

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

CONDOMINIUM PROJECT NAME	ANDERSON ESTATES
Project Address	6447 AND 6457 Kahuna Road Kapaa, Hawaii 96746
Registration Number	7049 (conversion)
Effective Date of Report	April 1, 2014
Developer(s)	Robert B. Anderson and Annette L. Anderson

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.]

See pages 19, 19a, 19b, and 19c for additional pertinent disclosures.

SPECIAL NOTICE:

This is a condominium project, not a subdivision. There are County restrictions on the number of dwelling units, or other structures, which may be built upon the property. Therefore, unless the purchaser is purchasing an existing dwelling, there is no assurance or warranty that the purchaser will be able to build a dwelling unit on the property. There also is no assurance that the purchaser will be able to convert an existing non-residential structure to residential use. The purchaser should consult with the appropriate County agencies to determine whether the purchaser may build a dwelling unit, or any other type of structure.

Prior to purchase, the prospective purchaser is advised to review this condominium project with the respective Kauai County Planning offices to receive the most recent directives concerning future development, replacement, expansion or construction of any type of structure for this condominium project.

1. There are presently two residential dwellings and a shed/aviary on the project. Kauai County cannot locate the original permitted construction plans; therefore, the as-built improvements may not be consistent with the plans of the structures filed with the agency of the County of Kauai, having jurisdiction over the issuance of building permits (See HRS Chapter 514B-34(b)). In addition, the Developer modified the dwelling on Unit 2 to restore the structure to a single family dwelling in response to Kauai County's letter dated August 12, 2009 attached to the Developer's Public Report as Exhibit G.
2. Issuance of an effective date for this Public Report does not constitute an approval of the project by the Real Estate Commission, or any other governmental agency, nor does it imply that all County codes, ordinances and subdivision requirements have been complied with.
3. This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit, as shown on the Condominium Map, is not a legally subdivided lot. The dotted or dash lines on the Condominium Map generally represent the location of the Unit boundaries and/or easements
4. Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads and driveways.
5. At present there is no public waste water system available for all of the individual units of this project. Those desiring to construct improvements on Units without a connection to the public waste water system will be required to utilize existing cesspools or install, at their expense a septic system as permitted by the Department of Health. The Developer provides no warranty or guarantee that an individual unit will be able to install a septic system.

(See Page 1b)

SPECIAL NOTICE (Continued):

Summary of Changes from Earlier Developer's Public Report

This summary contains a general description of the changes, if any, made by the Developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made. Changes made are as follows (include a description of what the change is and page number and or exhibit alphabet or number, additional pages may be used):

The Developer amended the Condominium Map and the Declaration to reflect changes to the description of the Units and changes to the boundaries of the common element and the limited common elements. The boundary changes affect the square footage for each limited common element. The Developer also executed a new listing agreement with a licensed Hawaii real estate broker. As a result, the Developer's Public Report has been amended to reflect those changes as follows:

1. Page 1a, paragraph 1: The existing paragraph is changed to reflect the completion of project renovations that restored the structure on Unit 2 to a single family dwelling.
2. Page (ii): Exhibit A: Condominium Map (Amended)
Exhibit C: Amended Schedule of Units and Common Interest
Exhibit E: Amended Common Elements and Limited Common Elements of the Project
Exhibit F: Amended Encumbrances Against Title
Exhibit H: Re-signed Estimate of Initial Maintenance Fees and Disbursements
Exhibit K: Amended Summary of Encumbrances
3. Page 3, paragraph 1.3: Revised square footage of structures on Units 1 and 2 attached as Page 3a.
4. Page 5, paragraph 1.12: Replaced with updated title report date.
5. Page 7, paragraph 1.15: Removed information regarding zoning violations and added information regarding renovation that resolved the zoning issue as Page 7a.
6. Page 8, paragraph 1.16 - Changed other disclosures to Pages 19 - 19c.
7. Page 9, paragraph 2.2: Replaced Real Estate Broker information.
8. Page 10, paragraphs 3.1 and 3.3: Added recording information for amendment to the declaration and the condominium map.
9. Page 14, paragraph 5.5: Removed completion deadline information regarding single-family dwelling and moved Section 5.6.2 to Page 15.
10. Page 19 - 19c, paragraph 11: Revised information regarding status of alleged Kauai County zoning violation relating to dwelling status on Page 19c.

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

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EXHIBIT F:	Amended Encumbrances Against Title
EXHIBIT G:	Memorandum from the County of Kauai Planning Department dated February 21, 2014.
EXHIBIT H:	Re-signed Estimate of Initial Maintenance Fees and Disbursements
EXHIBIT I:	Proposed House Rules
EXHIBIT J:	Specimen Farm Dwelling Agreement
EXHIBIT K:	Amended Summary of Encumbrances

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	6447 and 6457 Kahuna Road, Kapaa, Hawaii 96746
Address of Project is expected to change because	n/a
Tax Map Key (TMK)	(4) 4-6-006-058
Tax Map Key is expected to change because	The County will assign a tax map key number to each Unit.
Land Area	2.037 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	Two (2) dwellings; one (1) small shed/bird aviary
Floors Per Building	Unit 1 - one floor; Unit 2 - two floors; shed/aviary - one floor
Number of New Building(s)	n/a
Number of Converted Building(s)	Three (3)
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood and concrete

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
(See Page 3a	attached	hereto.)				
See Exhibit	C					

2	Total Number of Units
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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.

1.3 Unit Types and Sizes of Units (continued)

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
Unit 1	1	4/5	3,676 sq.ft.	1,036 s.f.	shop	
				498 s.f.	lanai	
				827 s.f.	garage	
				2,425 s.f.	swimming pool, equipment room	
				418 s.f.	covered porch and utility; concrete entry and sidewalk	8,880 s.f.
	1				shed/aviary	152 s.f.
Unit 2	1	3/3	1,423 s.f.	669 s.f.	entry/storage; storage/rest area; covered utility and porch	
				917 s.f.	lanai/patio/sidewalk	
				433 s.f.	garage	3,442 s.f.

1.4 Parking Stalls

Total Parking Stall in the Project:	Five (5)*
Number of Guest Stalls in the Project:	n/a
Number of Parking Stalls Assigned to Each Unit:	Unit 1: three parking stalls; Unit 2: two parking stalls
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.	

1.5 Boundaries of the Units

Boundaries of the unit: (See Page 4a attached hereto.)

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): Permitted alterations to Units are as allowed by County of Kauai zoning ordinances and recorded restrictions on the Project, if any. Each Unit may include a private residential dwelling (or farm dwelling) and accessory buildings as allowed by Kauai County Zoning Ordinances.

1.7 Common Interest

<u>Common Interest</u> : 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 <u>C</u>
As follows: (See Exhibit C attached hereto.)

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 type="checkbox"/>	Other (describe):

1.5 Boundaries of the Units (continued)

Boundaries of the unit:

Each Unit shall be deemed to include the physical or spatial portion of the condominium designated for separate ownership or occupancy; the undivided interest in the common elements of the project; all improvements and structures constructed or to be constructed on each Unit; and all easements, rights, and appurtenances intended for use in connection with the condominium which together are appurtenant to the Unit and are shown on the Condominium Map for the Project.

1.9 Common Elements

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.

Described in Exhibit E.

Described as follows:

(See Exhibit E attached hereto)

Common Element	Number
Elevators	-0-
Stairways	-0-
Trash Chutes	-0-

1.10 Limited Common Elements

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.

Described in Exhibit E.

Described as follows:

(See Exhibit E attached hereto.)

1.11 Special Use Restrictions

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.

<input checked="" type="checkbox"/>	Pets: Household pets may be kept consistent with any applicable law or restrictive covenants.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Sections 10, 13.2, 13.3, and 13.4 of the Declaration.
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of 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).

Exhibit F describes the encumbrances against title contained in the title report described below.

Date of the title report: January 20, 2014

Company that issued the title report: Title Guaranty of Hawaii, Inc.

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 checked="" 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	Two (2)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Agriculture
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Other (Specify): (shed/aviary)	One (1)	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	Agriculture
Is/Are this/these use(s) specifically permitted by the project's Declaration 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: Based on the Architect's Condition Report dated June 18, 2009 prepared by Palmer W. Hafdahl, Licensed Professional Architect, Registration No. AR-8387, the Developer states that the structural components, mechanical and electrical installations of the structure located on Units 1 and 2 appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition.</p>	
<p>Developer's statement of the expected useful life of each item reported above: Based on the Architect's Condition Report dated June 18, 2009 prepared by Palmer W. Hafdahl, Licensed Professional Architect, Registration No. AR-8387, the Developer states that no representation is made concerning the expected useful life of the structures.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations: None (See Page 19c, Paragraph 11)</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>G</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 non-conforming 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 style="text-align: center;">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: (See Page 19c, Paragraph 11 attached hereto.)</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: See Page 19, 19a, 19b, and 19c</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.</p> <p>n/a</p>	
<p>The nature and the scope of services to be provided.</p> <p>n/a</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p> <p>n/a</p>	
<p>The duration of the provision of the services.</p> <p>n/a</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p> <p>n/a</p>	
<p>Other disclosures and information.</p> <p>n/a</p>	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Robert B. Anderson and Annette L. Anderson Business Address: 6447 Kahuna Road Kapaa, HI 96746 Business Phone Number : (808) 823-9353 E-mail Address: n/a
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).	n/a
2.2 Real Estate Broker	Name: Century 21 All Islands Business Address: 5-4280 Kuhio Highway Princeville, HI 96722 Business Phone Number: (808) 651-2840 E-mail Address: n/a
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, Hawaii 9681 Business Phone Number: (808) 521-0211
2.4 General Contractor	Name: n/a Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Self-Managed by the Association Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: Glen T. Hale, Law Offices of Glen T. Hale, LLLC Business Address: 2970 Kele Street, Suite 210 Lihue HI 96766 (Until sixty days after effective date) Business Phone Number: (808) 245-4100

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
Bureau of Conveyances	February 25, 2011	2011-039164

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau (First Amendment)	January 14, 2014	A-51300671
Bureau (Correction of Dec)	February 12, 2014	A-51621185
Bureau (Correction of 1st Am)	February 12, 2014	A-51621186

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
Bureau of Conveyances	February 25, 2011	2011-039165

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
n/a		

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	4972
Dates of Recordation of Amendments to the Condominium Map: January 17, 2014 (See First Amendment to Declaration dated January 14, 2014)	

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 checked="" type="checkbox"/>	(See Exhibit I)
Have Been Adopted and Date of Adoption	<input type="checkbox"/>	
Developer does not plan to adopt House Rules	<input 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%	67%
Bylaws	67%	67%

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

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>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:</p> <p>A. Execute and/or record any easement required by any State or County agency or as may be required by a private or public utility company.</p> <p>B. Execute and/or record any document required by any State or County agency to complete the development of the Project and/or to obtain approval of the Developer's Public Report.</p> <p>C. Execute and/or record any document, including easements required by any State or County agency or any private or public utility company necessary to provide for utilities to the project or any other matters necessary to the project.</p> <p>D. Maintain and/or repair any portion of a Unit Owner's property that is not being maintained in top condition as determined solely by the Developer.</p>

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<u>Management of the Common Elements:</u> 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.	
The initial Condominium Managing Agent for this project is (check one):	
<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

<u>Estimate of the Initial Maintenance Fees:</u> 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.
Exhibit H 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.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<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 type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
<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 type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>B</u> 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: November 1, 2010 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>D</u> 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.

<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.

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgages(s)	(See Page Exhibit F and 13a attached hereto)

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
Appliances: None

5.3 Blanket Liens (continued)

A lender has priority over a Buyer's rights under a Sales Contract and has a right to terminate a sales contract upon foreclosure of its mortgage before a unit sale is closed. If foreclosed, Buyer's deposit shall be refunded (less any escrow cancellation fees) and the sales contract between Seller and Buyer shall be cancelled.

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

<p>Status of Construction: Unit 1 - completed in 1989. Unit 2 - completed in 1991.</p>
<p>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.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract: n/a</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: n/a</p>

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

<input type="checkbox"/>	<p>Spatial Units. The Developer hereby declares by checking the box to the left that it is offering spatial units for sale and will not be using purchasers' deposits to pay for any costs to pay for project construction or to complete the project.</p> <p>Should the developer be using purchasers' deposits to pay for any project construction costs or to complete the project including lease payments, real property taxes, architectural, engineering, legal fees, financing costs; or costs to cure violations of county zoning and building ordinances and codes or other incidental project expenses, the Developer has to met certain requirements, described below in 5.6.1 or 5.6.2.. (See Page 19b)</p>
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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"/>	<p>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.</p> <p><i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i></p>
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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):

<p>Box A</p> <p><input type="checkbox"/></p>	<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>
<p>Box B</p> <p><input type="checkbox"/></p>	<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: (See Page 17a)

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

5.7 Rights Under the Sales Contract

8. Other:

Declaration of Covenants and Restrictions; Grant; Farm Dwelling Agreement; Mortgage; and Assignment of Mortgage; Correction to Declaration of Condominium Property Regime of Anderson Estates; Correction of First Amendment to Declaration of Condominium Property Regime of Anderson Estates

(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. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Restrictive Covenants

This is a condominium project, not a subdivision. Units purchased are not on subdivided lots. To determine whether your expectations can be realized, you should carefully review the contents of this Report, especially Exhibit F and K to this report that are summaries of the recorded encumbrances, if any, for the Lot on which this project is located. Among other things, the encumbrances govern land use, building type and materials, possession of animals, and cultivation of crops. You should also conduct your own investigations and ascertain the validity of information provided.

2. Replacement or Remodeling

There are presently two farm dwellings and a bird aviary on the project. Structures can be replaced by or remodeled as allowed by law and project documents. The prospective purchaser shall have the right to undertake such work at purchaser's expense. The purchaser shall also, in such event, file the "as-built" certificate within thirty days of completion of the residence in conformance with Section 514B-34, Hawaii Revised Statutes, and record an amendment of the Declaration of Condominium Property Regime ("Declaration") to describe the residence. The County of Kauai Planning Department, in order to process the necessary permits for the construction of any other structure, requires authorization from at least 75% of the legal and equitable ownership of the entire project, consistent with the Declaration and the Bylaws ("condominium documents").

3. County Codes and Ordinances

Except as limited specifically by the condominium documents and subdivision restrictive covenants, all uses permitted in the Agricultural zone are permitted. Uses in one zone are not the same as in another, and the prospective purchaser should consult the appropriate county agency for information on uses and construction in the respective zones.

A buyer should understand that all development and use of the property shall be in compliance with County codes and ordinances, that owners in this condominium 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.

4. Farm Dwelling

A. The Units of the Project shall be occupied and used only for agricultural uses and, where permitted, as private residential dwellings by the respective owners thereof, their families, domestic servants, personal guests and tenants, and for no other purposes. Residential uses currently require execution of a Farm Dwelling Agreement with the County of Kauai, as contemplated by Hawaii State law regarding the use of agricultural lands for residential purposes. Hawaii law requires that the family occupying a residence on agricultural land derive income from farming activities conducted on the land. Lot 66-G of this Project is subject to a recorded Farm Dwelling Agreement. Unit Owners may be required to obtain a Farm Dwelling Agreement to construct a Farm Dwelling.

(See also Pages 19a, 19b, and 19c)

4. Farm Dwelling (continued)

B. Purchasers should be aware that Chapter 205, Hawaii Revised Statutes (HRS), 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". The term "farm dwelling" is defined in Chapter 205-4.5(a)(4), HRS, as a "single family dwelling located on and used in connection with a farm, including clusters of single-family farm dwelling permitted within agricultural parks developed by the State or where agricultural activity provides income to the family occupying the dwelling." The penalty for violation of Chapter 205-4.5, HRS, 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 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. In order for any purchaser to obtain a building permit to construct a single-family residential ("farm dwelling"), the County of Kauai will require the purchaser to sign a Farm Dwelling Agreement in the form attached hereto as Exhibit "J".

C. Each Unit may build one private farm dwelling subject to the CZO. However, the final determination regarding the right to build a Farm Dwelling Unit or any other type of private residential dwelling or structure will be made by Kauai County. Therefore, unless otherwise specifically stated to the contrary herein, each Unit will be entitled to construct (if not already constructed) one Farm Dwelling subject to other requirements found in the CZO and this Declaration. Each Unit owner shall be responsible to determine whether any Farm Dwelling improvements may be constructed within their Unit. All improvements will be governed by applicable zoning codes.

D. Improvements other than farm dwellings shall be permitted on each of the Units, subject to the CZO and this Declaration.

E. Where structure(s) other than farm dwellings currently exist on any Unit(s) otherwise allowed to construct a farm dwelling, it is anticipated that a farm dwelling will either replace the existing improvement(s) or be added thereto. Each Unit herein, whether currently possessing residential improvements or now or subsequently entitled to construct a farm dwelling, may be required to engage in agricultural activity as a condition of obtaining a building permit. The actual level of agricultural activity on the Project needed to qualify to construct farm dwellings is a matter determined by Kauai County. The requirements change from time to time, and each owner's actions on the Units will or may have an impact on the ability of other owners to build farm dwellings. Each owner shall have the duty to engage in agricultural activities, including a requirement of after-the-fact commencement or increases in the level of actual agricultural activity on his or her Unit, if such is required for other owners to obtain building permits. In that regard, each Unit with a farm dwelling, or then desiring to construct a farm dwelling, shall have an equal burden of activity in proportion to the amount of land reasonably available for agricultural use on the respective Units. If a Unit with agricultural activity but no farm dwelling desires to build, and in so doing retires acreage from production, other Units may be required to commence or increase production, cultivation or other agricultural activity so that all owners then-effected will have fair burdens. These provisions shall apply until all Units with residential construction rights have constructed farm dwellings, and thereafter so long as agricultural use must be maintained as a condition of keeping residential improvements on the property. This means that failure to engage in or maintain farming activities may require the owner of a Unit to remove a previously constructed dwelling from the owner's Unit.

F. Should the requirements of the Farm Dwelling Agreement and/or the underlying zoning code or state statutes mandating agricultural use be changed to eliminate such requirements, the agricultural requirements of this Project may be abandoned by a vote of sixty-seven percent (67%) of the common interests of this Project.

4. Farm Dwelling (continued)

G. No hotel or timeshare use shall be allowed. The Unit owners shall have the right to rent or lease their Unit's subject to the limitations, restrictions, covenants, and conditions contained in state law, county ordinance, applicable governmental regulations, recorded restrictions on the lot or the subdivision in which the Project is located, any Protective Covenants and House Rules, this Declaration or the Bylaws of the Association of Condominium Owners. Subject also to said Declaration and Bylaws, reasonable allowance and freedom shall be given so as to accommodate the individual Unit owner's artistic, creative and life-style requirements. A Unit owner will be required to comply with all Kauai County Zoning Codes and regulations in relation to construction of residences in the agricultural zone, and will have to sign a Farm Dwelling Agreement prior to issuance of a building permit to construct a farm dwelling on any Unit.

5. Purchaser's Deposits Will Not be used for Construction Costs

Section 5.6 includes provisions for Developer's who plan to use purchaser's deposit funds to pay for project construction costs before closing or conveyance. This Developer declares that purchaser's deposit funds WILL NOT be used for project construction costs notwithstanding the provisions of Section 5.6, 5.6.1, and 5.6.2. If the Developer's plans regarding purchaser's deposits change, then the Developer will file an amendment to this Developer's public report.

6. Environmental Assessment

With reference to Units 1 and 2, the Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The Developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic substances" under or for the purposes of hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the units, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the Unit inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the Unit or in the Project or anything installed or contained therein and Buyer expressly releases the Developer from any liability if any hazardous materials are discovered.

7. Reciprocal Right of First Refusal

If a Unit owner wishes to sell his or her unit, and shall have received a bona fide offer for the unit from a prospective purchaser, he or she shall give written notice of the offer together with an executed copy of the offer to the other unit owner. The other unit owner may purchase the unit at the same price and on the same terms as offered by the proposed purchaser, provided written notice of the election to purchase is given to the selling unit owner, and a matching down payment or deposit is provided to the selling owner during the 30-day period immediately following the delivery of the notice of the offer and a copy of the offer to the other unit owner.

7. Reciprocal Right of First Refusal (continued)

If any unit owner shall attempt to sell his or her unit without offering the other unit owner the right of first refusal as provided for above, the sale shall be null and void. If the other unit owner fails to so notify the selling unit owner within the 30-day period as provided above, the selling unit owner may sell his or her unit to the prospective purchaser in accordance with the terms of the offer. The failure or refusal of the other unit owner to exercise the right of first refusal as specified above shall not constitute a waiver of the right to purchase the unit when the selling unit owner receives any subsequent bona fide offer from a prospective purchaser, or receives an offer containing different terms and conditions.

8. Powers of Attorney

Purchasers of Units should review the Declaration provisions that grant limited powers of attorney to Unit Owners for various purposes. Those purposes include: Sections 8.2 (easements); 9.2 (change in unit size); 11.2 (governmental permits and applications); 12.1 (building permits); and 17.2 (structural alterations). The purchaser should review each of those provisions to determine the powers granted to individual Unit owners.

9. Building Setback

Unit 1 is subject to a Building Setback Line as indicated on the Condominium Map. No structure, whether a dwelling or accessory building may be constructed within the area between the Building Setback lines indicated on the condominium map.

10. The original permitted construction plans have not been located; therefore, the as-built improvements may not be consistent with the plans of the structures filed with the agency of the County of Kauai, having jurisdiction over the issues of building permits (See HRS Chapter 514B-34(b)).

11. Zoning Violation

The Developer's Public Report includes a Kauai County letter dated August 12, 2009 that alleges a violation of Kauai County's Comprehensive Zoning Ordinance Section 8-19.1 (See Exhibit G attached to the Developer's Public) in that the dwelling may have been changed from a single-family dwelling into a multi-family dwelling unit without proper permits. The Developer remedied the alleged violation by constructing a passageway on the first floor between the Entry and the Rest Area of Unit 2 restoring the structure to a single-family dwelling. The passageway is depicted on page 1 of the Floor Plans filed with the Hawaii Bureau of Conveyances.

12. No Private Agricultural Agreements

Agricultural uses and activities as defined in HRS §§ 205-2(d) and 205-4.5(a) on lands classified as agricultural shall not be restricted by any private agreement contained in any deed, agreement of sale, or other conveyance of land (including condominium declarations, bylaws, maps, and other documents executed and submitted in accordance with HRS Chapter 514A or 514B) recorded in the bureau of conveyances after July 8, 2003. Any such private restriction limiting or prohibiting agricultural use or activity shall be voidable, subject to special restrictions enacted by the county ordinance pursuant to section 46-4; except that restrictions taken to protect environmental or cultural resources, agricultural leases, utility easements, and access easements shall not be subject to this section.

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.

ROBERT B. ANDERSON

Printed Name of Developer

By: 

Duly Authorized Signatory*

February 11, 2014
Date

ROBERT B. ANDERSON, Owner/Developer

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.

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.

ANNETTE L. ANDERSON

Printed Name of Developer

By: Annette L Anderson February 11, 2014
Duly Authorized Signatory* Date

ANNETTE L. ANDERSON, Owner/Developer

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.**

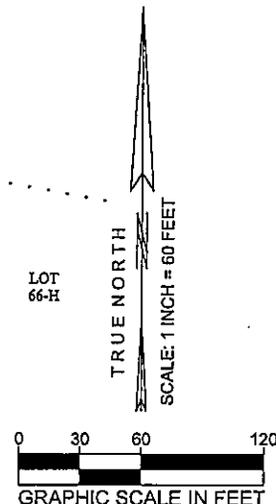
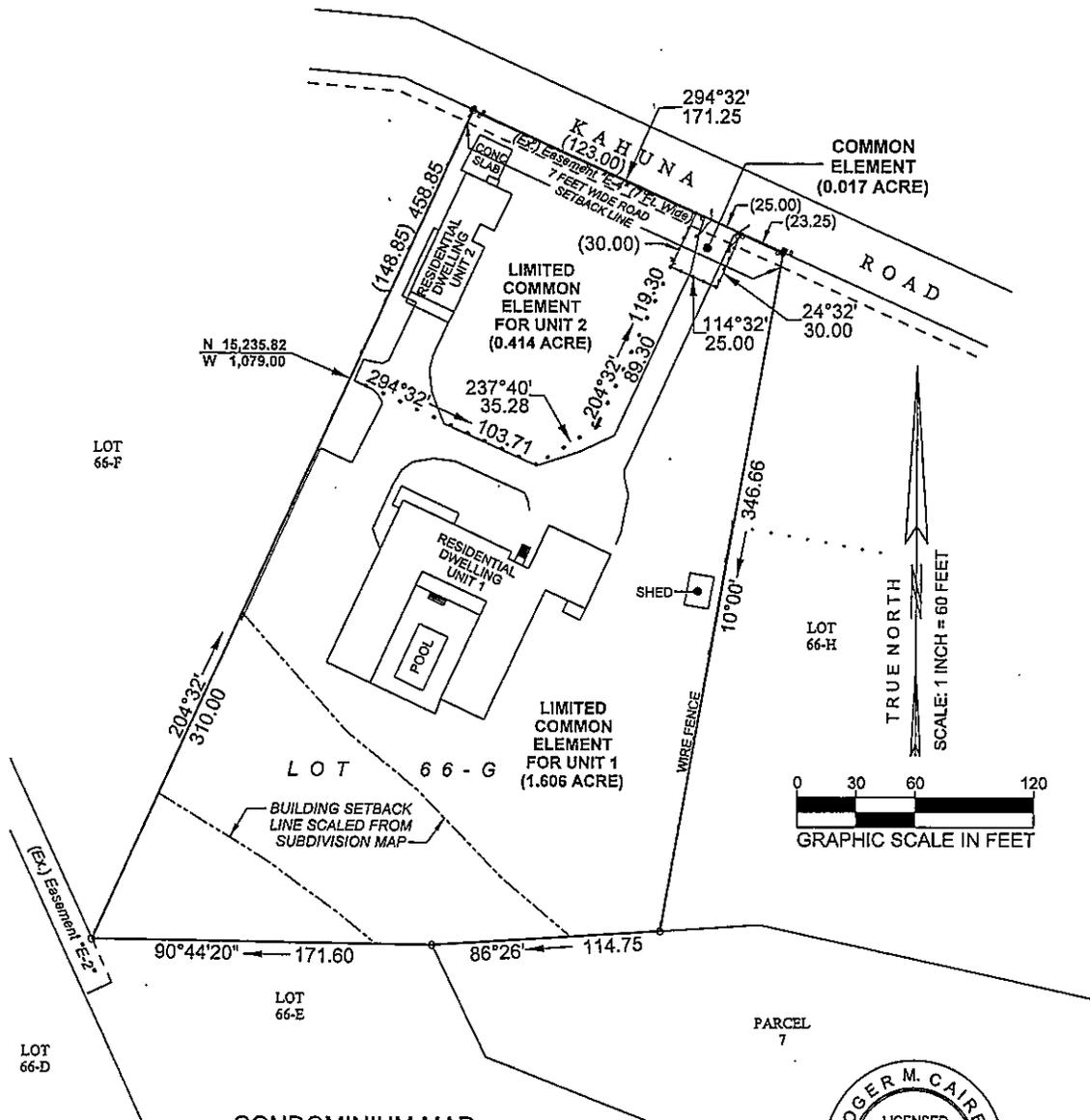
AMENDED EXHIBIT A

CONDOMINIUM MAP (AMENDED), UNIT LOCATIONS, FLOOR PLANS AND ELEVATIONS

NOTES:

1. This project does not involve the sale of individual subdivided lots. The dotted lines on 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. 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.
3. Coordinates based on Government Survey Triangulation Station "NONOU".
4. Map is based on Subdivision Map for Malia Farm Estates approved by the Planning Commission of the County of Kauai dated July 14, 1982.
5. Iron Pipes were set at all property and CPR corners except for found iron pipes shown with an open circle.
6. A seven feet wide Road Setback exists along the South line of Kahuna Road.
7. (Ex) Basements "E-2" and "E-4" based on Document # 17127 PP. 301-309 dated June 16, 1983.

CLS HAWAII
 Land Surveying & Mapping
 P.O. Box 777
 Kalaheo, Kauai, Hawaii 96741
 808.635.3700 * fax 866.592.2475
 surveyor1@CLSHawaii.com



CONDOMINIUM MAP
 FOR
 "ANDERSON ESTATES"
 UNITS 1 & 2
 AND COMMON ELEMENT
 BEING LOT 66-G
 MALIA FARM ESTATES
 BEING A PORTION OF GRANT 7586
 BEING ALSO A PORTION OF LOT 66
 OF KAPAA HOMESTEADS, FIRST SERIES
 KAPAA, KAWAIHAU, KAUAI, HAWAII
 Tax Map Key: (4) 4 - 6 - 006: 058
 Area: 2.037 Acres
 October 3, 2013

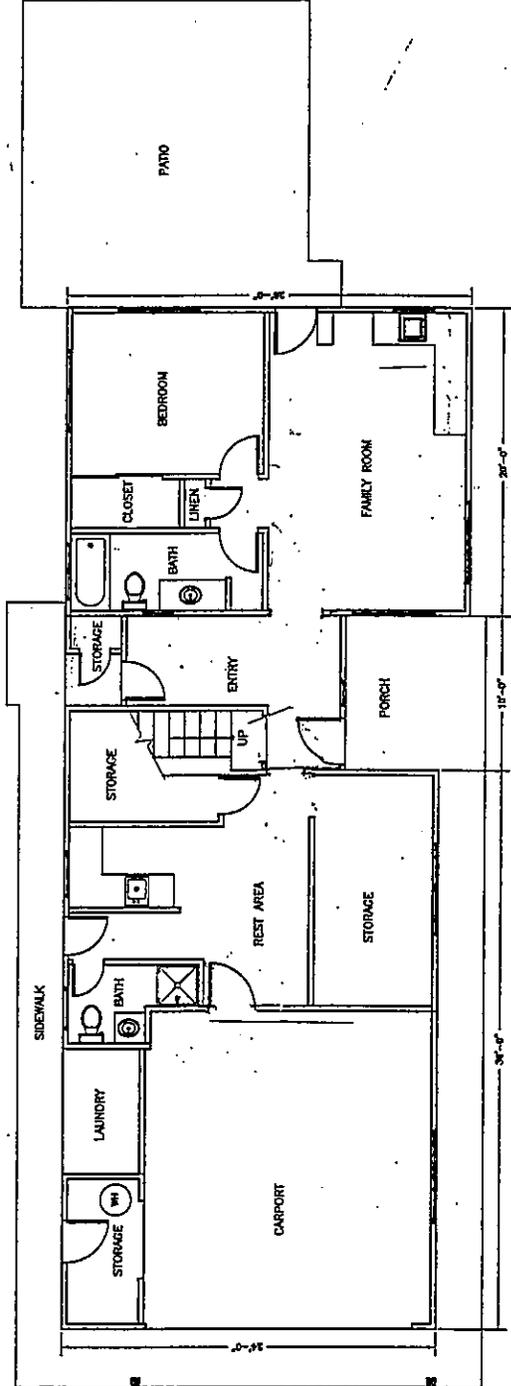


THIS WORK WAS PREPARED BY ME
 OR UNDER MY DIRECT SUPERVISION

Roger M. Cairns
 ROGER M. CAIRNS
 Licensed Professional Land Surveyor
 Certificate Number 7919
 Expires 04/30/14

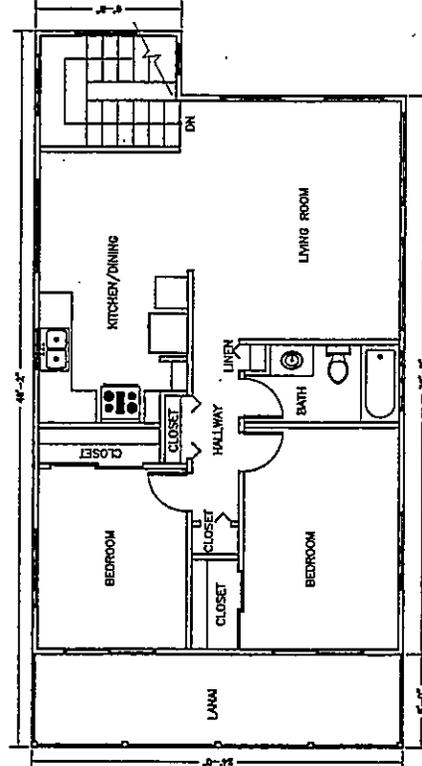


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Palmer W. Hafdahl 12/09 DATE
PALMER W. HAFDAHL



1ST FLOOR PLAN (UNIT 2)

SCALE: 1/8" = 1'-0"



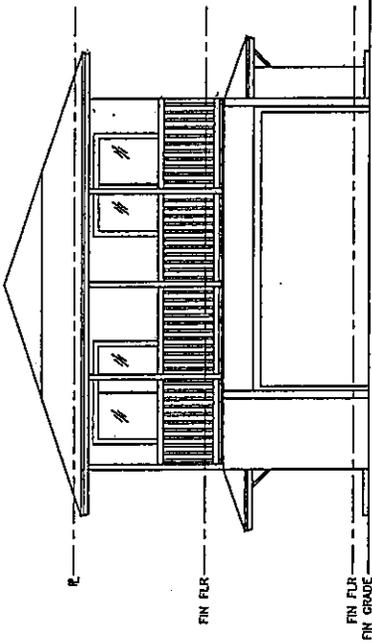
2ND FLOOR PLAN (UNIT 2)

SCALE: 1/8" = 1'-0"

EXISTING STRUCTURES	
FIRST FLOOR:	
ENCLOSED LIVING	500 SQ. FT.
COVERED ENTRY/STORAGE	128 SQ. FT.
STORAGE/REST AREA	442 SQ. FT.
CARPORT/STORAGE/LAUNDRY	433 SQ. FT.
COVERED UTILITY	42 SQ. FT.
COVERED PORCH	60 SQ. FT.
PATIO	378 SQ. FT.
SIDEWALK	387 SQ. FT.
SECOND FLOOR:	
ENCLOSED LIVING/STARWAY	903 SQ. FT.
COVERED LANAI	144 SQ. FT.
TOTAL	3,442 SQ. FT.

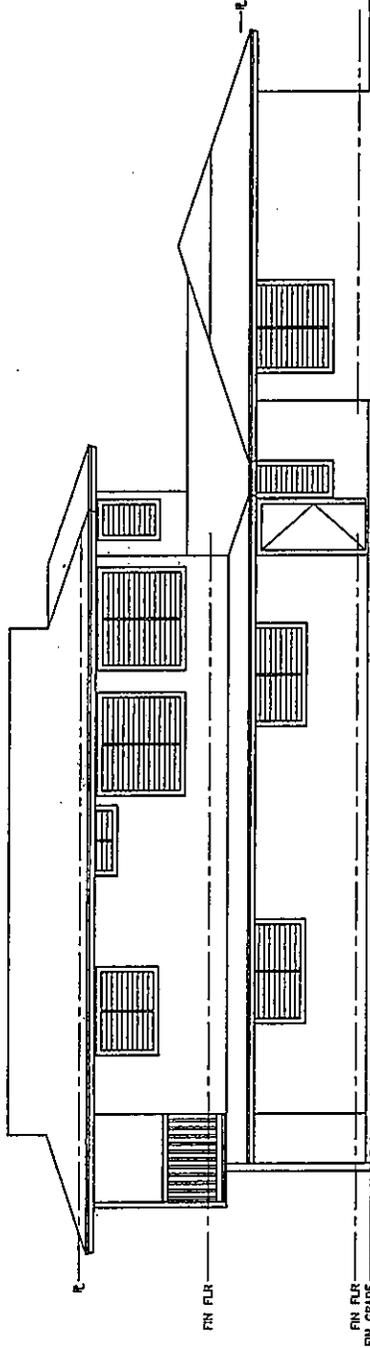
REVISION	DESCRIPTION	DATE
	ROBERT & ANN ANDERSON 6457 MAHINA ROAD, UNIT A & B WAIPIA, HI 96748	
	1ST AND 2ND FLOOR PLAN UNIT 2	
	TNR: 4-8-00R008	
DATE BY: B. L. DEGENSO		
DATE: 5/23/09	ISSUES SHOWN	1 of 7

12/10/09



FRONT ELEVATION

SCALE: 1/8" = 1'-0"



RIGHT ELEVATION

SCALE: 1/8" = 1'-0"



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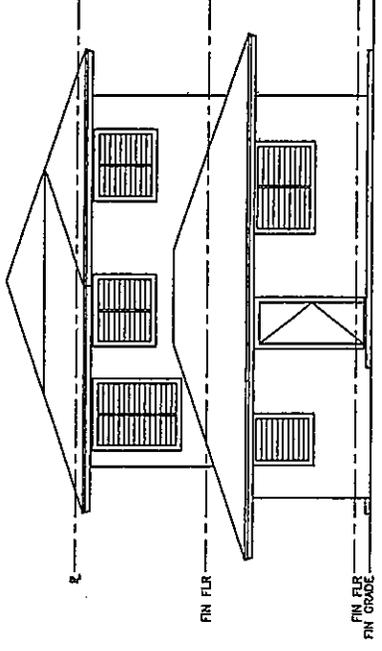
Call Date
PALMER W. HAFDAHL DATE

REVISION	DESCRIPTION	DATE
	ANDERSON ESTATES 6437 KADUKA ROAD, UNIT A & B NAPLES, FL 34108	
	FRONT & RIGHT EXTERIOR ELEVATION UNIT 2	
TANK: 4-8-006058		
DRAWN BY: B. IDEFONSO		
DATE: 8/19/08		
SHEET: 2 of 7		

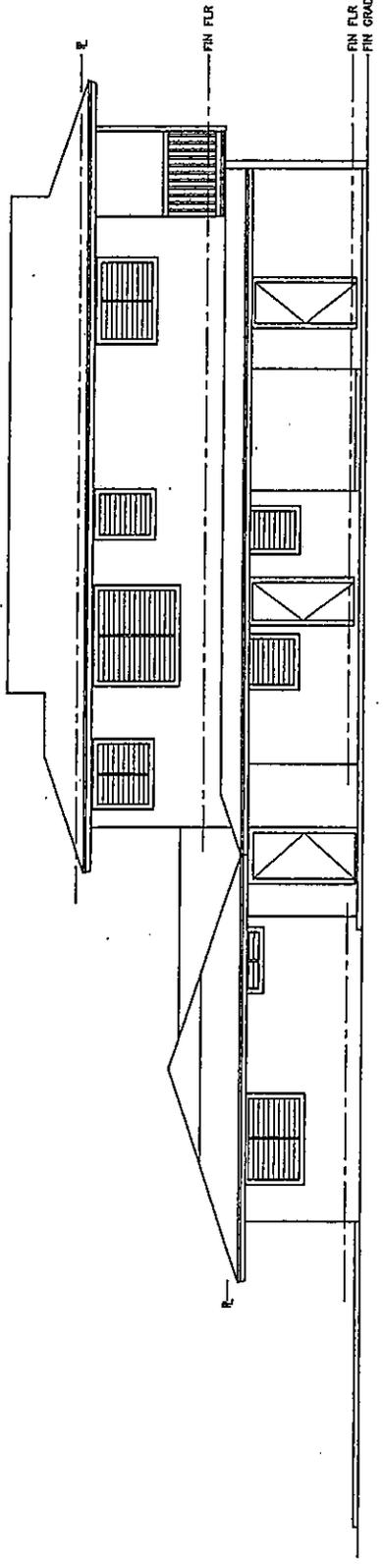
A-2



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OR UNDER MY CLOSE PERSONAL SUPERVISION
Call 06/09
PALMER W. HAFDAHL DATE



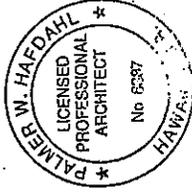
REAR ELEVATION
SCALE: 1/8" = 1'-0"



LEFT ELEVATION
SCALE: 1/8" = 1'-0"

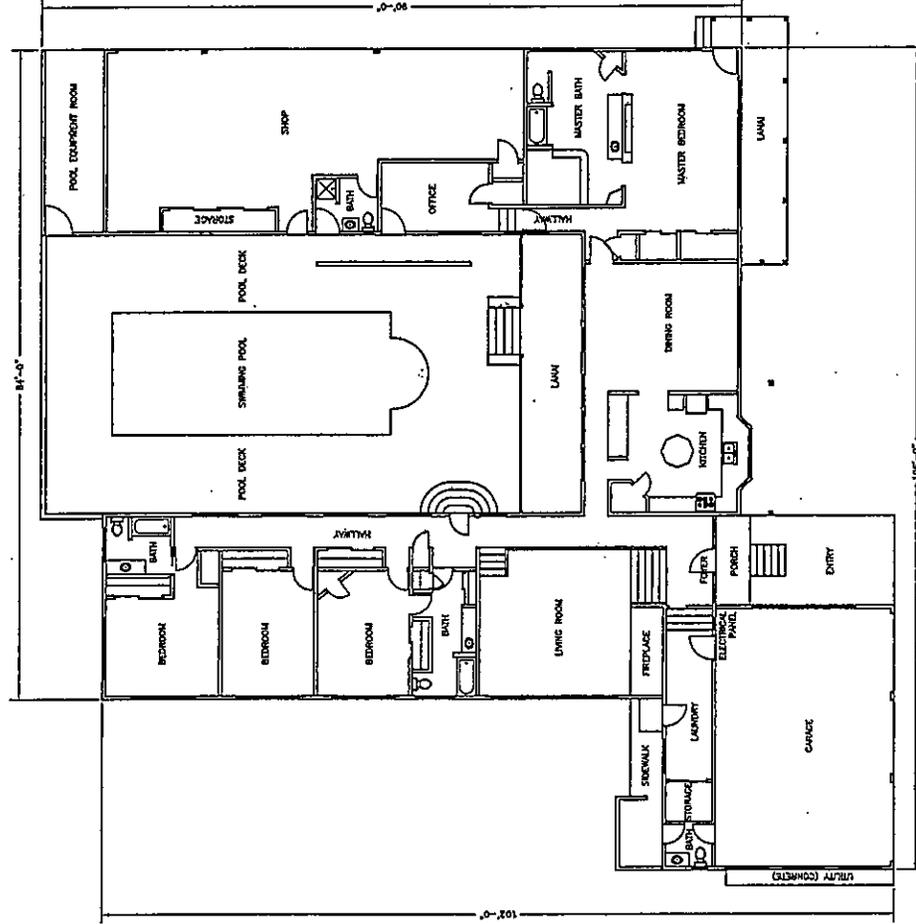
REVISION	DESCRIPTION	DATE
	ANDERSON ESTATES 6457 MARINA ROAD, UNIT A & B KAPAA, HI 96745	
	REAR & LEFT EXTERIOR ELEVATION UNIT 2	
OWNER: B. ILDEFONSO	TITLE: 4-B-006058	
DATE: 8/19/08	SCALE: 3/8"	3 of 7

A-3



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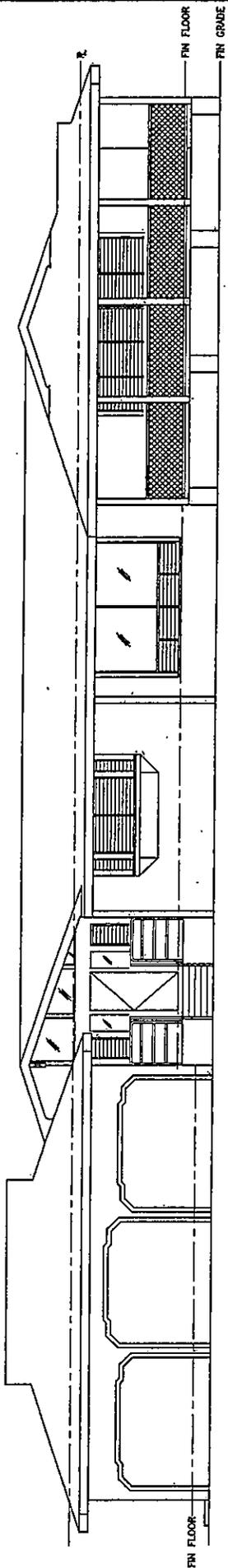
Call 0609
PALMIER W. HAFDAHL DATE



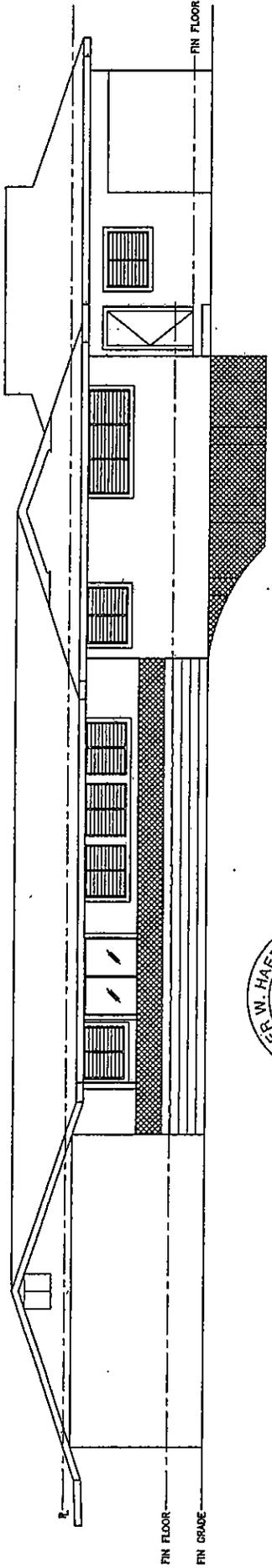
EXISTING STRUCTURES	3,678 SQ. FT.
ENCLOSED LIVING	1,036 SQ. FT.
ENCLOSED SHOP/STORAGE	827 SQ. FT.
COVERED GARAGE/BATH	484 SQ. FT.
COVERED LANAI	69 SQ. FT.
COVERED PORCH	188 SQ. FT.
ENTRY	2,428 SQ. FT.
SHOWERING POOL/DECK/POOL EQUIPMENT ROOM	106 SQ. FT.
SIDEWALK	43 SQ. FT.
COVERED UTILITY (CONCRETE SLAB)	
TOTAL	9,890 SQ. FT.

REVISION	DESCRIPTION	DATE
	ANDERSON ESTATES 6447 MAHUNA ROAD KAPAA, HI 96746	
	FLOOR PLAN UNIT 1	
TIME: 4-8-08/058		
DRAWN BY: B. ILDEFONSO		SHEET: 4 of 7
DATE: 8/20/08	SCALE: AS NOTED	

FLOOR PLAN
SCALE 1/16" = 1'-0"



FRONT ELEVATION
SCALE: 1/8" = 1'-0"



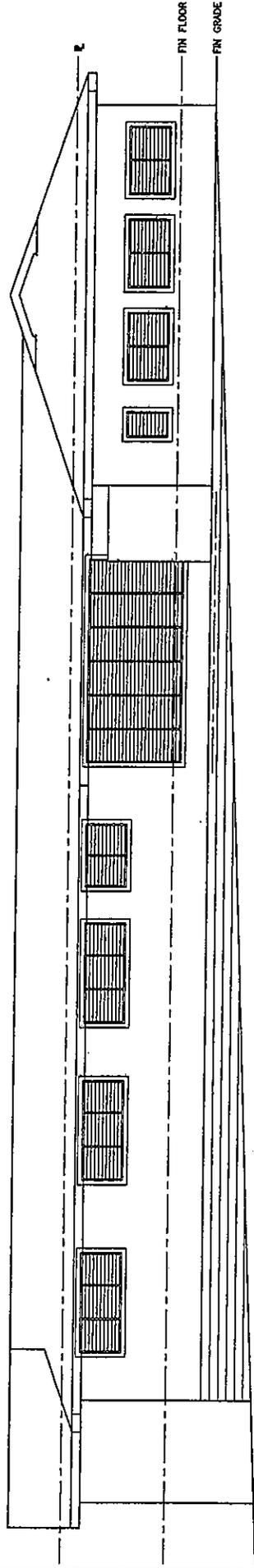
REAR ELEVATION
SCALE: 1/8" = 1'-0"



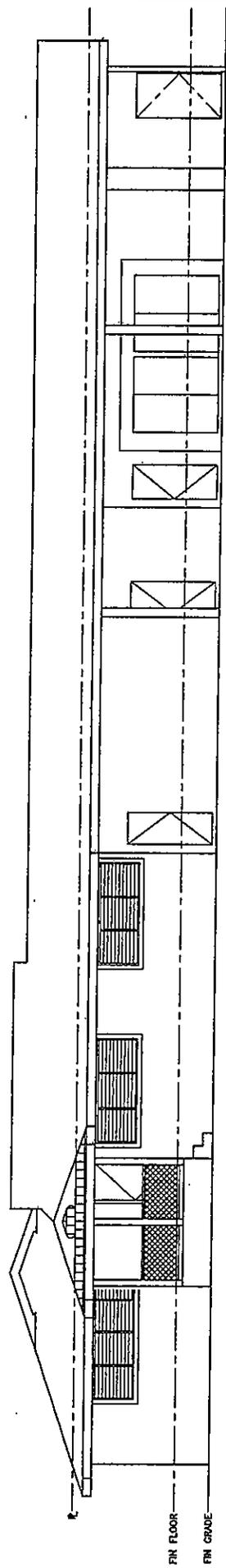
THIS WORK WAS PREPARED BY ME
OR UNDER MY SUPERVISION
Call 06/09
PALMER W. HAFDAHL DATE

REVISION	DESCRIPTION	DATE
	ANDERSON ESTATES 1410 W. MAUNA KAI HAWAII HI 96748	
	FRONT AND REAR ELEVATION	
TMK: 4-8-008:058		
DRAWN BY	B. ILDEFONSO	PROJECT
DATE	8/29/08	SHEET
		5 of 7

A-5



LEFT ELEVATION
SCALE: 1/8" = 1'-0"



RIGHT ELEVATION
SCALE: 1/8" = 1'-0"



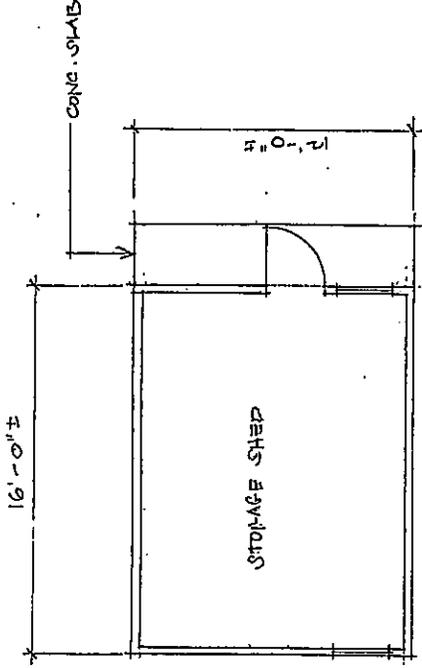
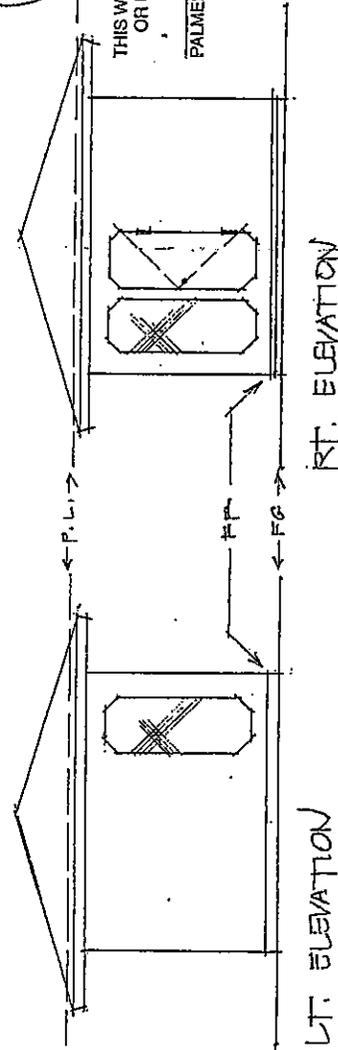
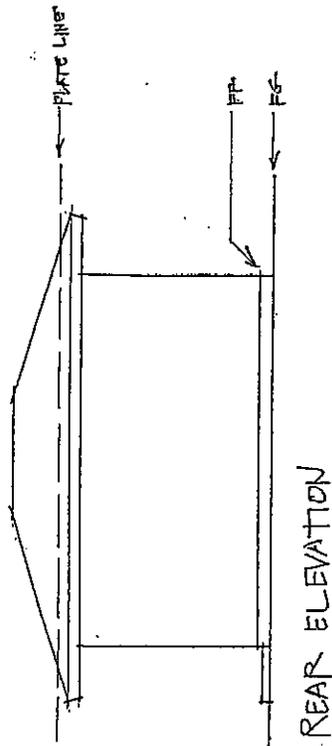
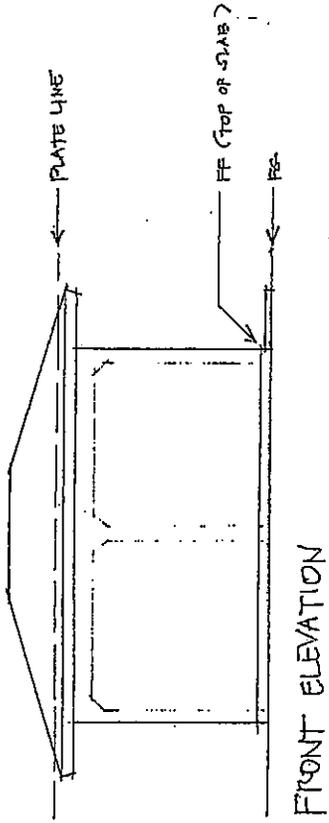
THIS WORK WAS PREPARED BY ME
OR UNDER MY SUPERVISION
Palmer W. Hafdahl
PALMER W. HAFDAHL DATE

REVISION	DESCRIPTION	DATE
	ANDERSON ESTATES 6447 KAHUNA ROAD KAPAA, HI 96748	
	LEFT AND RIGHT ELEVATION UNIT 1	
	TWC: 4-6-008038	
DRAWN BY	B. N. DEONISO	
DATE	8/20/08	
	SCALE AS NOTED	

A-6

SHEET 6 OF 7

NOTE: ALL ELEVATIONS DRAWN @ SCALE = 3/16" = 1'-0"



FLOOR PLAN
SCALE = 3/16" = 1'-0"

SQUARE FOOTAGE :
1) ENCLOSED STORAGE 152 S.F.



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OR UNDER MY SUPERVISION

Palmer W. HafdaHL
DATE

DATE

REVISION	DESCRIPTION	DATE
	ROBERT & ANN ANDERSON 8437 KAHUNA ROAD, UNIT A & B KAHALA, HI 96748	
SHED FLOOR PLAN AND ELEVATIONS		
TMC 4-B-00R-008		
DRAWN BY: R. STAPFER		
DATE: 3/20/07 SCALE: SHOWN		
SHEET 1 of 1		

A-7

EXHIBIT B

SUMMARY OF SALES CONTRACT

The ANDERSON ESTATES Sales Contract and Receipt (the "contract"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. The method of payment of the purchase price to the escrow agent, subject to other terms.
2. The closing date for the purchase. In this case, the closing date may not occur prior to completion of remedial work necessary to resolve alleged Kauai County zoning violations.
3. Whether, at the time of execution of the contract, an effective date for a Developer's public report has been issued.
4. The terms and conditions of the sale which include, among other provisions, the following:
 - (a) That Purchaser will receive a copy of the Developer's public report for the project.
 - (b) Purchaser agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow Agreement, and Purchaser is subject to all of the terms of the Escrow Agreement.
 - (c) Seller has a right to extend the closing date by 31 days or by 31 days after the public report effective date is issued, whichever is later.
 - (d) After issuance of the Developer's Public Report effective date and Buyer's waiver of its right to cancel under HRS § 514B-86, Purchaser shall not have the right to rescind the contract except as provided by HRS § 514B-87 for material changes in the project.
 - (e) Purchaser has received a copy of the Escrow Agreement.
 - (f) If Purchaser defaults, Seller may cancel the contract or bring legal action against Purchaser to force sale, obtain money damages, and/or retain Purchaser's deposit money held in escrow.
 - (g) The unit the Purchaser is purchasing is shown on the condominium map attached as Exhibit A to the Sales Contract and Receipt; Purchaser will have the right to cancel if the Unit is different from that shown on said

Exhibit A.

- (h) That a deed conveying clear title will be given at closing, subject to certain obligations.
- (i) The Purchaser agrees to give future easements if reasonably required for the project.
- (j) Except for Kauai County remedial work as explained in Section 1.15 of the public report, unexpired builder's statutory warranties and assignable appliance warranties, if any, the Purchaser will accept the Unit "AS-IS". Purchaser assumes all risks regarding any potential hazardous materials on the condo property or property adjoining or in the vicinity, including liability for suits by third parties. Seller is, however, unaware of any such conditions on the property.
- (k) The payment of commissions, if any, is set out in the contract.
- (l) Time is of the essence of the obligations of Purchaser under the contract.
- (m) If a Purchaser signs the sales contract and completion of remedial work does not occur on or before the completion deadline (see Section 5.5 of the Developer's Public Report), the purchaser may cancel the sales contract pursuant to HRS § 514B-89 (failure to complete construction before specified completion deadline). Upon cancellation, and pursuant to paragraph 6(a)(iii) of the Escrow Agreement, the purchaser's funds and deposits shall be refunded, less any escrow cancellation fees and other costs associated with the purchase, up to a maximum of \$250.00 (see Section 5.8.2 of the public report).

SPECIAL NOTICE:

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

END OF EXHIBIT B

AMENDED EXHIBIT C

SCHEDULE OF UNITS AND COMMON INTERESTS

<u>Quantity</u>	<u>Unit No.</u>	<u>Area of Unit* (Acres)</u>	<u>No. of Bd./Bath</u>	<u>Approx. Net Living Area (Sq. Ft.)</u>	<u>Approx. Other Area (Sq. Ft.)</u>	<u>% of Common Interest</u>
1	Unit 1	1.606	4/5	3,676	1036 - shop 498 - lanai 827 - garage 2425 - swimming pool, equipment room 418 - covered porch & utility; concrete entry & sidewalk	50%
1	Unit 1		n/a	n/a	152 - shed/aviary	
1	Unit 2	.414	3/3	1,423	669 - entry/storage; storage/rest area; covered utility and porch 917 - lanai/patio/sidewalk 433 - garage	50%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which the common interest has been computed. There are two units, each of which will burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 50% for each unit.

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use the unit, alter or add to it in any manner deemed desirable, so long as it is permitted by law and the Declaration of Protective Covenants and House Rules, if any. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime together with their respective signatures.

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

END OF AMENDED EXHIBIT C

EXHIBIT D

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC., a Hawaii corporation ("Escrow"), and ROBERT B. ANDERSON, married, and ANNETTE L. ANDERSON, married ("Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, 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 initially be deposited in an account for the project. Interest on all funds will be paid to Seller.
3. Escrow will release from the trust fund and disburse Buyer's funds at closing, unless: (a) Buyer has elected within thirty days of signing the sales contract to cancel and receive all funds paid, without deduction; or (b) the Real Estate Commission has not issued a Developer's 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 Hawaii Revised Statutes have been met.
4. Escrow will return deposited sums to the Buyer without interest if Seller and Buyer give Escrow written notice to return the funds to Buyer, if there is a right to cancellation and refund of monies under the sales contract or otherwise. If there is a cancellation under the thirty-day right, no fees will be charged Buyer. Thereafter, in the event of a cancellation as a matter of agreement or right, Buyer's funds shall be returned to Buyer less Escrow's cancellation fee, if any, and all other costs incurred in connection with the Escrow, not less than \$25.00.
5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.
6. As Escrow's compensation for its performance under this Agreement, Escrow will receive its schedule rate for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. The cost of title insurance will be an additional amount, based upon schedule rate.

7. If Buyer defaults and Seller subsequently certifies in writing to Escrow that Seller has terminated the sales contract in accordance with the terms thereof or, if the Buyer defaults under the terms of the sales contract, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's sales contract as funds of Seller and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Seller.

SPECIAL NOTICE:

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE 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 AND NOT THIS SUMMARY.

END OF EXHIBIT D

AMENDED EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

The common elements of the project are:

- A. The land in fee simple;
- B. all commonly used present or future ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, telephone equipment, pipes, wiring, and other central and appurtenant installations over, under and across the Project which serve more than one Unit for services such as power, light, water, gas (if any), cablevision (if any), sewage, refuse, telephone, radio and television signal distribution, and irrigation;
- C. any and all other future elements and facilities in common use or for the benefit of Unit owners or necessary to the existence, maintenance and safety of the Project;
- D. The limited common elements and all other portions of the project, other than the Units, necessary or convenient to the project's existence, maintenance and safety or that are normally in common use and which are not included as part of a Unit, including, but not limited to those common elements described and shown on the Condominium Map; and
- E. The Common Element comprising .017 acres as shown on the Amended Condominium Map for this project is a common element for access purposes.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, referred to as the "limited common elements," may have been designated and set aside for the exclusive use of one or more units, and such unit(s) have appurtenant exclusive easements for the use of such limited common elements. The limited common elements, if any, so set aside, reserved and deemed a limited common element appurtenant to and for the exclusive use of each respective unit is that certain land area upon and around which Unit 1 and Unit 2 are located, shown and designated on the Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
1	1.606 acre
2	0.414 acre

Any shutters, storage closets, awnings, window boxes, doorsteps, stoops, porches, balconies, lanais, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but which are located outside the Unit's boundaries, are limited common elements, appurtenant exclusively to that Unit.

Any entrance, exit, gateway, entry, patio, yard, driveway or steps which would normally be used only for the purpose of ingress to and egress from a Unit shall be a limited common element appurtenant to and reserved for the exclusive use of such Unit except that the existing paved driveway within the boundary of Unit 1's limited common element shall be appurtenant to and reserved for the exclusive use of Unit 1.

Except for liability created by negligence or intentional acts, all costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant. Utilities will be connected at the expense of individual unit owners.

*Note: Land areas referenced herein are not legally subdivided lots. Also, See Note at bottom of Exhibit C.

END OF AMENDED EXHIBIT E

AMENDED EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes. Check with the County of Kauai, Department of Finance, Real Property Tax Division, for detailed information.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. SETBACK (7 feet wide)

PURPOSE: building
ALONG: Kahuna Road
SHOWN: on map prepared by Dennis M. Esaki, Registered Professional Land Surveyor, dated January 21, 1982

4. SETBACK

PURPOSE: building
SHOWN: on map prepared by Dennis M. Esaki, Registered Professional Land Surveyor dated January 21, 1982

5. The terms and provisions contained in the following:

INSTRUMENT: DECLARATION OF COVENANTS AND RESTRICTIONS

DATED: July 22, 1982
RECORDED: Liber 16561 Page 38

6. GRANT

TO: CITIZENS UTILITIES COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE, and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, now known as HAWAIIAN TELCOM, INC.

DATED: April 21, 1983
RECORDED: Liber 17127 Page 301
GRANTING: a perpetual right and easement to build, construct, rebuild, repair, maintain and operate pole and wire lines and/or

underground lines, etc., for the transmission and distribution of electricity over, under, upon, across and through Easement "E-4"

7. The terms and provisions contained in the following:

INSTRUMENT: FARM DWELLING AGREEMENT
DATED: July 10, 1987
RECORDED: Liber 20943 Page 559
PARTIES: Dennis L. DeSilva and Carolyn K. DeSilva, husband and wife, "Applicants", and County of Kauai Planning Department, "Department"

8. MORTGAGE

MORTGAGOR: ROBERT B. ANDERSON, married, and ANNETTE L. ANDERSON, married
MORTGAGEE: FDS BANK, a corporation organized and existing under the laws of the United States of America
DATED: August 29, 2003
RECORDED: Document No. 2003-190084

ABOVE MORTGAGE BY MESNE ASSIGNMENTS ASSIGNED

TO: COUNTRYWIDE HOME LOANS, INC., a corporation organized and existing under the laws of the State of New York

DATED: August 29, 2003
RECORDED: Document No. 2004-222205

9. The terms and provisions contained in the following:

INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "ANDERSON ESTATES" CONDOMINIUM PROJECT

DATED: February 25, 2011
RECORDED: Document No. 2011-039164
MAP: 4972 and any amendments thereto

Said above Declaration was amended by First Amendment to Declaration dated January 14, 2014, recorded as Document No. A-51300671.

Said above Declaration was corrected by instrument dated February 12, 2014, recorded as Document No. A-51621185.

Said above First Amendment to Declaration was corrected by instrument dated February 12, 2014, recorded as Document No. A-51621186.

10. The terms and provisions contained in the following:

INSTRUMENT: BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED: February 25, 201

RECORDED: Document No 2011-039165

END OF AMENDED EXHIBIT F

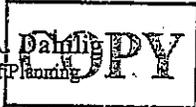
EXHIBIT G

MEMORANDUM FROM THE COUNTY OF KAUAI PLANNING DEPARTMENT

Bernard P. Carvalho, Jr.
Mayor



Michael A. Dahilig
Director of Planning



Nadine K. Nakamura
Managing Director

Dee M. Crowell
Deputy Director of Planning

PLANNING DEPARTMENT
County of Kaua'i, State of Hawai'i
4444 Rice Street, Suite A-473, Lihue, Hawai'i 96766
TEL (808) 241-4050 FAX (808) 241-6699

FEB 21 2014

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

FROM: Michael A. Dahilig, Director of Planning

SUBJECT: Certification of Inspection of Existing Buildings

Project Name: ANDERSON ESTATES
Condominium Project
Tax Map Key: (4) 4-6-006: 058

The developers of the above-mentioned condominium project has rectified the zoning violations as indicated in our letter dated September 14, 2009. Therefore, this office, as an agency of the County of Kauai having reviewed 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 developers have contracted architect Palmer Hafdahl certify that the buildings on the proposed project referred to as Anderson 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.

An Equal Opportunity Employer

Senior Condominium Specialist
Anderson Estates Condominium
TMK: (4) 4-6-006: 058
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 variances approved for the subject property.
4. There are no notices of violations of county building and zoning codes outstanding according to our records.
5. WAIVER
The foregoing certification is not a warranty to any compliance with applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulations of condominiums under subsection 514 B-84, (a) and (2), Hawaii Revised Statutes.

If you have any questions, please contact Sheilah Miyake at (808) 241- 4050.

cc: Robert & Annette Anderson, Project Developers
Glen Hale, Attorney at Law

END OF EXHIBIT G

EXHIBIT H
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
UNIT 1	\$37.50 \$450.00
UNIT 2	\$37.50 \$450.00

NOTE:

1. Pursuant to **Section 6.3** of the project Bylaws, each Unit owner is responsible to insure the dwellings and/or other structures located within the land area of each Unit. The estimated insurance premium set forth on page 2 of this Exhibit applies only to common improvements, if any, on the project.
2. Estimated ground maintenance costs are provided because the Unit Owners are obligated by the terms of Easements AU-1 and AU-2 to jointly maintain commonly used portions of the project (see Declaration, Exhibit D).
3. There are no estimated reserve costs because the project does not have common improvements that require periodic maintenance. If the Association determines there is a portion of the project that requires joint maintenance, the necessary funds may be assessed through a special assessment.

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

Estimate of Maintenance Fee Disbursements:

	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
Utilities and Services	\$	\$
Air Conditioning		
Electricity		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Elevator		
Gas		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building		
Grounds	\$25.00	\$300.00
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	\$50.00	\$600.00
Reserves(*)		
Taxes and Government Assessments		
Audit Fees		
Other	_____	_____
TOTAL:	\$75.00	\$900.00

I, ROBERT B. ANDERSON, as Developer, for the "ANDERSON ESTATES" condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



Signature

February 11, 2014

Date

Estimate of Maintenance Fee Disbursements:

	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
Utilities and Services	\$	\$
Air Conditioning		
Electricity		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Elevator		
Gas		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building		
Grounds	\$25.00	\$300.00
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	\$50.00	\$600.00
Reserves(*)		
Taxes and Government Assessments		
Audit Fees		
Other	_____	_____
TOTAL:	\$75.00	\$900.00

I, ANNETTE L. ANDERSON, as Developer, for the "ANDERSON ESTATES" condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Annette L. Anderson
Signature

February 11, 2014
Date

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with Section 514B-148, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to Section 514B-148, HRS, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

END OF EXHIBIT H

EXHIBIT I

PROPOSED HOUSE RULES OF THE "ANDERSON ESTATES" PROJECT

1. Each Unit shall at all times be occupied and used for farm dwelling and/or residential purposes in accordance with applicable laws and the Project Documents, and for no other purposes. The Unit, together with any improvements located thereon, shall be occupied and used in accordance with applicable laws and the Project Documents, and for no other purposes.

2. The owners of the respective units shall have the absolute right to sell, lease, rent or otherwise transfer such units subject to all provisions of the Act and the Project Documents. Any lease or rental agreement of a Unit shall provide that it shall be subject in all respects to the provisions of all applicable laws and the Project Documents and that the failure of the lessee or tenant to comply with the terms of these documents shall be default under the lease or rental agreement.

3. In-home businesses or occupations not involving the servicing of customers or employees shall be allowed in any Unit, provided such activities are conducted solely within the Unit and do not create or result in any nuisance or any unreasonable, unwarranted, or unlawful use or interference with rights of the other Unit owners or of the public, including, but not limited to, unreasonable or unwarranted use or interference with the other Unit owners or of the public, including, but not limited to, unreasonable or unwarranted use or interference with the common elements or any access or utility easements, excessive traffic or parking requirements, or in any other offensive or noxious activities.

4. No Unit shall be improved except with one residential or farm dwelling and other structures necessary or incidental to residential or agricultural use. No dwelling structure(s) shall be used for living purposes by more persons than the dwelling structure(s) were designed to accommodate. No mobile home, trailer home, portable building, shed, Quonset hut, tent, or similar structure shall be used as a permanent residence or for permanent living purposes on any Unit.

5. Each Unit, and any and all improvements from time to time located thereon, shall be maintained by the Unit owner in good and clean condition and repair and in such manner as not to create a fire, safety or health hazard to the Project or any part thereof, all at such owner's sole cost and expense. No unsightliness shall be permitted on any Unit. Without limiting the generality of the foregoing: (a) all unsightly structures, facilities, equipment, objects and conditions shall be enclosed or appropriately screened from view so as not to be visible from one or more neighboring units; and (b) pipes for water, gas,

sewer, drainage or other purposes, and utility meters or other utility facilities and gas, oil, water or other tanks, and sewage and disposal systems or devices shall be kept and maintained within an enclosed structure or below the surface of the ground.

6. No exterior speakers, horns whistles, bells or other sound devices, except security devices used exclusively to protect the security of the Unit, and improvements thereon, shall be placed or used upon any Unit. No sound shall be allowed to be emitted on any Unit that is unreasonably loud or annoying.

7. In the event of any excavation on any Unit, the owner of such Unit shall provide such artificial support as is necessary to support adjacent units.

8. No light shall be emitted from any Unit that is unreasonably bright or that causes unreasonable glare.

9. Neither beehives nor fighting cocks shall be kept or maintained on any Unit. Dogs, cats and other typical household pets may be kept in reasonable numbers and under reasonable conditions. All animals kept or maintained on a Unit shall be kept and maintained only in a density compatible with neighboring residential 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) control of flies, insects, worms and other pests; (c) adequate fencing and animal housing facilities adequate to restrict such animals to the Unit where maintained; (d) control of noise and noxious odors to levels that are customary under practices of good animal husbandry and that are compatible with neighboring residential use.

10. No house trailer, mobile home, tent, or similar facility or structure shall be kept, placed or maintained upon any Unit 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 or improvement of any authorized improvement on the Unit.

11. No truck of more than one (1) ton capacity shall be kept, placed or maintained upon any Unit in such a manner that such truck is visible from the neighboring units, 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 authorized improvement on the Unit.

12. No trailer, vehicle or boat shall be constructed, reconstructed or repaired upon any Unit in such a manner that such construction, reconstruction or repair is visible from neighboring units, nor shall any vehicle

not in good operating condition be maintained upon any Unit so as to be visible from any adjoining Unit, provided that nothing in this paragraph shall prevent an owner from performing minor maintenance work and minor repairs on his or her own trailer, vehicle or boat in his or her garage.

13. No garbage or trash shall be permitted on any Unit except in closed receptacles screened from view from any neighboring Unit; and no accumulated waste plant materials will be permitted on any Unit, except as part of an established compost pile maintained in such a manner as not to be visible from neighboring units.

14. No open storage of trailers, boats, vehicles, furniture, fixtures, appliances and other similar goods will be permitted. These items may only be stored in an enclosed garage or other appropriate enclosed storage structure.

15. No Unit owner shall violate or permit the violation on the owner's Unit of any applicable law or ordinance pertaining to the zoning, buildings, fires, signs or other matter relating to the use and development of the Unit.

16. No garage shall be used for other than the parking of vehicles and boats, unless the same is enclosed so as not to be visible from neighboring units 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 storage purposes.

17. No noxious or offensive activity shall be carried on upon any common element or any Unit, nor shall anything be done or placed thereon which is, may be or may become a nuisance or cause embarrassment, disturbance or annoyance to the neighborhood. Any plantings or vegetation that cannot be effectively limited from infesting neighboring units shall be deemed a noxious activity, and each owner shall take positive steps to eliminate such plantings or vegetation from his or her Unit. Noxious activities shall also include the failure to properly care for animals raised or kept on a Unit, and each owner shall take positive steps to eliminate or cure any such improper care of animals or use of herbicides or pesticides.

18. No activities shall be conducted on any Unit and no improvements constructed on any Unit that are or might be unsafe or hazardous to any person or property. Without limiting the generality of the foregoing, no firearms shall be discharged upon any Unit, and no open fires shall be lighted or permitted on any Unit except: (a) in a contained barbecue Unit while attended and in use for cooking purposes; or (b) within a safe and well-designed interior fireplace. Whenever any flammable or combustible materials of any type are stored upon any Unit, the owner thereof shall keep and maintain in working order adequate fire extinguishments equipment.

19. No mining or quarrying for or removing minerals, rocks, stones, gravel or earth shall take place on any Unit.

20. The clearing and grading of any Unit shall not alter or impede existing drainage patterns. All areas cleared shall be left clear of rubbish and litter. All grading operations shall exercise prudent dust control measures.

21. No owner shall construct or permit to be constructed on his or her Unit any improvement which will create a problem of flooding, erosion or interference with natural water flow or original runoff pattern damaging to his or her Unit or adjacent units, nor shall any owner fail to act so as to minimize runoff damage or interference with the natural flow of storm waters. Each owner shall keep all drainage facilities and culverts installed on his or her Unit, free and unobstructed and in good repair.

22. No overhead power lines or wind generators shall be erected on any Unit. A satellite dish may be installed on any Unit, provided that if the satellite dish is greater than 18 inches in diameter the dish shall be blocked or screened from view from the other Unit.

23. No "For Sale" signs larger than five square feet and no advertising sign or billboard may be erected, placed, or permitted to be placed on any Unit. A Unit owner may place one reasonably sized "For Sale" sign along one edge of a Unit boundary. No sign shall be directly illuminated or shall be higher than six feet above the ground elevation. All signs erected or maintained on any Unit shall comply with all applicable County and State laws, ordinances and regulations.

24. No Unit shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license, "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess any Unit or any interest therein rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. This paragraph 24 shall not apply to the Declarant as long as the Declarant owns at least one Unit.

25. No building or structure (but not including roads, walkways, fences, walls or underground utilities) may be located within the Limited Common Element appurtenant to each Unit which is closer than twenty (20) feet (measured from any portion of such building structure) to the interior

boundary lines separating and defining the respective Limited Common Element appurtenant to the respective units.

END OF EXHIBIT I

EXHIBIT "J"

****FOR ILLUSTRATION ONLY****

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL TO:

COUNTY OF KAUAI
Planning Department
Building A, Suite 473
4444 Rice Street
Lihue HI 96766

Document contains ____ pages

FARM DWELLING AGREEMENT

THIS AGREEMENT, made and entered into this ____ day of _____,
20____, by and between _____,
_____, whose residence and post office address
is _____,
_____, hereinafter called the "APPLICANT(S)", and the COUNTY OF KAUAI,
Planning Department, its business and mailing address being Building A, Suite
473, 4444 Rice Street, Lihue, Hawaii 96766, hereinafter called the
"DEPARTMENT",

WITNESSETH:

WHEREAS, the APPLICANT(S) warrant and represent that he/she/they
is/are the _____ of that certain parcel of land, Tax Map
Key No. (4) _____, more particularly described in Exhibit "A",
attached hereto and made a part hereof; and

WHEREAS, this document pertains only to Unit(s) ____ as shown in Exhibit "B" and made a part hereof; and

WHEREAS, that certain parcel of land is classified Agriculture by the State Land Use Commission and is zoned Agriculture by the County of Kauai; and

WHEREAS, Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations only permit "farm dwellings" within the State Agriculture Land Use District unless otherwise relieved from the restriction by a special permit obtained pursuant to Chapter 205, Section 6, Hawaii Revised Statutes; and

WHEREAS, a "farm dwelling" is defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations as "a single family dwelling located on and used in connection with a farm where agricultural activity provides income to the family occupying the dwelling"; and

WHEREAS, the parcel identified by Tax Map Key No. (4)_____, is entitled to _____ (____) residential units; and

WHEREAS, this Agreement is evidenced that _____ is entitled to one of those residential units; and

WHEREAS, a "family" as used in the definition of a "farm dwelling" is defined by the State Land Use District Regulations as "an individual or two or more persons related by blood, marriage or adoption or a group comprising not more than five persons, not related by blood, marriage or by adoption"; and

WHEREAS, the APPLICANT(S) acknowledge that a violation of Chapter 205, Hawaii Revised Statutes, and the State Land Use District restriction is subject to a citation and fine of not more than \$5,000 pursuant to Chapter 205, Section 13, Hawaii Revised Statutes, as amended; and

WHEREAS, the APPLICANT(S) also acknowledge that failure to abide by this Agreement may result in the removal of the prohibited structure at the owner's expense; and

WHEREAS, the DEPARTMENT is charged with the enforcement of the restriction by Chapter 205, Hawaii Revised Statutes; and

WHEREAS, the APPLICANT(S) wish to construct a dwelling unit on that certain parcel of land described in Exhibit A; and

WHEREAS, the APPLICANT(S) wish to execute this Farm Dwelling Agreement without first obtaining the signatures of all interest holders in the CPR;

NOW, THEREFORE, for and in consideration of the terms, covenants and conditions hereinafter contained, the parties hereby mutually agree as follows:

1. That the dwelling permitted to be constructed on the parcel of land described in Exhibit "A" classified Agriculture by the State Land Use Commission shall be a "farm dwelling" as defined by Chapter 205, Hawaii Revised Statutes, and the State Land Use District Regulations, as recited herein; and

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

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

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

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

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

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

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

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

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

11. This Agreement shall be a covenant running with the portion of land described in Exhibit A, and shall be binding on APPLICANT(S) and all present and future owners and occupants of said portion of land and any one claiming under APPLICANT(S), their successors, and assigns, as owners or occupants thereof. The APPLICANT(S) further agree(s) to expressly set forth the provisions of this waiver and indemnify agreement in any subsequent conveyance, deed, lease, or rental agreement so as to give effect to said covenant.

IN WITNESS WHEREOF, the parties hereto have caused these presents to be executed on the ____ day of _____, 20____.

APPROVED:

APPLICANT(S)

Planning Director

APPROVED AS TO FORM
AND LEGALITY:

County Attorney

STATE OF HAWAII)
) SS:
COUNTY OF _____)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the person described in (or proved to me on the basis of satisfactory evidence) and who executed the foregoing **Farm Dwelling Agreement** dated _____, 20____, which document consists of _____ pages, and acknowledged that **he/she** executed the same as **his/her** free act and deed.

Name of Notary: _____
Notary Public, State of Hawaii
Fifth Judicial Circuit, Commission No. _____
My commission expires: _____

STATE OF _____)
) SS:
COUNTY OF _____)

On this ____ day of _____, 20____, before me personally appeared _____, to me known to be the person described in (or proved to me on the basis of satisfactory evidence) and who executed the foregoing **Farm Dwelling Agreement** dated _____, 20____, which document consists of _____ pages, and acknowledged that **he/she** executed the same as **his/her** free act and deed.

Name of Notary: _____
Notary Public, in and for said County
and State, Commission No. _____
My commission expires: _____

END OF EXHIBIT "J"

AMENDED EXHIBIT K

SUMMARY OF ENCUMBRANCES

THIS EXHIBIT IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE DOCUMENTS THAT ENCUMBER THE TITLE OF THE PROPERTIES COMPRISING THIS PROJECT. WHILE A PURCHASER CAN USE THIS EXHIBIT AS A GENERAL SUMMARY, PURCHASERS CANNOT RELY UPON THIS SUMMARY TO DETERMINE THE EFFECT OF THE ENCUMBERING DOCUMENTS ON ANY UNIT. PURCHASERS MUST REVIEW AND RELY UPON THE LANGUAGE OF THE ORIGINAL DOCUMENTS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THE SUMMARIES CONTAINED IN THIS EXHIBIT AND THE PROVISIONS CONTAINED IN THE DECLARATION, BYLAWS, CONDOMINIUM MAP, PROJECT RULES OR THESE ENCUMBERING DOCUMENTS, THE PROJECT DOCUMENTS AND THE ENCUMBERING DOCUMENTS WILL CONTROL.

THIS SUMMARY DOES NOT INCLUDE MORTGAGES OR FINANCING STATEMENTS THAT MAY BE A LIEN AGAINST THE PROPERTY BECAUSE A PURCHASER WILL TAKE TITLE FREE AND CLEAR OF ANY SUCH LIENS.

Title Report

The provisions of certain recorded documents identified by a title Status Report dated January 20, 2014 Schedule B, prepared by Title Guaranty of Hawaii, Inc. contain restrictive covenants and conditions that affect and encumber the lot comprising this project.

Document Summary

Some of the documents that encumber this project, together with a summary of their provisions, are set forth below:

1. Declaration of Covenants and Restrictions dated July 22, 1982, recorded in Libre 16561, Page 38.

The Covenants and Restrictions include use restrictions as follows: agricultural use and farm dwellings; the avoidance of nuisances; maintenance of each lot; no temporary structures; no used construction material; residential construction must be in compliance with government laws; grading restrictions; non-interference with subdivision easements; all conveyances must include the covenants and restrictions; remedies and duration.

2. Grant of Easement dated April 21, 1983, recorded in Libre 17127, Page 301.

This Grant of Easement is in favor of Kauai Island Utility Cooperative and Hawaiian Telcom, Inc. and conveys a perpetual right and easement to build, construct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity over, under, upon, across and through Easement "E-4"

3. Farm Dwelling Agreement dated July 10, 1987, recorded in Libre 20943, Page 559.

The Farm Dwelling Agreement confirms that a dwelling constructed on the property will be classified as a Farm Dwelling and that families occupying farm dwellings are required to engage in agricultural activities that provide income to the family pursuant to HRS, Chapter 205. The agreement grants Kauai County's planning department a right of entry to inspect the premises, waives any claim against the county and promises to indemnify the county against any related claims.

END OF AMENDED EXHIBIT K