

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	OLOHENA ESTATES
Project Address	6451-A Kalama Road Kapaa, Kauai, Hawaii 96746
Registration Number	6301 (conversion)
Effective Date of Report	May 17, 2007
Developer(s)	UYU PARTNERS, LLC a Hawaii limited liability company

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

1. **NOT A SUBDIVISION.** This is a condominium project that should not be confused with a subdivision. 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.

There are County of Kauai (County) restrictions on the number of residential dwelling units, or other structures, which may be built on the property. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. PRIOR TO PURCHASE, THE PROSPECTIVE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, ON THE PROPERTY.

2. This Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency.
3. Facilities and improvements normally associated with County-approved subdivisions such as improved access for owner and emergency traffic, fire protection devices, electricity, upgraded water facilities, and drainage facilities may not necessarily be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.
4. This Project is within the State Land Use Commission Agricultural District. Please see page 18 of this report for special requirements for residential dwellings within this district.

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

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General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

If you are a typical condominium unit owner, you will have two kinds of ownership: (1) ownership in your individual unit; and (2) a percentage interest in the common elements.

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	N/A	
Address of Project	6451-A Kalama Road, Kapaa, Hawaii 96746	
Address of Project is expected to change because	each Unit is entitled to its own street address.	
Tax Map Key (TMK)	(4) 4-4-002-115	
Tax Map Key is expected to change because	County will add unit numbers to the current TMK number.	
Land Area	5.09 acres	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A	

1.2 Buildings and Other Improvements

Number of Buildings	4
Floors Per Building	1
Number of New Building(s)	0
Number of Converted Building(s)	4
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Buildings constructed primarily of masonite walls, wood, and concrete foundation.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
1	1	1/1	552 square feet	12 SF	shed	564 SF
2	1	0		288 SF/280 SF	maintenance shed and barn	568 SF
See Exhibit A .						

2	Total Number of Units
---	------------------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stalls in the Project:	4
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit *___ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. *Each unit has ample space for parking within its limited common element land area. If an owner constructs a farm dwelling, a two (2) car garage will be required as part of the improvements per Paragraph 1(e) of the Declaration of Restrictive Covenants and Conditions for the Kalama Agricultural Estates.	

1.5 Boundaries of the Units

Boundaries of the unit:
The boundaries of each unit is the exterior finished surfaces of the units' perimeter frame, beams, doors, foundations, roofs, shade cloth, windows, frames, and post, if any.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
Each owner may alter the structure and any other improvements located within his unit's limited common land area as provided in Article XIII of the Declaration. Permitted alterations to units are as allowed by County of Kauai zoning ordinances and recorded restrictions on the Project.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit *___.
As follows:
Unit 1 = 50%
Unit 2 = 50%
*See page 18.

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): None. There are no recreational or common facilities.

1.9 Common Elements

<p>Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p>	
<p>Described in Exhibit "B".</p>	
<p>Described as follows:</p>	
Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

<p>Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p>
<p>Described in Exhibit "C".</p>
<p>Described as follows:</p>
<p>*Note: The land areas referenced in Exhibit "C" are not legally subdivided lots.</p>

1.11 Special Use Restrictions

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p>	
<input checked="" type="checkbox"/>	Pets: Animals and pets are permitted pursuant to Article XI, Sections 1 and 2 of the Bylaws.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Agricultural restrictions: see Article VII, B of Declaration; page 18 of this Report; Exhibit J
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

<p>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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>
<p>Exhibit "D" describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: March 2, 2007</p>
<p>Company that issued the title report: Old Republic Title and Escrow of Hawaii</p>

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning						
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning	
<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 Residential/Commercial		<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	1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	County/SLUC: AG	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input checked="" type="checkbox"/>	Other(specify) shed	1	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	County/SLUC: AG	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No			
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No			
Describe any variances that have been granted to zoning code.			N/A			

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots

In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.

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

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:

N/A

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable <input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>All structures were constructed in 1994. See Engineer's Condition Report, dated February 14, 2007, attached hereto as Exhibit "E". Developer adopts this certification stating that the structure and related systems and components appear to be in satisfactory and sound condition for the stated age.</p>	
<p>Developer's statement of the expected useful life of each item reported above: Provided that proper maintenance is applied to the Units, the expected useful life is in excess of fifteen (15) years for the one-story dwelling (Building 1 of Unit 1), and three (3) years for remaining structures: shed, maintenance shed, and barn.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations: N/A</p>	
<p>Estimated cost of curing any violations described above: N/A</p>	

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit <u>F</u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p>

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information: The subject property is within the State Land Use Agricultural District and is zoned AG by the County of Kauai. "Farm Dwelling" and other structures appropriate to agricultural uses are permitted, subject to specific use restrictions in the agricultural zone. See disclosures on page 18 of this report.</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project. N/A</p>	
<p>The nature and the scope of services to be provided. N/A</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses. N/A</p>	
<p>The duration of the provision of the services. N/A</p>	
<p>Other possible impacts on the project resulting from the provision of the services. N/A</p>	
<p>Other disclosures and information. N/A</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: UYU PARTNERS, LLC 1110 University Ave., Suite 311 Honolulu, HI 96826</p> <p>Business Address:</p> <p>Business Phone Number: (808) 222-1788 E-mail Address: None</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>UYU PARTNERS, LLC is a Hawaii limited liability company. It is member-managed and comprised of three (3) members:</p> <p>Shaun Ushijima Brian Uy Mark Yonamine</p>
<p>2.2 Real Estate Broker</p>	<p>Name: Sleeping Giant Realty, Inc. dba Sleeping Giant Business Address: Sotheby's International Realty 4480 Ahukini Rd, Lihue, HI 96766</p> <p>Business Phone Number: (808) 245-8831 E-mail Address: DebraB@sleepinggiant.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, HI 96813</p> <p>Business Phone Number: (808) 521-0211</p>
<p>2.4 General Contractor</p>	<p>Name: Unknown. Business Address: N/A</p> <p>Business Phone Number: N/A</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Self-managed by the Association Business Address: NA</p> <p>Business Phone Number: NA</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Michelle S. Miyake, Esq. Business Address: 4268 Rice Street, Suite J P.O. Box 3050, Lihue, HI 96766-6050</p> <p>Business Phone Number: (808) 634-2244</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

Land Court or Bureau of Conveyances	Date of Document	Document Number
	March 15 and March 21, 2007	2007-071693

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
	March 15 and March 21, 2007	2007-071694

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	
Bureau of Conveyances Map Number	4434
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>
Have Been Adopted and Date of Adoption	<input type="checkbox"/>
Developer does not plan to adopt House Rules	<input checked="" type="checkbox"/>

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	100%
Bylaws	67%	100%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input checked="" type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input type="checkbox"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p>Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

<p>Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.</p>
<p>Exhibit "G" contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>

4.3 Utility Charges to be Included in the Maintenance Fee

<p>If checked, the following utilities are included in the maintenance fee:</p>	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify) None.

4.4 Utilities to be Separately Billed to Unit Owner

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify) *See page 18.

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit "H" contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: February 14, 2007 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.
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<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.	
<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Lender has priority over a Buyer's rights under a sales contract.
	Foreclosure would terminate Buyer's interest, and Buyer shall be entitled to refund of all deposits, less escrow costs.

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: None. There are no warranties, express or implied.
Appliances: None. There are no warranties, express or implied.

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Construction of Units 1 and 2 were completed in 1994.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: N/A

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

Box A <input type="checkbox"/>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
Box B <input type="checkbox"/>	<p>The Developer has not submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1. **Developer's Public Report**
2. **Declaration of Condominium Property Regime (and any amendments)**
3. **Bylaws of the Association of Unit Owners (and any amendments)**
4. **Condominium Map (and any amendments)**
5. House Rules, if any
6. Escrow Agreement
7. Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8. Other:

Declaration of Restrictive Covenants and Conditions for Kalama Agricultural Estates (See Exhibit "J").

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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Agricultural Restrictions. It is anticipated that the initial improvements on each unit will be replaced by or supplemented with a farm dwelling. Unit 1 may convert the existing one-story dwelling into a guest house and then build a farm dwelling, or retain the existing one-story dwelling and build a guest house. Unit 2 may build a farm dwelling. The prospective purchaser shall have the right to build such farm dwelling at purchaser's expense. In such an event, the purchaser shall describe the farm dwelling by filing the "substantially as-built" certificate from a licensed architect or engineer within the State of Hawaii, within thirty (30) days after completion of construction of the improvement or supplement (which is different in any material respect from the Condominium Map), and duly record in the Bureau of Conveyances an amendment to the Declaration and the Condominium Map showing the Project as so altered. The County of Kauai (the "County") Planning Department may require, to process the necessary permits for the construction of a farm dwelling and the processing of a Farm Dwelling Agreement, authorization from at least 75% of the legal and equitable ownership of the entire Project. In most cases, a farm dwelling may not be constructed unless a unit owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval.

See Paragraph 1(e) of the Declaration of Restrictive Covenants and Conditions for the Kalama Agricultural Estates dated October 31, 1991, recorded as Document No. 92-002280, and the First Amendment, dated March 17, 1992, recorded as Document No. 92-041772.

Applicable to Unit 2 - Paragraph 1(e) requires that one of the two (2) permitted farm dwellings on the lot shall contain not less than 1,500 square feet of livable floor area, exclusive of lanais, patios, servant's quarters, attached guest house or facility, garage, storage space, or workshop. The 1,500 square feet minimum shall apply to Unit 2.

Applicable to Unit 1 - This permitted farm dwelling on the lot shall contain not less than 1,000 square feet of livable floor area, exclusive of lanais, patios, servant's quarters, attached guest house or facility, garage, storage space, or workshop. The 1,000 square feet minimum shall apply to Unit 1.

The Project is located on land within the State Land Use Agricultural District and is zoned Agricultural by the County. Except as limited specifically by the condominium documents, all uses permitted in the agricultural zones are permitted. Uses in one zone are not the same as in the other, and a prospective purchaser of any unit should consult with the appropriate County agency for information on uses and construction in the respective zones.

A prospective purchaser of any unit should understand that all development and use of the property shall be in compliance with County codes and ordinances, that owners in this Project will not necessarily receive the same County benefits as owners of approved subdivided lots and that owners who develop their limited common element later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations.

2. Farm Dwelling Agreement. A prospective purchaser should be aware of the impact of the Farm Dwelling Agreement, dated July 6, 1993, recorded as Document No. 93-120014. This Agreement remains in force and is between the current owners of the property and the County. In short, this recorded Farm Dwelling Agreement means that the initial improvements on each unit may be replaced by or supplemented with a farm dwelling. Purchasers should be aware that Chapter 205, Hawaii Revised Statutes (H.R.S.), 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." See Article VII, B.10 (Agricultural Restrictions) of the Declaration for a more detailed explanation.

As noted above in paragraph 1, a farm dwelling may not be constructed unless a unit owner demonstrates to the County his ability to derive income from his property, established and verified prior to any building permit approval. The term "farm dwelling" is defined in Chapter 205-4.5(a)(4), H.R.S., 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." Failure to comply with these agricultural restrictions may result in a penalty. The penalty for violation of Chapter 205-4.5, H.R.S., is a fine of not more than \$5,000. If any person who is cited for a violation of the law fails to remove the violation within six (6) 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 for any additional violation.

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 Declaration or 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 Unit, irrespective of the actual land areas contained in each Unit.
4. Uses. All of the units in the Project are to be used for permitted agricultural and/or residential uses only. No units shall be used for transient, hotel, or timeshare purposes. There will be no commercial use except those activities permitted by County ordinance.
5. Water. Presently, there is a County public water system available to the Project. Unit 1 has its own individual water meter. Unit 2 shall be responsible for its own costs associated purchasing and installing its own water meter and connecting it to the public water system. Unit 2 has been approved for a second, individual water meter. A prospective purchaser of either Unit should note that there is a Waiver and Release Agreement, dated March 18, 1993, recorded as Document No. 93-046886, which states that there may be no water available to the property from the County. A prospective purchaser should verify with the County regarding present water availability.
6. Utilities. Each unit is responsible for the costs associated with installing its own utilities.
7. Wastewater. Unit 1 has a cesspool. Unit 2 will need to be serviced by its own septic system and such system must be designed and installed at Unit 2's own expense. A prospective purchaser should verify requirements with the County and seek design and installation estimates prior to proceeding with the wastewater system.
8. Engineer. Mark Yonamine, is a licensed professional engineer in the state of Hawai'i (PE-8990), and is the engineer who also prepared or reviewed the Certificate of Engineer, Engineer's Condition Report, and floor plans and elevations of this Project. He is also a member of UYU PARTNERS, LLC, the Developer of this Project.
9. Real Estate Broker. Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules, prospective purchasers are hereby advised that Brian Uy has an active Hawaii real estate license (RB-16514). Brian Uy is not affiliated with this Project's Broker. He is one of members of UYU PARTNERS, LLC, the Developer of this Project.
10. Road Widening Setback. The Project and each of the limited common element land areas of each unit are subject to a two (2) feet wide future road widening setback in favor of the County of Kauai.
11. Notice of Dedication. A prospective purchaser should be aware of the impact of the Notice of Dedication recorded as Document No. 2000-034621 ("Dedication"). This document reflects that the Project is situated on land that has been dedicated for agricultural purposes effective March 10, 2000. Failure to observe the restrictions of the use of the land shall cancel the dedication and special tax assessment privilege retroactive to the date of the dedication, and that additional taxes and penalties, due and owing as a result of a breach of the dedication shall be a lien upon the property, in accordance with application County ordinances. Please refer to the Director of Finance, County of Kauai for further information.

12. Guest House. The Project is entitled to only one (1) guest house which has been assigned to Unit 1. The guest house will be subject to restrictive limitations on use as regulated by the County such as there shall be no kitchen and the guest house cannot exceed 500 square feet.
13. Declaration of Covenants. This is a condominium project, which should not be confused with a subdivision. This Project is located on Lot 150-B of the Kalama Agricultural Estates Subdivision and lots in this agricultural subdivision are subject to the Declaration of Restrictive Covenants and Conditions for the Kalama Agricultural Estates dated October 31, 1991, recorded as Document No. 92-002280, and the First Amendment, dated March 17, 1992, recorded as Document No. 92-041772. Prospective purchasers are encouraged and cautioned to review carefully the terms of the subject Declarations as they contain numerous and significant restrictions that affect all units in this Project. See Exhibit "J", which contains the pertinent pages of the recorded restrictive covenants for the subdivision within which this Project is located. Among other things, the restrictive covenants govern land use, building type and materials, possession of animals, and cultivation of crops.
14. Elevation Agreement. This Project is also subject to an Elevation Agreement, dated May 21, 1991, recorded as Document No. 91-125047. Due to the high elevation of the property upon which the Project is located, the owners have been required to enter into an elevation agreement with the County's Department of Water. This Agreement indemnifies the Department of Water from claims by reason of inadequate water supply and property owners agree to accept such service as is available, and to install additional water pumping and/or storage equipment at its own expense, if necessary.
15. Floodway and Flood Fringe. Each unit is subject to a floodway and flood fringe, and in no event shall the improvements fail to comply with any zoning restrictions imposed by the County for the Project in light of being subject to these fringes.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

UYU PARTNERS, LLC

Printed Name of Developer

By:  4/10/07
Duly Authorized Signatory* Date

Brian Uy, Its Member

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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UYU PARTNERS, LLC
Printed Name of Developer

By:  4/10/07
Duly Authorized Signatory* Date

Mark Yonamine, Its Member
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kauai

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

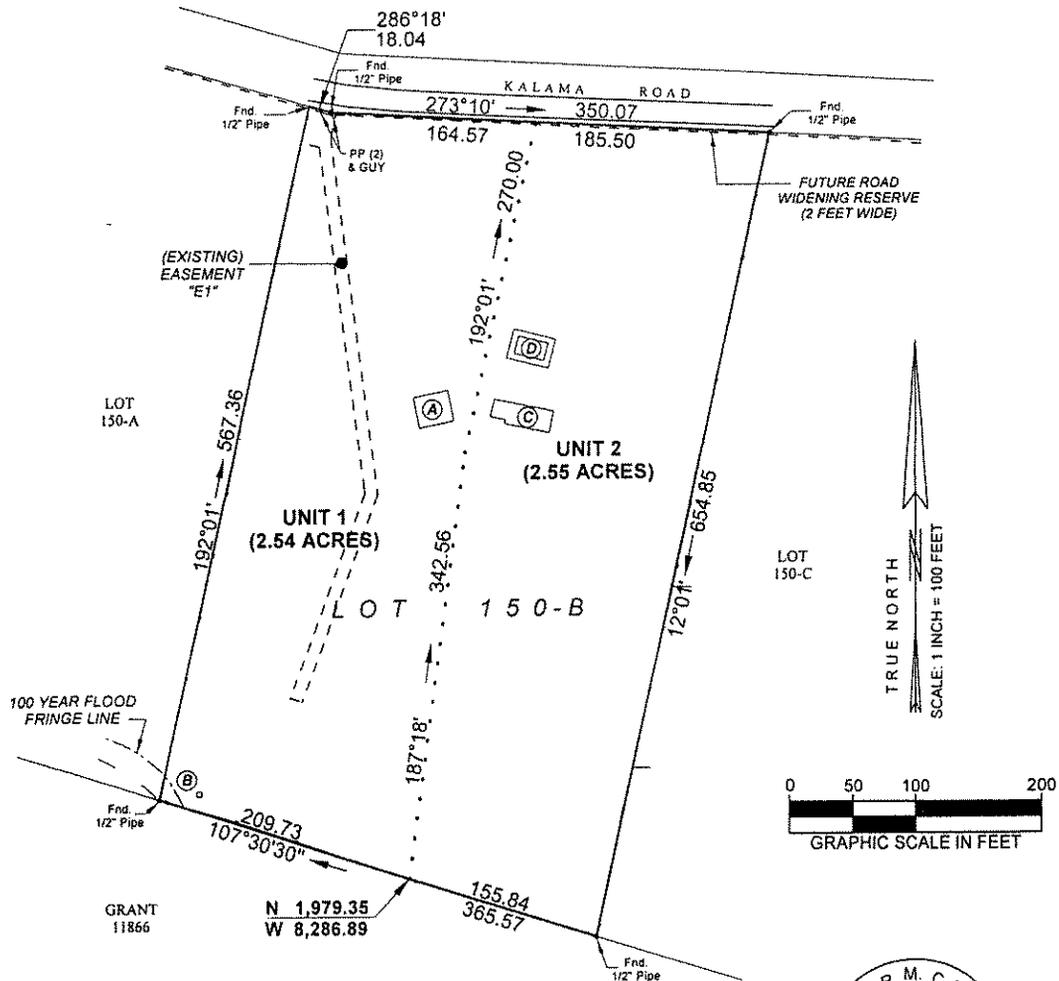
CLS HAWAII
 Land Surveying & Mapping
 P.O. Box 777
 Kalaheo, Kauai, Hawaii 96741
 808.635.3700 * fax 808.332.8910
 surveyor1@CLSHawaii.com

NOTES:

1. This project does not involve the sale of individual subdivided lots. The dotted lines in the Condominium Map are for illustration purposes only. They represent either a unit or common element.
2. Underground utilities, septic tanks, etc. were not field located except as shown.
3. The location, existence, size, depth, condition, capacity, etc. of any drainage system, sub-surface water system, cesspool/septic tank system, sewer line, or utility lines to the property, except as shown, are not a part of this map. The appropriate governmental and/or utility agencies should be contacted for this information.
4. Coordinates based on Government Survey Triangulation Station "NONOU".
5. Map is based on Subdivision Map for KALAMA AGRICULTURAL ESTATES and monuments Located in the field as shown on Map.
6. (Existing) Easement "E1" scanned from KIUC map showing U/G line extension for Spike Kanja For Utility purposes, Drawing No. 94-02-408 dated 4/21/94. (Approx. 10 feet wide).
7. 100 year flood fringe line based on Subdivision Map.

BUILDING LIST:

- A. One Story Dwelling (Bldg. #1 of Unit 1)
- B. Shed (Bldg. #2 of Unit 1)
- C. Maintenance Shed (Bldg. #1 of Unit 2)
- D. Barn (Bldg. #2 of Unit 2)

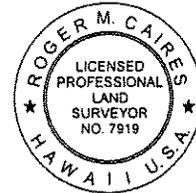


**SITE PLAN
 CONDOMINIUM MAP
 FOR
 "OLOHENA ESTATES"
 UNITS 1 AND 2**

BEING LOT 150-B OF KALAMA AGRICULTURAL ESTATES
 BEING ALSO A PORTION OF GRANT 10149 TO SARAH L. KELEKOMA
 BEING ALSO A PORTION OF THE KAPAA HOMESTEADS, 2nd SERIES
 KAPAA, KAWAIHAU, KAUAI, HAWAII

Tax Map Key: (4) 4 - 4 - 002: 115
 Area: 5.09 Acres

November 24, 2006



THIS WORK WAS PREPARED BY ME
 OR UNDER MY DIRECT SUPERVISION

Roger M. Cairés

ROGER M. CAIRÉS
 Licensed Professional Land Surveyor
 Certificate Number 7919
 Expires 04/30/08

Exhibit "A"

Description of Units

The fee simple Project consists of four (4) buildings: one (1) one-story residential dwelling without basement, one (1) one-story shed without basement, one (1) one-story maintenance shed without basement, and one (1) one-story barn without basement. There are a total of two (2) units in the Project.

Unit 1 and Unit 2 are located as shown on the Condominium Map.

1. Unit 1. Unit 1 consists of one freehold estate consisting of two (2) existing buildings. The first building is a one-story residential dwelling, without basement (shown as label A on the Condominium Map and listed as "One Story Dwelling (Bldg. #1 of Unit 1)"). The dwelling has masonite walls, concrete foundation with composition roofing, and contains a living room, kitchen, one (1) bedroom, one (1) bath, laundry, and open walkway. The net living area of the residential dwelling of Unit 1 is approximately 552 square feet. Parking for at least two (2) vehicles is available anywhere within the Limited Common Element land area.

The second building is a one-story shed constructed of iron fence posts and shade cloth, without basement, containing one (1) room (shown as label B on the Condominium Map and listed as "Shed (Bldg. #2 of Unit 1)"). The shed contains approximately twelve (12) square feet of net interior area.

2. Unit 2. Unit 2 consists of one freehold estate consisting of two (2) existing buildings. The first building is a one-story maintenance shed, without basement (shown as label C on the Condominium Map and listed as "Maintenance Shed (Bldg. #1 of Unit 2)"). The maintenance shed has masonite walls, partial concrete foundation with composition roofing, and is partially open on one side. The net interior area of the maintenance shed is 288 square feet. Parking for at least two (2) vehicles is available anywhere within the Limited Common Element land area.

The second building is a one-story barn, without basement (shown as label D on the Condominium Map and listed as "Barn (Bldg. #2 of Unit 2)"). The barn has masonite walls, composition roofing, dirt floor, and a roof over hang. The net interior area of the barn is 280 square feet.

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.

Exhibit "B"

Common Elements

1. The land in fee simple described in Exhibit "A" attached to the Declaration.
2. All commonly used present or future ducts, electrical equipment, wiring, pipes, and other central and appurtenant installations over, under, and across the Project for services such as cable, gas, irrigation, light, power, sewerage, telecommunications equipment, telephone, and similar utilities that services more than one (1) Unit and any easements for such utility services.
3. The common easements for drainage and all common and shared installations for underground utilities including electricity, water, sewer, telephone, and cable television that run upon and under the Limited Common Elements or Common Elements, if any.
4. All other parts of the Project existing for the common use or necessary to the existence, maintenance, and safety of the Project.

Exhibit "C"

Limited Common Elements

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

Unit 1. The land area surrounding and under Unit 1 is a Limited Common Element of Unit 1 and is for the exclusive use of Unit 1 and consists of approximately 2.54 acres subject, however, to a two (2) feet wide future road widening reserve along Kalama Road, and Easement "E1" for utility purposes per Drawing No. 94-02-408, dated 4/21/94, which is approximately ten (10) feet wide. Unit 1 has its own water meter and cesspool system, which are Limited Common Elements of Unit 1.

Unit 2. The land area surrounding and under Unit 2 is a Limited Common Element of Unit 2 and is for the exclusive use of Unit 2 and consists of approximately 2.55 acres subject, however, to a two (2) feet wide future road widening reserve along Kalama Road.

Any fences, walls, or utility systems or lines that are located within the limited common land area and which services or benefits only one (1) unit shall be deemed a limited common element of such unit.

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 borne solely by the owner of the unit to which said limited common elements are appurtenant.

TMK (4th) 4 - 4 - 002: 115 (Portion)

**OLOHENA ESTATES
UNIT 1**

All of that certain parcel of land being Condominium Unit "1", Olohena Estates, situate at Kapaa, Kawaihau, Kauai, Hawaii.

Being a portion of Lot 150-B of KALAMA AGRICULTURAL ESTATES SUBDIVISION, being also a portion of Grant No. 10149 to Sarah L. Kelekoma, being also a portion of the KAPAA HOMESTEADS, SECOND SERIES, and more particularly described as follows:

BEGINNING at the Southeast corner of this parcel of land, at the Southwest corner of the remainder of Lot 150-B, Unit 2 of Olohena Estates, on the North line of Grant 11866, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU", being 1,979.35 feet North and 8,286.89 feet West, thence running by azimuths measured clockwise from true South:

- | | | | |
|----|--------------|--------|--|
| 1. | 107° 30' 30" | 209.73 | feet along Grant 11866; |
| 2. | 192° 01' | 567.36 | feet along Lot 150-A; |
| 3. | 286° 18' | 18.04 | feet along Kalama Road; |
| 4. | 273° 10' | 164.57 | feet along same; |
| 5. | 12° 01' | 270.00 | feet along the remainder of Lot 150-B, Unit 2 of Olohena Estates and containing an AREA of 2.54 Acres. |

- SUBJECT, HOWEVER, TO:**
1. A 2 feet wide future road widening reserve along Kalama Road.
 2. Easement "E1" for utility purposes per Drawing No. 94-02-408 Dated 4/21/94.



Kalaheo, Hawaii 96741
November 24, 2006

DESCRIPTION PREPARED BY
CLS HAWAII - Land Surveying & Mapping

A handwritten signature in black ink that reads "Roger M. Cairnes".

ROGER M. CAIRES
Licensed Professional Land Surveyor
Certificate No: 7919 Expires 04/30/08

TMK (4th) 4 - 4 - 002: 115 (Portion)

**OLOHENA ESTATES
UNIT 2**

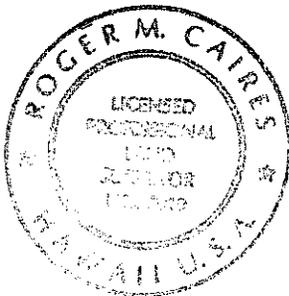
All of that certain parcel of land being Condominium Unit "2", Olohena Estates, situate at Kapaa, Kawaihau, Kauai, Hawaii.

Being a portion of Lot 150-B of KALAMA AGRICULTURAL ESTATES SUBDIVISION, being also a portion of Grant No. 10149 to Sarah L. Kelekoma, being also a portion of the KAPAA HOMESTEADS, SECOND SERIES, and more particularly described as follows:

BEGINNING at the Southwest corner of this parcel of land, at the Southeast corner of the remainder of Lot 150-B, Unit 1 of Olohena Estates, on the North line of Grant 11866, the coordinates of said point of beginning referred to Government Survey Triangulation Station "NONOU", being 1,979.35 feet North and 8,286.89 feet West, thence running by azimuths measured clockwise from true South:

- | | | | | |
|----|------|-----|--------|---|
| 1. | 187° | 18' | 342.56 | feet along the remainder of Lot 150-B, Unit 1 of Olohena Estates; |
| 2. | 192° | 01' | 270.00 | feet along same; |
| 3. | 273° | 10' | 185.50 | feet along Kalama Road; |
| 4. | 12° | 01' | 654.85 | feet along Lot 150-C; |
| 5. | 107° | 30' | 30" | 155.84 feet along Grant 11866 to the point of beginning and containing an AREA of 2.55 Acres. |

SUBJECT, HOWEVER, TO: A 2 feet wide future road widening reserve along Kalama Road.



Kalaheo, Hawaii 96741
November 24, 2006

DESCRIPTION PREPARED BY
CLS HAWAII - Land Surveying & Mapping

A handwritten signature in black ink that reads "Roger M. Cairns".

ROGER M. CAIRES
Licensed Professional Land Surveyor
Certificate No: 7919 Expires 04/30/08

Exhibit "D"

Encumbrances Against Title

1. For real property taxes due and owing, refer to the County of Kauai, Real Property Tax Office.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Agreement for : ELEVATION
Executed By : GERRY A. BILLER, Trustee of the Huntsinger Grandchildren's Trust No. 1 and GARY WOLFE, Trustee of the Fritz Roy Huntsinger Trust
and Between : the DEPARTMENT OF WATER SUPPLY, COUNTY OF KAUAI

On the terms, covenants and conditions contained therein,

Dated : May 21, 1991
Recorded : September 13, 1991 in the Bureau of Conveyances, State of Hawaii, as Document No. 91-125047

4. 100-year floodway line and flood fringe line limits, as delineated and shown on map prepared by Ronald J. Wagner, Registered Professional Land Surveyor, dated December 6, 1990, revised September 12, 1991. No new structures shall be constructed within the floodway; new structures constructed within the flood fringe shall be elevated above flood fringe elevation, and set forth in the deed, dated March 17, 1992, recorded March 23, 1992 in the Bureau of Conveyances, State of Hawaii, as Document No. 92-041773.
5. Future road widening reserve (2 feet wide) along the South side of Kalama Road, as delineated and shown on map prepared by Ronald J. Wagner, Registered Professional Land Surveyor, dated December 6, 1990, revised September 12, 1991. No new structures will be permitted within the road widening reserve; new structures shall be set back from the reserve, and set forth in the deed, dated March 17, 1992, recorded March 23, 1992 in the Bureau of Conveyances, State of Hawaii, as Document No. 92-041773.
6. Covenants, Conditions and Restrictions, but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said 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, as provided in an instrument.

Entitled : DECLARATION OF RESTRICTIVE COVENANTS AND
CONDITIONS FOR THE KALAMA AGRICULTURAL ESTATES
Dated : October 31, 1991

Recorded : January 10, 1992 in the Bureau of Conveyances, State of Hawaii, as Document No. 92-002280

AMENDMENT thereof by instrument:

Recorded : March 23, 1992 in the Bureau of Conveyances, State of Hawaii, as Document No. 92-041772

7. WAIVER AND RELEASE

DATED : March 18, 1993
RECORDED : March 24, 1993 in the Bureau of Conveyances, State of Hawaii, as Document No. 93-046886
BY : SPIKE L. KANJA
WITH : DEPARTMENT OF WATER SUPPLY, COUNTY OF KAUAI
RE : Water Service

8. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument : GRANT
Granted To : CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY CO-OP and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED now known as HAWAIIAN TELCOM, INC.
For : A perpetual right and easement over Easement "E-1" for utility purposes as shown on the map attached thereto
Dated : May 9, 1994
Recorded : in the Bureau of Conveyances, State of Hawaii, as Document No. 94-114824

9. NOTICE OF DEDICATION TO AGRICULTURE

Dated : March 10, 2000
Recorded : March 15, 2000 in the Bureau of Conveyances, State of Hawaii, as Document No. 2000-034621
Owner(s) : SPIKE I. KANJA
Term of Dedication : 10-year

10. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof, with power of sale and assignment of rents.

Amount : \$674,000.00
Mortgagor : UYU PARTNERS, LLC, a Hawaii limited liability company
Mortgagee : FINANCE FACTORS, LIMITED, a Hawaii corporation
Dated : July 26, 2006

Recorded : July 28, 2006 in the Bureau of Conveyances, State of Hawaii,
as Document No. 2006-138183
Loan No. : 84-60225-9-612
Return to Address : 1164 Bishop Street, 3rd Floor, Honolulu, Hawaii 96813

11. Agreement for : FARM DWELLING
Executed By : SPIKE I. KANJA
and Between : the COUNTY OF KAUAI PLANNING DEPARTMENT

On the terms, covenants and conditions contained therein,

Dated : July 6, 1993
Recorded : July 26, 1993 in the Bureau of Conveyances, State of Hawaii,
as Document No. 93-120014

NOTE: Said Farm Dwelling Agreement by the provisions of an agreement

Dated : July 26, 2006
Recorded : October 5, 2006 in the Bureau of Conveyances, State of
Hawaii, as Document No. 2006-182746

was made subordinate to the Mortgage referred to herein as Item No. 10.

12. Any unrecorded and subsisting leases.
13. Rights and claims of parties in possession.
14. The terms and provisions contained in the following:

INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME OF
OLOHENA ESTATES
ACKNOWLEDGED: March 15 and March 21, 2007
RECORDED: April 23, 2007 in the Bureau of Conveyances, State of
Hawaii, as Document No. 2007-071693
MAP: 4434 and any amendments thereto

15. The terms and provisions contained in the following:

INSTRUMENT: BYLAWS OF THE ASSOCIATION OF UNIT OWNERS OF OLOHENA
ESTATES
ACKNOWLEDGED: March 15 and March 21, 2007
RECORDED: April 23, 2007 in the Bureau of Conveyances, State of
Hawaii, as Document No. 2007-0716934

End of Exhibit "D"
(Page 3 of 3)

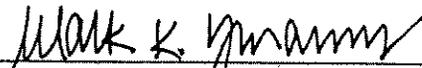
MARK K. YONAMINE, P.E.
Lyon Associates, Inc.
841 Bishop Street, Suite 2006
Honolulu, Hawaii 96813

"OLOHENA ESTATES"
ENGINEER'S CONDITION REPORT

STATE OF HAWAII)
) SS.
COUNTY OF KAUA'I)

The undersigned, being a licensed professional engineer within the State of Hawai'i and bearing Registration Number PE-8990, has inspected the structures on Units 1 and 2 of the "OLOHENA ESTATES" condominium project and declares as follows:

1. Buildings constructed in 1994.
2. The structures are situated on land at 6451-A Kalama Road, Kapa'a, Kaua'i, Hawai'i, and identified by Tax Map Key No. (4) 4-4-002-115.
3. The inspection included the exterior roofs, foundations, walls, visible electrical and plumbing systems of the structures located on Units 1 and 2, and I find that the systems and components, including visible structural, electrical, and plumbing, appear to be in satisfactory and sound condition for the stated age thereof.
4. The present condition of all structural components, and mechanical and electrical installations material to the use and enjoyment of the units have an expected useful life in excess of the following:
 - a. Building 1 of Unit 1 (ONE-STORY DWELLING): fifteen (15) years
 - b. Building 2 of Unit 1 (SHED): three (3) years
 - c. Building 1 of Unit 2 (MAINTENANCE SHED): three (3) years
 - d. Building 2 of Unit 2 (BARN): three (3) years
5. There are no non-conforming uses existing on the property, and no variances from any zoning or building codes have been granted for structures or uses on the property.



MARK K. YONAMINE

Subscribed and sworn to before me this
14 day of February, 2007.



NOTARY PUBLIC, State of Hawai'i
Name: Michelle S. Miyake
My commission expires: 4/2/10

L.S.

BRYAN J. BAPTISTE
MAYOR



IAN K. COSTA
DIRECTOR OF PLANNING

GARY K. HEU
ADMINISTRATIVE ASSISTANT

IMAICALANI P. AIU
DEPUTY DIRECTOR OF PLANNING

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

TEL (808) 241-6677 FAX (808) 241-6699

DATE: April 10, 2007

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: OLOHENA ESTATES
Condominium Project (442)
Tax Map Key: (4) 4-4-002: 115

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, Sections 514 B-5 & B-6, Hawaii Revised Statutes, subject to the disclosures and waivers (item "5" below) specified herein, we certify the following:

1. The developer has contracted engineer Mark Yonamine to certify that the buildings on the proposed project referred to as Olohena Estates Condominium Unit 1 and Unit 2 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.

Exhibit "F"
(Page 1 of 2)

Senior Condominium Specialist
Olohena Estates Condominium
TMK: (4) 4-4-002: 115
April 10, 2007
Page two

2. 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.
3. There are no notices of violation of County building or zoning codes outstanding according to our records.
4. There are no variances approved for the subject property.
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 B-5, Hawaii Revised Statutes.

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

cc: Michelle S. Miyake, Attorney at Law
UYU Partners, LLC, Project Developer

Exhibit "G"

Estimate of Initial Maintenance Fees
and
Estimate of Maintenance Fee Disbursements
For Period February 1, 2007 to January 31, 2008
As Prepared by Developer

Estimate of Initial Maintenance Fees:

<u>Unit</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
1	\$25.00 per month x 12 = \$300.00 per year
2	\$25.00 per month x 12 = \$300.00 per year

Estimate Maintenance Fee Disbursements:

	<u>Monthly Fee x 12 months = Yearly Total</u>
Ground Maintenance	\$50.00
*Water/Sewer	\$-0-
*Electricity	\$-0-
**Fire/Liability	\$-0-
Management Fee	\$-0-
Miscellaneous	\$-0-
***Reserves	\$-0-
TOTAL ANNUAL EXPENSES	\$600.00

Note:

* All utilities will be separately metered.

**Developer anticipates the Association will elect to permit individual unit owners to obtain and maintain separate policies of fire and liability insurance and name the Association as an additional insured. In such case, insurance premiums will be the responsibility of individual unit owners' and not common expenses.

***Pursuant to 514B-148, H.R.S., a new Association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the Association's first annual meeting. This reserve fund is not based on a reserve study required by Hawaii law.

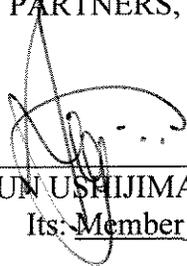
The Developer, in arriving at the figure for "Reserves" in Exhibit "G", has not conducted a reserve study in accordance with section 514B-148, Hawaii Revised Statutes (H.R.S.) and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

The Developer certifies that the maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

“Developer”

UYU PARTNERS, LLC

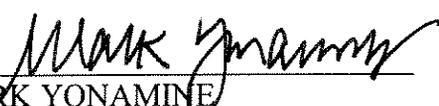
21 March 07
Date

By 
SHAUN USHIJIMA
Its: Member

15 MAR 07
Date

By 
BRIAN UY
Its: Member

3/15/07
Date

By 
MARK YONAMINE
Its: Member

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Exhibit “H”

Summary of Sales Contract

The Seller intends to use the standard form Deposit Receipt Offer and Acceptance (DROA) 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:

1. Provides a section of financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.
2. Provides that Purchaser will not receive interest on deposits made under the Sales Contract.
3. Identifies the escrow agent and states that Purchaser's money will be held in escrow under the terms of the Escrow Agreement.
4. Purchaser acknowledges having received and read the Public Report for the Project prior to signing the Sales Contract.
5. Provides 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. Provides for the allocation of payment of closing costs.
7. Provides remedies, in the event of default under the Sales Contract.
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.

Exhibit "I"

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 Buyer.
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 514B-86, Hawaii Revised Statutes (HRS) or right to rescind sales contract pursuant to Section 514B-87, 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 the 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 or rescission 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 up to a maximum of \$250.00.
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 scheduled rate, plus tax, for each unit for which a unit 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.

"Exhibit J"

I hereby certify that this is
a true copy from the records
of the Bureau of Conveyances.

[Signature]
Registrar of Conveyances
Assistant Registrar, Land Court
State of Hawaii

R-179

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

JAN 08, 1992 08:01

Doc No(s) 92-002280

/s/ S. FURUKANA
REGISTRAR OF CONVEYANCES

CONVEYANCE TAX: \$0.00

LAND COURT SYSTEM
AFTER RECORDATION, RETURN BY MAIL (x)
Kalama Agricultural Subdivision
C/O Mr. Walton D. Y. Hong, Atty.
3135-A Akahi Street
Lihue, HI 96766

REGULAR SYSTEM
PICK-UP ()
IC: ~~66343~~ TGACCOM 126844B
TGE: 914010030 0 RS
FAY RAPOZO

DECLARATION OF RESTRICTIVE COVENANTS AND CONDITIONS
FOR
THE KALAMA AGRICULTURAL ESTATES

KNOW ALL MEN BY THESE PRESENTS:

WHEREAS, FRITZ R. HUNTSINGER, Trustee of the Huntsinger Grandchildren's Trust No. 1, whose mailing address is 260 Maple Court, Suite 220, Ventura, California 93023, and GARY L. WOLFE, as Trustee of the Fritz Roy Huntsinger Trust, whose mailing address is P. O. Box 1268, Ventura, California 93002-1268, hereinafter collectively called the "Declarant", are the owners in fee simple and developer of that certain land situate at Kapaa Homesteads Second Series, Kapaa, Island and County of Kauai, State of Hawaii, more particularly identified as Kauai Tax Map Key: 4-4-02-26, containing an area of 41.13 acres, more or less; and

WHEREAS, the Declarant is developing the parcel into an agricultural subdivision known as "The Kalama Agricultural Estates"; and



2

WHEREAS, the Declarant desires to impose certain restrictive covenants and conditions upon all lots in the said subdivision for the purpose of enhancing and protecting the value, desirability and attractiveness of the subdivision and the surrounding environment,

NOW, THEREFORE, the Declarant does hereby declare that the lots within The Kalama Agricultural Estates resulting from the subdivision of the above-described property shall be subject to the following conditions, covenants and restrictions from the date hereof until removed as contained herein:

1. General Restrictive Covenants. Each lot within The Kalama Agricultural Estates and any private or co-tenancy area appurtenant thereto shall be for the exclusive use and benefit of the Owner thereof, subject, however, to all of the following limitations and restrictions:

(a) No improvement or other work which in any way significantly alters any lot from its natural or improved state existing on the date such lot was first conveyed by the Declarant to an Owner shall be made or done except upon strict compliance with and within the restrictions of this Declaration;

(b) So long as the zoning of the lots in The Kalama Agricultural Estates remains unchanged, only farm dwellings, as may be permitted by applicable law, shall be constructed on any lot. In keeping with the intent of the State Land Use Law (Chapter 205, Hawaii Revised Statute, as may be amended), agricultural activity must be established before any additional farm dwellings in excess of one (1) per parcel will be permitted by the County of Kauai;

(c) To protect views and to maximize a blending of structures with the natural environment, no structure erected on any of the said lots shall exceed a building height limit of thirty (30) feet, measured from grade at all points along the structure to the roof peak;

(d) Notwithstanding any other law to the contrary, there shall be no more than two (2) farm dwellings permitted on any lot within the subdivision, except in accordance with the terms and conditions of this Declaration. For the purposes of this Declaration, farm dwelling units shall mean a detached dwelling unit designed

for the use and occupancy of a single family (as opposed to a multi-family unit), and includes an "ohana" unit if permitted by the appropriate governmental authorities. However, farm dwelling unit shall not include a guest house, as the same is defined and guest houses will be permitted if they are also permitted by the appropriate governmental authorities;

(e) One of the two permitted farm dwellings on the lot shall contain not less than 1,500 square feet of liveable floor area, exclusive of lanais, patios, servant's quarters, attached guest house or facility, garage, storage space, and workshop. The second of the two permitted farm dwellings on the lot shall contain not less than 1,000 square feet of liveable floor area, exclusive of lanais, patios, servant's quarters, attached guest house or facility, garage, storage space, and workshop. Each farm dwelling shall have appurtenant to it a garage designed to accommodate at least two automobiles which is architecturally harmonious with the farm dwelling to which it is appurtenant;

(f) All structures must not exceed two stories. A third level, or basement, may be permitted if the same is cut below the existing grade and the completed structure does not exceed the 30 height limit measured from grade at all points around the structure;

(g) All structures shall be built entirely of new materials, and no old and/or "quonset" or geodesic dome" type of building shall be erected, placed or maintained on any of the said lots;

(h) No structure erected on the lots shall use mirrored glass, reflective sun screens, or other highly reflective materials for any exterior windows;

(i) The roofs of all structures erected on the lots shall be surfaced with wood shakes, tile, or Architect 80. The use of any roofing materials such as corrugated iron, metal, rolled or build-up composition roof, and the like shall be prohibited;

(j) All structures erected on the lots, including the roof, shall have an earthen tone exterior color, or have a finish or earthen tone color. Grays and whites are acceptable colors and are considered as earthen tone colors;

(k) The area around each structure exceeding 1,500 square feet in floor area shall be landscaped with trees, shrubbery, and/or plantings in an appropriate fashion so as to minimize the visual intrusion of such structure to the neighboring lots in the subdivision;

(l) Any bare areas resulting from excavation or fill shall be revegetated immediately to avoid erosion and visual impacts;

(m) No fences, corrals, and the like shall be painted or contain a finish other than earthen tones. Grays and whites area acceptable colors and are considered as earthen tone colors;

(n) No chain link fences shall be permitted except minimally around the vicinity of the farm dwelling as may reasonably be necessary to confine pets or for security purposes, provided, however, that any such chain link fence shall be screened through hedges and other plantings so as not to be visible to the neighboring property;

(o) Each farm dwelling and any and all improvements from time to time located thereon shall be maintained by the Owner thereof in good and clean condition and repair and in such manner as not to create any fire, safety or health hazard to The Kalama Agricultural Estates or any part thereof, all at such Owner's sole cost and expense;

(p) No signs, whatsoever, including without limitation, commercial, political or similar signs, visible from neighboring property, shall be erected or maintained upon any lot except:

(1) Such signs as may be required by legal proceedings;

(2) Residential identification signs of combined total face area of three (3) square feet or less for each dwelling;

(3) During the time of construction of any farm dwelling or other improvement, job identification signs having a maximum face area of four (4) square feet per sign and of the type usually employed by contractors, subcontractors and tradesmen; and

(4) Not more than one (1) "For Sale" or "For Rent" sign having a maximum face area of four (4) square feet, such sign to refer only to the premises on which it is situated, provided that this subparagraph shall not apply to business activities, signs and billboards of the Declarant, its agents and assigns during the construction and sale period of The Kalama Agricultural Estates;

(q) No house trailer, mobile home, permanent tent or similar facility or structure shall be kept, placed or maintained upon any lot at any time, provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained for a period not to exceed one (1) year during and used exclusively in connection with the construction of any work or improvement permitted on the lot;

(r) No vehicle of more than one (1) ton capacity shall be kept, placed or maintained upon any lot in such a manner that such vehicle is visible from the adjoining street and neighboring property, unless such vehicle is necessary to and regularly used for agricultural activities conducted on the lot, provided, however, that the provisions of this paragraph shall not apply to construction equipment maintained for a period not to exceed one (1) year during and used exclusively in connection with the construction of any work or improvement permitted on the lot;

(s) No accessories, structures or buildings shall be constructed, placed or maintained upon any lot prior to the construction of the main structure of the farm dwelling, provided, however, that the provisions of this paragraph shall not apply to temporary construction shelters or facilities maintained for a period not to exceed one (1) year during and used exclusively in connection with the construction of the main structure of the farm dwelling, nor apply to facilities reasonably required in the conducting of agricultural activities on the lot or the maintaining of the lot in its natural state. Guest houses (as allowed by law) may be permitted to be constructed prior to the construction of the main structure of the farm dwelling, if, and only if, such guest house is part of the master plan for the construction of the farm dwelling(s) on the lot and the farm dwelling(s) shown on such master plan is built in accordance therewith within a reasonable time not to exceed two (2) years;

(t) No trailer, vehicle or boat shall be constructed, reconstructed or repaired upon any lot in such a manner that such construction, reconstruction or repair is visible from the neighboring properties, nor shall any vehicle, trailer or boat not in good operating condition be maintained upon any lot so as to be visible from any adjoining street or neighboring properties in the subdivision, provided that nothing in this paragraph shall prevent an Owner from performing minor maintenance work and minor repairs on his own trailer, vehicle or boat in his garage;

(u) No open storage of vehicles, furniture, fixtures, appliances and other goods and chattels will be permitted. These items may only be stored in an enclosed structure. No outside clothes line or other outside clothes drying or airing facilities shall be permitted except within a fenced service yard and not visible from the neighboring property;

(v) No garbage or trash shall be permitted on any lot except in closed receptacles screened from view from any adjoining street and neighboring property, and no accumulated waste plant materials will be permitted on any lot, except as part of an established compost pile maintained in such a manner as not to be visible from neighboring property or as a necessary part of the agricultural activities conducted on such lot;

(w) No Owner shall violate or permit the violation on his lot of any applicable law or ordinance pertaining to zoning, building, fires, signs or other matter relating to the use and development of his lot or farm dwelling.

(x) No garage shall be for other than the parking of vehicles and boats, unless the same be enclosed so as not to be visible from neighboring properties by a partition, wall, door or screen, normally kept closed. Specifically, and without limiting the generality of the foregoing, no garage not so enclosed shall be used for laundry or for storage purposes;

(y) All driveways between the street and the farm dwelling(s) on any lot in the subdivision shall be of concrete and asphalt. No dirt, coral or gravel driveways shall be permitted, provided that this paragraph shall not apply to temporary driveways and access for a period not to

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exceed one (1) year during and used exclusively in connection with the construction of the farm dwelling on the lot;

(z) Dogs, cats and other typical household pets may be kept but only in reasonable numbers and under reasonable conditions so as not to become a nuisance to the neighboring lot owners. All animals kept or maintained on a lot, whether domestic pets, livestock, game and fish or any other animal or aquatic life propagated for economic or personal use shall be kept and maintained only in a density compatible with the neighboring residential and agricultural use and shall be cared for in conformance with practices of good animal husbandry, including but not limited to: (a) prompt removal of excess amounts of manure and other waste; (b) disposal in an ecologically sound manner of any effluent from the practices of agricultural or other processes; (c) control of flies, insects, worms and other pests; (d) control of weeds and other noxious grasses; (e) adequate fencing and animal housing facilities adequate to restrict such animals to the lot where maintained; and (f) control of noise and noxious odors to levels which are customary under practices of good animal husbandry and which are compatible with neighboring residential and agricultural use. Storage of hay, fodder and other food supplies shall be accomplished in such manner as to prevent scattering of such materials by the wind and water runoff. Notwithstanding the foregoing, the keeping and maintaining of pigs, chickens (except in limited numbers for personal use and consumption), fighting chickens and exotic birds are expressly prohibited as being incompatible with the neighboring residential and agricultural use;

(aa) No noxious or offensive activities shall be carried on upon any lot in the subdivision, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood. All occupants shall exercise extreme care about making noise and in the use of musical instruments, radios, televisions, and amplifiers that may disturb the neighboring occupants;

(bb) Cottage industries and businesses which can be conducted within the confines of structures on any lot; which do not result in increased noise, fumes, odors and waste generation; which do not require the presence of customers and employees on site with resulting additional traffic; and which does not pose a nuisance to the neighboring lots in the subdivision, may be permitted if

also allowed by the governmental authorities having jurisdiction thereover;

(cc) The condominiumizing of any lot within The Kalama Agricultural Estates subdivision may be permitted if such condominiumizing does not result in a number of units or interest larger than the maximum number of two (2) farm dwellings permitted under this Declaration, notwithstanding that a larger number of units or interests than two may be permitted by law;

(dd) For a period of ten (10) years from the date hereof, no Owner of any lot within The Kalama Agricultural Estates subdivision shall apply for or seek, directly or indirectly, any land use reclassification, zoning amendment, subdivision, variance or other governmental approval which would permit or result in a greater density of more than two (2) farm dwellings on the lot. After the said 10 year period, no Owner of any lot within The Kalama Agricultural Estates subdivision shall apply for or seek, directly or indirectly, any land use reclassification, zoning amendment, subdivision, variance or other governmental approval which would permit or result in a greater density of more than two (2) farm dwellings on the lot without first obtaining the written approval of no less than seventy-five percent (75%) of the then owners of lots within The Kalama Agricultural Estates Subdivision;

2. Agricultural Uses Pursuant to Chapter 205:
Pursuant to Act 199, Session Laws of Hawaii 1976, the use of lots within The Kalama Agricultural Estates subdivision shall be primarily in pursuit of agricultural activities and only for those uses permissible in an agricultural district as contained in Chapter 205, Hawaii Revised Statutes, as amended, as set forth in Exhibit "A", attached hereto and made a part hereof;

3. Future Road Reserve For Makana Road Extension:
Lot 150-C shall be subject to a twenty-two (22) feet future road reserve, for the future extension of Makana Road to Kalama Road, as shown on the subdivision map for The Kalama Agricultural Estates subdivision. Lot 150-D shall be subject to the future road reserve, for the future extension of Makana Road to Kalama Road, as also shown on the subdivision map for The Kalama Agricultural Estates subdivision, which future road reserve includes a forty-four (44) feet wide road reserve at the southwestern corner of said Lot 150-D curving along the common boundary of Lots

150-C and 150-D, with twenty-two (22) feet along the common boundary being within Lot 150-D. If a private developer is required to construct the Makana Road extension as a result of further development, the then owners of Lots 150-C and 150-D shall not refuse the sale of the land upon their respective lots encompassed by the said road reserve to such private developer, provided that the sale price shall be reasonable and reflective of the fair market value of the land at that time. In the event that the County of Kauai desires to construct the Makana Road extension as a public improvement, the then owners of Lots 150-C and 150-D shall dedicate the land upon their respective lots encompassed by the said road reserve to the County of Kauai without compensation therefor.

4. Kalama Road Road Widening Setback: Lots 150-A, 150-B, 150-C, 150-D, 150-E, 150-F, and 150-G of The Kalama Agricultural Estates subdivision shall be subject to a two (2) feet road widening setback along Kalama Road fronting the respective lots. No structures shall be permitted to be constructed within the 2 feet setback. All structures to be constructed within the said lots shall be placed at an appropriate distance from the 2 feet setback so as to conform to all applicable zoning setback requirements as though the 2 feet setback was part of Kalama Road.

5. Puuopae Road Road Widening Setback: Lots 150-G and 150-H of The Kalama Agricultural Estates subdivision shall be subject to an eight (8) feet road widening setback along Puuopae Road fronting the respective lots. No structures shall be permitted to be constructed within the 8 feet setback. All structures to be constructed within the said lots shall be placed at an appropriate distance from the 8 feet setback so as to conform to all applicable zoning setback requirements as though the 8 feet setback was part of Puuopae Road.

6. Building Setback Line for Drainage: Lots 150-A, 150-B, 150-D, 150-E, 150-F, 150-G, and 150-H shall be subject to the building setback line shown on the subdivision map for The Kalama Agricultural Estates subdivision for the purposes of observing the 100 year flood building setback requirements and preserving a drainageway for surface water runoff. With respect to the drainage setback, the following restrictions and conditions shall apply:

(a) The respective lot owner shall preserve and maintain the existing drainage pattern, and is prohibited

from constructing any improvements within the setback area such as walls, which would be a barrier that may alter the drainage pattern;

(b) Periodic flooding within the setback areas during times of heavy storm and rain conditions may be possible, during which time due care and precaution shall be exercised;

(c) The respective lot owner shall accept storm runoff, shall preserve and maintain the drainage pattern through the setback area, and shall accept the consequences from the runoff through the setback area;

(d) The County of Kauai shall not assume any obligation for storm flowages, damages, or for installing an improved channel or culvert system;

7. As required by the Department of Water, due to the high elevation of Lots 150-A, 150-B, 150-C and 150-D of The Kalama Agricultural Estates, a dependable supply of water cannot be assured. The lots owners of these lots will be required to sign an elevation agreement with the Department of Water upon application for water service, agreeing to accept such water service as the Department is able to render, and agreeing to install and maintain suitable booster pumps and storage tanks, if necessary;

8. Reservation in Declarant for Future Easements: The Declarant reserves, and shall have the right to grant any further and other easements as may be deemed necessary by the appropriate public utility or utilities or governmental agency or agencies for the purposes of providing access or utility services to and from the lots in The Kalama Agricultural Estates subdivision;

9. These covenants and restrictions are to run with the land and shall be binding upon all parties and all persons claiming under them from the date hereof until the first day of January, 2000, after which time said covenants and restrictions shall be automatically extended for successive periods of 10 years each unless an instrument signed by no less than seventy-five percent (75%) of the then lot owners in The Kalama Agricultural Estates subdivision has been recorded, agreeing to change said covenants in whole or in part;

10. Each and all of the foregoing covenants and restrictions shall run with the land and shall be binding upon all parties having or acquiring any right, title or interest in and to any lot in The Kalama Agricultural Estates subdivision, and jurisdiction may be taken in equity at suit of the Declarant or its successors and assigns, or of any other owner of any of the said lots in The Kalama Agricultural Estates subdivision, to restrict or prevent by injunction, mandatory or restraining, any violation of any of said covenants upon the part of the lot owners to be observed and performed, without prejudice to the right of the Declarant or its successors and assigns, or of any other owner of any of the said lots in the subdivision, to adopt or pursue any other remedy simultaneously or thereafter for the same breach or failure, or for any subsequent breach or failure, or to take any action to recover damages for any such breach or failure; and

11. Invalidation of any of these covenants by judgment or court order shall in no wise affect any of the other provisions, which shall remain in full force and effect.

IN WITNESS WHEREOF, the Declarant has hereunto set forth its hand as of this 31st day of October, 1991.

Fritz R. Huntsinger
 FRITZ R. HUNTSINGER, TRUSTEE OF
 THE HUNTSINGER GRANDCHILDREN'S
 TRUST NO. 1

Gary L. Wolfe
 GARY L. WOLFE, TRUSTEE OF THE
 FRITZ ROY HUNTSINGER TRUST