fees.** Developer believes that there will be no maintenance fees because all costs of every kind pertaining to each unit and its respective limited common element including, but not limited to, cost of landscaping, maintenance, repair, replacement, and improvement shall be borne entirely by the respective unit owner. The Developer believes that the owners would rather treat any repair, maintenance, or replacement, including any maintenance of the land area of approximately fifty (50) square feet that is designated for garbage storage and pick up, if any, as a special assessment rather than collect and maintain a reserve fund. See "Reserves" below. Moreover, all utilities are separately metered. Based on the foregoing, there is no schedule of maintenance fees attached to this Public Report.

Section 514A-86, Hawaii Revised Statutes, requires the Association of Unit Owners to purchase fire insurance to cover the improvements of the Project, and that the premiums for the insurance be common expenses. Developer anticipates that the Association will elect to permit individual unit owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be responsibility of individual unit owners and not common expenses. Prospective purchasers should consult with their own insurance professionals to obtain an estimate for individual fire and hazard insurance.

2. **Reserves.** Developer discloses that no "reserve study" was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.
3. **Common Interests.** 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 percentage common interest for each unit is determined by apportioning a fifty percent (50%) interest to each of the two (2) units irrespective of the actual land areas contained in each unit.
4. **Water and Wastewater.** Each unit has its own water meter, and is serviced by its own cesspool.
5. **Real Estate Salesperson or Broker.** There is no Real Estate Broker or Salesperson for this project. Units will be sold "by owner." If a broker is selected, Developer shall file a listing agreement with the Real Estate Commission along with an amended disclosure abstract to be provided to all purchasers.
6. **Road Widening Setback.** The Project and each of the limited common element land areas of each unit are subject to a 5 feet wide future road widening setback in favor of the County of Kauai.

- 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.

**ADRIANNE NOAKALANI BLACKSTAD, KEVIN JOHN BLACKSTAD & KRIS K. BLACKSTAD**  
 Printed Name of Developer

  
 \_\_\_\_\_  
 ADRIANNE NOAKALANI BLACKSTAD  
 Developer/Owner

10-30-05  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 KEVIN JOHN BLACKSTAD  
 Developer/Owner

10-30-05  
 \_\_\_\_\_  
 Date

  
 \_\_\_\_\_  
 KRIS K. BLACKSTAD  
 Developer/Owner

10-30-05  
 \_\_\_\_\_  
 Date

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"

### Description of Apartments

The Project consists of four (4) buildings of which two (2) are residential structures without a basement (the apartments), one (1) storage shed without a basement, and (1) storage shed/kennel without a basement.

Units A and B are located as shown on the Condominium Map.

1. Unit A (4098 Koloa Road). Unit A consists of two (2) existing buildings. The first building is a two-story single-family residential dwelling (shown as "BLDG#1 OF UNIT A SINGLE FAMILY RESIDENCE" on the Condominium Map). This building has a wood frame with asphalt shingle roof, and contains a family/dining room, kitchen, three bedrooms, and two baths on the top floor. The ground floor contains a living room, two bedrooms, one bath with two-car garage that has a storage and laundry area. The net living/interior area of the residential dwelling of Unit A is approximately 1,742 square feet. The garage contains approximately 480 square feet.

The second building is a detached single story wood structure which is a storage shed with attached dog kennel that is approximately 32 square feet in total (shown as "BLDG#2 OF UNIT A SHED AND KENNEL" on the Condominium Map).

2. Unit B (4098A Koloa Road). Unit B consists of two (2) existing buildings. The first building is a two-story single-family residential dwelling (shown as "BLDG#1 OF UNIT B SINGLE FAMILY RESIDENCE" on the Condominium Map). This building has a wood frame with asphalt shingle roof, and contains a family/dining room, kitchen, three bedrooms, and two baths on the top floor. The ground floor contains a living room, two bedrooms, one bath with two-car garage that has a storage and laundry area. The net living/interior area of the residential dwelling of Unit B is approximately 1,742 square feet. The garage contains approximately 480 square feet.

The second building is a detached single story vinyl structure which is storage shed that is approximately 120 square feet (shown as BLDG#2 OF UNIT B SHED on the Condominium Map).

The approximate net floor areas of each unit as set forth above is measured from the interior surface of the unit perimeter walls and includes all of the walls and partitions within its perimeter walls.

End of Exhibit "A"

Exhibit "B"

Common Elements

1. The land in fee simple described in Exhibit "A" attached to the Declaration.
2. The land area of fifty (50) square feet that is designated for garbage storage and pick up.
3. The central and appurtenant installations for common services including drainage, gas, hot and cold water, light, power, sewerage, telecommunications equipment, telephone, and similar utilities that service more than one unit and any easement for such utility service. The Project has two (2) water meters and each meter belongs to the unit that it is connected to. Each unit has its own cesspool system.
4. Any and all apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally of common use.
5. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Act.

**COMMON ELEMENT  
"Kihī Condominium"  
Portion of Lot B-1, Portion of Lot B  
Portion of R.P.4512,  
Mahele Award 43 to J.Y. Kanehoa  
Lawāii, (Kona), Kauai, Hawaii**

Beginning at the Northwest corner of this easement, on the south Right of Way of Koloa Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KALUAMOA", being 6601.32 feet South and 647.96 feet East and running by azimuths measured clockwise from true South;

1. 279° 40' 00" 10.00 feet along the south right of way of Koloa Road;
2. 9° 40' 00" 5.00 feet affecting Unit A;
3. 99° 40' 00" 10.00 feet affecting Unit A;
4. 189° 40' 00" 5.00 feet affecting Unit A to the point of beginning and containing an area of 50 square feet, more or less.

**SUBJECT, However to:** A 5-foot wide future road widening setback line as recorded in Document No. 91-001718.



My License Expires: 04/2006  
(Month/Year)

JAN 05 2005

Peter N. Taylor  
Licensed Professional Land Surveyor  
Certificate No. 9149

January 5, 2005

Exhibit "C"

Limited Common Elements

The limited common elements appurtenant to each unit consist of the portion hereby designated and set aside and reserved for the exclusive use of that unit are shown on the Condominium Map and include:

1. Unit A – Limited Common Element 6,886 square feet. The land area surrounding and under Unit A, contains approximately 6,886 square feet as designated on the Condominium Map, and is reserved for the exclusive use of Unit A for the support of the building and other improvements comprising Unit A, and for the purposes described in the Project documents. A portion of Unit A is subject to a non-exclusive unrecorded easement "AU-1" for vehicle, pedestrian, and utility access purposes in favor of Unit B. Unit A has its own water meter and cesspool system, which are limited common elements of Unit A.
2. Unit B – Limited Common Element 6,996 square feet. The land area under and surrounding Unit B, contains approximately 6,996 square feet as designated on the Condominium Map, and is reserved for the exclusive use of Unit B for the support of the building and other improvements comprising Unit B, including together with a non-exclusive easement AU-1 affecting Unit A for vehicle, pedestrian, and utility access purposes. Unit B has its own water meter and cesspool system, which are limited common elements of Unit B.
3. Any fences, walls, or utility systems or lines that are located within the limited common land area and which services or benefits only one unit shall be deemed a limited common element of such unit.
4. Each unit owner, at his expense, shall maintain the limited common elements appurtenant to his unit in good order and neat condition. Except as otherwise provided for in this Declaration, all costs and expenses pertaining to limited common elements shall be the responsibility of the unit owner to which said limited common elements are appurtenant.

**Unit A**  
**"Kihī Condominium"**  
**Portion of Lot B-1, Portion of Lot B**  
**Portion of R.P.4512,**  
**Mahele Award 43 to J.Y. Kanehoa**  
**Lawaiī, (Kona), Kauai, Hawaii**

Beginning at Northwest corner of this Unit, also being the Northeast corner of Unit B and the south Right of Way of Koloa Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KALUAMOA", being 6590.76 feet South and 709.95 feet East and running by azimuths measured clockwise from true South;

- |    |              |        |  |
|----|--------------|--------|--|
| 1. | 279° 40' 00" | 106.57 | feet along the south Right of Way of Koloa Road;   |
| 2. | 9° 40' 00"   | 92.00  | feet along Lot C;  |
| 3. | 99° 40' 00"  | 48.81  | feet along Lot B-2;  |
| 4. | 189° 40' 00" | 7.31   | feet along Unit B;   |
| 5. | 155° 26' 16" | 102.52 | feet along Unit B to the point of beginning and containing<br>and area of 6,886 square feet, more or less. |

**SUBJECT, However to:**

1. A 5 foot wide future road widening setback line as recorded in Document No. 91-001718
2. A Non-Exclusive unrecorded easement "AU-1" (15 feet wide) in favor of Unit B for vehicle, pedestrian, and utility access purposes.



My License Expires: 04/2006  
(Month/Year)

JAN 05 2005

Peter N. Taylor  
Licensed Professional Land Surveyor  
Certificate No. 9149

January 5, 2005

**UNIT B**  
**"Kihī Condominium"**  
**Portion of Lot B-1, Portion of Lot B**  
**Portion of R.P.4512,**  
**Mahele Award 43 to J.Y. Kanehoa**  
**Lawaiī, (Kona), Kauai, Hawaii**

Beginning at Southwest corner of this Unit, also being the Northwest corner of Lot B-2 and on the east Right of Way of Lawailoa Lane, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KALUAMOA", being 6706.27 feet South and 747.11 feet East and running by azimuths measured clockwise from true South;

1. 184° 57' 00" 93.37 feet along the east Right of Way of Lawailoa Lane;
2. Thence along the east Right of Way of Lawailoa Lane on a curve to the right having a radius of 25.00 feet, the chord azimuth and distance being: 232° 18' 30" 36.78 feet.
3. 335° 26' 16" 102.52 feet along Unit A;
4. 9° 40' 00" 35.43 feet along Unit A and Lot B-2;
5. 99° 40' 00" 75.00 feet along Lot B-2 to the point of beginning and containing and area of 6,996 square feet, more or less.

**SUBJECT, However to:** A 5-foot wide future road widening setback line as recorded in Document No. 91-001718.

**TOGETHER with:** A non-exclusive unrecorded easement "AU-1"(15 feet wide) affecting Unit A for vehicle, pedestrian, and utility access purposes.



My License Expires: 04/2006  
(Month/Year)

JAN 05 2005

Peter N. Taylor  
Licensed Professional Land Surveyor  
Certificate No. 9149

January 5, 2005

**NON-EXCLUSIVE EASEMENT "AU-1"**  
**(15 FEET WIDE)**  
**"Kihi Condominium"**  
**Portion of Lot B-1, Portion of Lot B**  
**Portion of R.P.4512,**  
**Mahele Award 43 to J.Y. Kanehoa**  
**Lawai, (Kona), Kauai, Hawaii**

Beginning at Northwest corner of this easement, on the south Right of Way of Koloa Road, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KALUAMOA", being 6598.80 feet South and 662.74 feet East and running by azimuths measured clockwise from true South;

- |     |              |       |  |
|-----|--------------|-------|--|
| 1.  | 279° 40' 00" | 15.00 | feet along the south right of way of Koloa Road;   |
| 2.  | 8° 54' 26"   | 21.08 | feet affecting Unit A;   |
| 3.  | 37° 36' 43"  | 20.84 | feet affecting Unit A;   |
| 4.  | 64° 13' 13"  | 16.05 | feet affecting Unit A;   |
| 5.  | 95° 00' 27"  | 6.69  | feet affecting Unit A;   |
| 6.  | 155° 26' 16" | 17.26 | feet along Unit B;   |
| 7.  | 275° 00' 27" | 11.10 | feet affecting Unit A;   |
| 8.  | 244° 13' 13" | 8.38  | feet affecting Unit A;   |
| 9.  | 217° 36' 43" | 13.46 | feet affecting Unit A;   |
| 10. | 188° 54' 26" | 17.44 | feet affecting Unit A to the point of beginning and containing an area of 862.8 square feet, more or less. |

**SUBJECT, However to:** A 5-foot wide future road widening setback line as recorded in Document No. 91-001718



*[Handwritten Signature]*

My License Expires: 04/2006  
(Month/Year)

JAN 05 2005

Peter N. Taylor  
 Licensed Professional Land Surveyor  
 Certificate No. 9149

January 4, 2005



Exhibit "D"

Encumbrances Against Title

1. For real property taxes due and owing, refer to the County of Kauai, Real Property Tax Office.
2. Reservation in favor of the State of Hawaii of all minerals and metallic mines.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:  
  
INSTRUMENT : ROAD WIDENING RESERVE AGREEMENT  
DATED : ----- (acknowledged December 11, 1990)  
RECORDED : Document No. 91-001718  
PARTIES : EDMA-JO, INC., a Hawaii corporation, and TAD T. MIURA, SR.,  
and the COUNTY OF KAUAI PLANNING DEPARTMENT
4. MORTGAGE  
LOAN/ACCOUNT NO. 01-1670122  
MORTGAGOR : KEVIN JOHN BLACKSTAD and ADRIANNE NOAKALANI  
BLACKSTAD, husband and wife, and KRIS K. BLACKSTAD,  
unmarried  
MORTGAGEE : AMERICAN SAVINGS BANK, F.S.B., a federal savings bank  
DATED : April 21, 1999  
RECORDED : Document No. 99-063500; AMOUNT: \$274,500.00.
5. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in the DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "KIHI CONDOMINIUM" CONDOMINIUM PROJECT, dated July 7, 2005, and recorded on August 5, 2005 in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-155824.
6. Condominium Map No. 4044, recorded in the Bureau of Conveyances, State of Hawaii, and any amendments thereto.
7. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations, contained in the BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS, dated July 7, 2005, and recorded on August 5, 2005 in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-155825.
8. Any lien (or claim of lien) for services, labor, or mineral arising from an improvement or work related to the land described therein.

End of Exhibit "D"

Exhibit "E"

Summary of Sales Contract

The Seller intends to use a Sales Contract for the sale of the units of the Project ("Sales Contract") which will contain the purchase price and other terms and conditions under which a Purchaser will agree to buy a unit in the Project. Among other things, the Sales Contract will provide:

1. A section of financing to be completed and agreed to by the parties, setting forth how Purchaser will pay the purchase price.
2. Purchaser will not receive interest on deposits made under the Sales Contract.
3. Purchaser's money will be held in escrow under the terms of the Escrow Agreement.
4. Purchaser acknowledges having received and read the final public report for the Project prior to signing the Sales Contract.
5. A section of closing to be completed and agreed to by the parties which will set forth that Purchaser must close the purchase on or before a certain date and pay Purchaser's share of closing costs in addition to the purchase price.
6. A description for the allocation of payment of closing costs.
7. Remedies in the event of default under the Sales Contract:
  - a. By Purchaser:
    - i. seller may bring an action against Purchaser for breach of contract;
    - ii. seller may retain Purchaser's initial deposit; and
    - iii. purchaser shall be responsible for expenses incurred.
  - b. By Seller:
    - i. purchaser may bring an action against Seller for breach of contract;
    - ii. purchaser may bring an action to compel Seller to perform under contract; and
    - iii. seller shall be responsible for expenses incurred.
  - c. Any awards to the prevailing party in any action are subordinate to escrow's expenses.
8. The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read them with care.

End of Exhibit "E"

Exhibit "F"

Summary of Escrow Agreement

The Escrow Agreement ("Agreement") sets up an arrangement under which the deposits that a Buyer makes under a sales contract with Seller will be held by a neutral party ("Escrow"). Escrow is TITLE GUARANTY ESCROW SERVICES, INC. Under the Agreement (which may be modified or otherwise limited by provisions not summarized), these things will or may happen:

1. Whenever Seller enters into a sales contract for the sale of a unit, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.
2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will be deposited in an account for the project. Interest on all funds will be paid to Seller.
3. Escrow will release from the trust fund and disburse Buyer's funds at closing, unless:  
(a) Buyer has elected to exercise Buyer's right to cancel the sales contract pursuant to Section 514A-62, Hawaii Revised Statutes (HRS) or right to rescind sales contract pursuant to Section 514A-63, HRS, and receive all funds paid, without deduction; or (b) the Real Estate Commission of the State of Hawaii (Real Estate Commission) has not issued an effective date for a Final Public Report on the project or the requirements of the sales contract have not been met; or (c) Seller has not satisfied Escrow that all other requirements of HRS have been met.
4. Escrow will return deposited sums to the Buyer without interest if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. In the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00.
5. In the event of default by the Buyer, Buyer may forfeit his or her deposit, which will be paid to the Seller, less any cancellation fees charged by Escrow.
6. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

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

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

**ENGINEER'S CERTIFICATION**  
**"KIHI CONDOMINIUM"**  
**TMK: (4) 2-6-03 Parcel 37**

STATE OF HAWAII     )  
                                  ) SS:  
COUNTY OF KAUAI    )

The undersigned being a Licensed Engineer within the State of Hawaii and bearing Registration No.2586, hereby certifies that:

- a) The Condominium Site Plan for "KIHI CONDOMINIUM" situated at Koloa Road, Lawai, Kauai, Hawaii identified as TMK: (4) 2-6-03 Parcel 37 consisting of one drawing does accurately depict the layout, location, unit numbers and dimensions of the units; and
- b) the attached floor plans and elevations of the structures comprising the condominium, being two drawings in total, are "As Built and Constructed"; and

as to Unit A Residence and Shed/Kennel, and also Unit B Residence and Storage due to the age of the buildings, no plans are maintained by the Building Division or Planning Department of the County of Kauai which would show approved plans and specifications for the improvements. The structures, related systems and components have an expected useful life in excess of ten years;

- c) I have inspected the structures on the project, and the buildings and associate systems and improvements appear to be in conformity with ordinances, codes, rules, regulations, laws and other requirements in force at the time of their construction.

This is not a warranty of compliance with all rules and regulations but is only a warranty that inspection was made and no violations appear to exist. No right shall accrue to any third party for subsequent discovery of any problems with code compliance or for future changes in such code(s).

*Peter N. Taylor*  
Peter N. Taylor, PE, PLS     04/25/05

Subscribed and sworn to before me  
this 25 day of APR 2005, 2003.

*M.*  
\_\_\_\_\_  
Notary Public, State of Hawaii

**MELANEY HA'O-BERGADO**  
Commission Expires January 20, 2006  
Notary Public, State of Hawaii

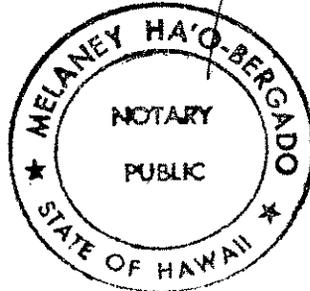


Exhibit "H"

**DISCLOSURE ABSTRACT FOR**

**KIHI CONDOMINIUM**

**AS OF OCTOBER 30, 2005**

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

1. Developer: The Developers of the Project are ADRIANNE NOAKALANI BLACKSTAD, KEVIN JOHN BLACKSTAD, and KRIS K. BLACKSTAD.
2. Mailing address: 4098A Koloa Road, Koloa, Kauai, Hawaii 96756.
3. Telephone number: (808) 332-6412.
4. Maintenance Fees: There are no maintenance fees for this project. Developers advise there are no depreciable common elements. Each unit shall maintain its own separate insurance for both liability and casualty purposes.
5. Warranties: There are no warranties against defects of material and workmanship in individual units, common elements, or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition.
6. All of the units of the project are to be used for permitted residential purposes only and other permitted uses within the residential zone. No unit will be used for hotel or timeshare purposes. No commercial uses are allowed except for those activities permitted by County ordinances.
7. Title: Developers ADRIANNE NOAKALANI BLACKSTAD and KEVIN JOHN BLACKSTAD, own an undivided one-half interest in the property as joint tenants, along with KRIS K. BLACKSTAD, who owns an undivided one-half interest, as tenants in common.
8. Real Estate Salesperson or Broker: There is no Real Estate Broker or Salesperson for the project. Units will be sold "by owner" unless the Developers retain the services of a Real

Estate Broker and files a proper listing agreement and amended disclosure abstract with the Hawaii Real Estate Commission.



ADRIANNE NOAKALANI BLACKSTAD  
Developer/Owner

10-30-05

Date



KEVIN JOHN BLACKSTAD  
Developer/Owner

10-30-05

Date



KRIS K. BLACKSTAD  
Developer/Owner

10-30-05

Date

RECEIPT

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

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

**BRYAN J. BAPTISTE**  
MAYOR

**IAN K. COSTA**  
DIRECTOR OF PLANNING

**GARY K. HEU**  
ADMINISTRATIVE ASSISTANT

**MYLES S. HIRONAKA**  
DEPUTY DIRECTOR OF PLANNING



**COUNTY OF KAUAI**  
PLANNING DEPARTMENT  
4444 RICE STREET  
KAPULE BUILDING, SUITE A473  
LIHU'E, KAUAI, HAWAII 96766-1326

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

**DATE:** September 27, 2005

**TO:** Cynthia M.L. Yee, Esq.  
Senior Condominium Specialist  
Real Estate Commission - P & VLD/DCCA  
335 Merchant Street, Room 333  
Honolulu, Hawaii 96813

**FROM:** Ian K. Costa, Director of Planning 

**SUBJECT:** Certification of Inspection of Existing Buildings

**Project Name:** KIHI Condominium Project (274)  
**Tax Map Key:** (4) 2-6-003: 037

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

1. The developer have contracted engineer Peter Taylor to certify that the buildings on the proposed project referred to as Kihi Condominium Unit A and Unit B are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by the Department.

Senior Condominium Specialist  
Kihi Condominium  
TMK: (4) 2-6-003: 037  
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2. There are no variances approved for the subject property.
3. The parcel does not contain any outstanding nonconforming uses or structures as a result of the adoption or amendments of any ordinances or codes and regulations.
4. There are no notices of violations 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 Keith Nitta at (808) 241- 6677.

cc: Michelle S. Miyake, Attorney at Law  
Kris Blackstad et al, Project Developer