

## CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer: AKAMAI HOLDINGS, LLC, a Hawaii limited liability company  
Address: 2250 Liliuokalani Street  
Kilauea, Kauai, Hawaii 96754

Project Name(\*): Lot 14 Estates  
Address: 6683 Kuhoho Street  
Kapaa, Kauai, Hawaii 96746

Registration No. 5901  
(Partial Conversion)

Effective date: October 2, 2006  
Expiration date: April 17, 2007

### Preparation of this Report:

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

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

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

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

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

### Type of Report:

- PRELIMINARY:**  
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- FINAL:**  
(white) The developer has legally created a condominium and has filed complete information with the Commission.  
 No prior reports have been issued.  
 This report supersedes all prior public reports.  
 This report must be read together with \_\_\_\_\_
- SUPPLEMENTARY:**  
(pink) This report updates information contained in the:  
 Preliminary Public Report dated: \_\_\_\_\_  
 Final Public Report dated: March 17, 2006  
 Supplementary Public Report dated: \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with the Final Public Report dated March 17, 2006  
 This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

(\* Exactly as named in the Declaration

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

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

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

Required and attached to this report                       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:

1. Paragraph 7. in Section E, OTHER EASEMENT/RESTRICTIONS of the Declaration, was amended to change the restriction as to the amount of bedrooms Units 1 and 2 may construct due to the State Department of Health restrictions relating to wastewater disposal facility. A First Amendment to Declaration of Condominium Property Regime of Lot 14 Estates has been recorded in the Bureau of Conveyances as Document No. 2006-153142, to note said amendment.
2. Page 20a of the Public Report was amended to note that a new condominium law (Chapter 514B, HRS) took effect, July 1, 2006; however, the former condominium law (Chapter 514, HRS) will apply to this project, subject to certain provisions of Chapter 514B, HRS.
3. Revised Exhibit "E" to note the amendment to the Declaration.

## TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer                      Attorney for Developer                      General Contractor	
Real Estate Broker      Escrow Company                      Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
<del>E. Encumbrances Against Title</del>	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21

- EXHIBIT A: DESCRIPTION OF BUILDINGS
- EXHIBIT B: ALTERATION OF PROJECT
- EXHIBIT C: COMMON ELEMENTS
- EXHIBIT D: LIMITED COMMON ELEMENTS
- EXHIBIT E: ENCUMBRANCES AGAINST TITLE (REVISED August 23, 2006)
- EXHIBIT F: ESTIMATE OF INITIAL MAINT. FEES & ESTIMATE OF MAINT. FEE DISBURSEMENTS
- EXHIBIT G: SUMMARY OF DEPOSIT RECEIPT AND SALES CONTRACT
- EXHIBIT H: SUMMARY OF ESCROW AGREEMENT
- EXHIBIT I: DISCLOSURE ABSTRACT
- EXHIBIT J: ADDITIONAL DWELLING UNIT FACILITIES CLEARANCE FORM
- EXHIBIT K: ARCHITECT'S CONDITION REPORT (UNIT 1)
- EXHIBIT L: CERTIFICATION OF INSPECTION OF EXISTING BUILDINGS DATED DECEMBER 30, 2005

**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. 2005-224561

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]:

First Amendment to Declaration of Condominium Property Regime of Lot 14 Estates dated August 9, 2006, recorded as Document No. 2006-153142.

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. 4110

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. 2005-224562

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]:

Fee Owner: AKAMAI HOLDINGS, LLC  
 2250 Liliuokalani Street  
 Kilauea, Kauai, Hawaii 96754

JENNIFER TAYLOR  
 P. O. Box 512  
 San Luis Obispo, California 93406

Lessor: N/A  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_

**C. Buildings and Other Improvements:**

1.  New Building(s)  
 Conversion of Existing Building(s)  
 Both New Building(s) and Conversion
2. Number of Buildings: 2 Floors Per Building Unit 1: 2  
Unit 2: 1  
 Exhibit "A" contains further explanations.
3. Principal Construction Material:  
 Concrete     Hollow Tile     Wood  
 Other Iron fence post and shade cloth
4. Permitted Uses by Zoning:

	No. of Apts.	<u>Use Permitted by Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>1</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 checked="" type="checkbox"/> Other: Shed	<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

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 "D" \*

as follows:

\* Note: Land areas referenced herein are not legally subdivided lots.

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

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

as follows:

Each unit shall have appurtenant thereto an undivided one-half (1/2) 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 assigning a one-half (1/2) fractional interest to both of the units irrespective of the actual land areas contained in the limited common elements appurtenant to each unit.

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

Exhibit "E" describes the encumbrances against the title contained in the title report dated August 23, 2006 and issued by Old Republic Title & Escrow of Hawaii.

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. 5901 filed with the Real Estate Commission on January 31, 2006.

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. The use of hazardous material is restricted except as provided under Article H of the Declaration and all hazardous materials laws.
2. For the purpose of Exhibit "F" of the Final Condominium Public Report the Developer has not conducted a reserve study in accordance with § 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.
3. Current County of Kauai ordinances allow the construction of one single family dwelling and one "additional dwelling unit" ("ADU"). As long as there is an Additional Dwelling Unit ("ADU") ordinance in effect in the County of Kauai, each of the Units shall be entitled to construct a single Condominium House (whether it is considered as the main residence or the ADU allowed to be constructed on the Property). The Developer makes no warranties or representations regarding the future of County of Kauai ordinances regarding ADUs or the ability at anytime in the future of an ADU to be constructed on the property. A County of Kauai Additional Dwelling Unit Facilities Clearance Form was approved on July 27, 2005, a copy of which is attached hereto as Exhibit "J".
4. No unit owner shall be allowed to construct a Guest House on the property at any time.
5. Currently a cesspool is used to dispose of the wastewater generated from the dwelling unit on Unit 1. In the event a dwelling unit is constructed on Unit 2 a septic system meeting the requirements of the State of Hawaii Department of Health must be constructed. Under the State of Hawaii Department of Health rules and regulations, the entire project is limited to the use of one septic system and one leach field/seepage pit for wastewater disposal, which leach field/seepage pit (collectively "septic system") is to be shared by both Units 1 and 2. The leach field/seepage pit shall be installed in the yard areas between dwelling units on Units 1 and 2 in a location to be determined at the time of construction of the septic system. Each Unit shall have the right to access the leach field/seepage pit area for purposes of installation, maintenance and repair of same. No landscaping, vegetation or man-made structure shall be permitted to be planted or constructed within the area of the leach field/seepage pit that would adversely affect or interfere with the operation of the septic system (e.g., plants with invasive root systems or structures with underground foundations). Unit 2 shall be required to pay for the cost of designing and installing the septic system on the project if the septic system will only be accepting wastewater from Unit 2. In the event Unit 1 is no longer authorized by the State of Hawaii Department of Health to utilize the cesspool to dispose of its wastewater Unit 1 shall be authorized, at its sole cost and expense, to expand the septic system on the project to accept the wastewater generated from Unit 1. In the event the single septic system on the project serves both Unit 1 and Unit 2 the septic system shall be designated as a common element of the project and an amendment to the condominium map and this declaration shall be filed by the owners of Unit 1 and Unit 2, with the cost to be shared equally between the two units. If Unit 1 connects to the septic system after Unit 2 has paid for the cost of designing and installing the septic system ("construction cost") then Unit 1 shall be required to pay Unit 2 one-half of the construction cost prior to connecting to the septic system.
6. Due to the restriction on waste water disposal facilities on the Property, the dwelling to be constructed on Unit 1 shall be restricted to no more than 2 bedrooms and the dwelling to be constructed on Unit 2 shall be restricted to no more than 3 bedrooms.
7. Easement AU-1, over and across Unit 2 in favor of Unit 1 for access and utility purposes, as shown on the Condominium Map.

8. A two feet wide road widening reserve along frontage of Kuhoho Road, as more particularly described in that certain Road Widening Reserve agreement dated July 25, 2005, and recorded as Document No. 2005-170808.

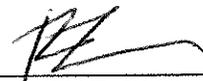
9. HRS 514B – New Condominium Law

A new condominium law for the State of Hawaii took affect as of July 1, 2006, and is codified as Hawaii Revised Statutes, Chapter 514B ("HRS 514B"). The former condominium law, found at Hawaii Revised Statutes Chapter 514A, will continue to be applicable to this Project, subject to certain sections being superseded by HRS 514B. Buyers should retain counsel to answer any questions they may have with regard to the effect HRS 514B will have on this project.

- 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.

AKAMAI HOLDINGS, LLC  
Owner/Developer

By: RODNEY T. EASTERLY, INC.,  
a Hawaii corporation  
Its Member

By   
\_\_\_\_\_  
RODNEY T. EASTERLY  
Its President

August 30, 2006  
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 "E"

### ENCUMBRANCES AGAINST TITLE

1. Any taxes that may be due and owing and tax liens that may exist, refer to Director of Finance, Kauai County.
2. Title to all minerals, and metallic mines reserved to the State of Hawaii.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in DEED dated January 26, 1977, recorded January 28, 1977, in Book 11984 at Page 131.
4. Mortgage in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Countrywide Home Loans, Inc., a New York corporation, dated August 17, 2004, recorded in said Bureau as Document No. 2004-196632.
5. Mortgage in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Countrywide Home Loans, Inc., a New York corporation, dated August 17, 2004, recorded in said Bureau as Document No. 2004-196633.
6. Agreement for ROAD WIDENING RESERVE executed by and between AKAMAI HOLDINGS, LLC (RODNEY T. EASTERLY) (hereinafter designated as "Applicant(s), and the COUNTY OF KAUAI PLANNING DEPARTMENT (hereinafter designated as "Department"), dated July 25, 2005, recorded as Document No. 2005-170808.
8. Matters in an instrument that, among other things, contain or provide for easements, assessments, liens and their subordination; provisions relating to partition, restrictions on severability of component interest, covenants, conditions and restrictions, provision that no violation thereof and no enforcement of any lien provided for therein shall defeat or render invalid the lien of a mortgage or deed of trust made in good faith and for value, but omitting any covenants or restrictions if any, based on race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent such covenant (a) is exempt under Title 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons entitled Declaration of Condominium Property Regime of Lot 14 Estates dated October 24, 2005, and recorded in said Bureau as Document No. 2005-224561.  
  
Said Declaration was amended by First Amendment to Declaration of Condominium Property Regime of Lot 14 Estates dated August 9, 2006, and recorded in said Bureau as Document No. 2006-153142.
9. Bylaws of the Association of Unit Owners of Lot 14 Estates dated October 24, 2005, and recorded in said Bureau as Document No. 2005-224562.
9. Condominium Map No. 4110, filed in said Bureau.