

IMPORTANT - - Read This Developer Prepared Report Before Buying

This Report Is Not a Commission Approval or Disapproval of This Condominium Project

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: White Rock Limited Partnership
Business Address: 2403 Ulu Maika Street, Lihue, HI 96766
Project Name (*): Nawiliwili Estates
Address: 3480 Kahumoku Road, Lihue, HI 96766
Registration No. 3641

Effective date: October 4, 2017

Expiration date: November 4, 2018

Preparation of this Report:

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

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

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

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

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

Type of Report:

☐

PRELIMINARY:
(yellow)

The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

☐

FINAL:
(white)

The developer has legally created a condominium and has filed complete information with the Commission.

- ☐ No prior reports have been issued.
- ☐ This report supersedes all prior public reports.
- ☐ This report must be read together with: _____

☒

**SECOND
SUPPLEMENTARY:**
(pink)

This report updates information contained in the:

- ☐ Preliminary Public Report dated: _____
- ☐ Final Public Report dated: _____
- ☒ Supplementary Public Report dated: February 14, 2008 (Effective date)

And

- ☒ Supersedes all prior public reports.
- ☐ Must be read together with: _____
- ☐ This report reactivates the _____

public report(s) which expired on _____

(*) Exactly as named in the Declaration

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

FORM RECD-30 286/986/189/1190/892/0197/1098/0800/0203/0104/0107/0816/0317

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- ☒ Required and attached to this report ☐ Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

☐ No prior reports have been issued by the developer.

☒ Changes made are as follows:

1. Apartments 1 through 8, inclusive, and 10 are now owned and being developed by White Rock Limited Partnership, a Hawaii limited partnership, which acquired title to these apartments pursuant to a judicial foreclosure action. Pages 1, 5, 10, 20, 21, and Exhibit "F" have been revised to indicate this change in ownership, as well as current information with respect to White Rock Limited Partnership and its consultants on this project. Because construction of all of the Apartments have been completed, there is no longer a general contractor, and this is reflected on Page 5.
2. Since the Project's completion in 1997, all of the original storage structures except for those located in apartment 9 have deteriorated such that they are essentially unusable. New shade structures have been installed for all the units covered by this public report. In addition, the common element road has been realigned resulting in changes to the boundaries and areas of the limited common elements appurtenant to Apartments 1, 3, 4 and 5. The Declaration of Condominium Property Regime and Bylaws of the Association of Apartment Owners of this Project were amended and restated and the Condominium Map was also amended reflecting these changes. The amended and restated documents also incorporate all the prior amendments to the governing documents as reflected in section II.A, Creation of the Condominium; Condominium Documents. The amended and restated documents are sometimes hereafter referred to simply as the "Declaration", "Bylaws" and "Condominium Map".
3. Uses Permitted by Zoning. Section III.C has been revised to clarify that the existing buildings/improvements constituting the apartments are agricultural, which is a permitted use under the Project's zoning.
4. Title Report. Section III.E references an updated Preliminary Report for Apartments 1 through 8, inclusive, and 10. The report is dated June 6, 2017, and was prepared by Title Guaranty of Hawaii, Inc.
5. Status of Construction and Date of Completion or Estimated Date of Completion. Section III.G has been amended and updated to clarify the completion dates of the new shade structures.
6. Escrow Agreement. Section V.A has been revised to show the new Escrow Agreement entered into between the new Developer and Title Guaranty Escrow Services, Inc.
7. Additional Information. Section V.C has been amended to delete paragraph 3 which included references to the prior developers of the Project as well as to add additional disclosures and information. Prospective buyers are strongly urged to read this section carefully.
8. Summary of Encumbrances on Title. Exhibit "B" has been amended to reflect items on the updated Preliminary Title Reports, referenced in item 4, above. Revisions to Exhibit "B" include the deletion of a mortgage in favor of White Rock Limited Partnership, among other things.
9. Disclosure Abstract. Exhibit "F" has been updated to reflect the new Developer and listing agent's address as well as a revised exhibit for Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements.
10. Unit 9. This Public Report does not cover the sale of Unit 9.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer Name*: White Rock Limited Partnership

Phone: 808 245-1651
(Business)

Business Address: 2403 Ulu Maika Street
Lihue, Hawaii 96766

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

White Rock Corporation, general partner
Clinton I. Shiraishi, President/director
Sherman T. Shiraishi, Vice President/director
Joy S. Kukino, Secretary/director

Real Estate Broker*: Kauai Realty, Inc.

Phone: 808 245-1651
(Business)

Business Address: 2403 Ulu Maika Street
Lihue, Hawaii 96766

Escrow*: Title Guaranty Escrow Services, Inc.

Phone: 808 245-3381
(Business)

Business Address: 4414 Kukui Grove Street, Ste. 104
Lihue, Hawaii 96766

General Contractor*: None

Phone: _____
(Business)

Business Address:

Condominium Managing Agent*: Hawaiiana Management Company, Ltd.

Phone: 808 792-0515
(Business)

Business Address: 4370 Kukui Grove Street, Ste. 208
Lihue, Hawaii 96766

Attorney For Developer*: Shiramizu Loo & Nakamura
(Galen Nakamura)

Phone: 808 632-2267
(Business)

Business Address: 4357 Rice Street, Ste. 102
Lihue, Hawaii 96766

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

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

☐ Proposed

☐ Recorded -

Bureau of Conveyances:

Document No. _____

Book _____

Page _____

☒ Filed -

Land Court:

Document No. 2331839

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

First Amendment to Nawiliwili Estates Declaration of Condominium Property Regime, 3/12/97, Document no. 2371308

Second Amendment to Nawiliwili Estates Declaration of Condominium Property Regime, 4/11/97, Doc. no. 2376531

Third Amendment to Nawiliwili Estates Declaration of Condominium Property Regime, 8/28/13, Doc. no. T-8654289

Amended and Restated Nawiliwili Estates Declaration of Condominium Property Regime, 5/11/17, Doc. no. T-10013220

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

☐ Proposed

☐ Recorded -

Bureau of Conveyances Condo Map No. _____

☒ Filed -

Land Court Condo Map No. 1164

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Amended Map #1164 dated 11/20/16 showing "Nawiliwili Estates" Condominium, Units 1 thru 10, Inclusive, and Common Element and Designation of Easements "L-1" and "SL-1". Said amended map was filed on May 11, 2017 with the Land Court.

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

☐ Proposed

☐ Recorded

Bureau of Conveyances:

Document No. _____

Book _____

Page _____

☒ Filed -

Land Court:

Document No. 2331840

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

Amended and Restated Bylaws of the Association of Apartment Owners of Nawiliwili Estates, 5/11/17, Doc. No. T-10013221

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

The House Rules for this condominium are:

☐ Proposed ☒ Adopted ☐ Developer does not plan to adopt House Rules

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

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

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

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

2. **Developer:**

- ☐ No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.
- ☒ Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

Developer has reserved the right to alter apartments it owns in the Project and amend the Declaration and Condominium Map in accordance therewith under section 14.0 of the Declaration and to amend the Declaration and Condominium Map in connection with the filing of the "as-built" verified statement under section 20.0 of the Declaration.

There are additional reservations in favor of the Developer and covenants which a purchaser should be aware of which deal with the acquisition of building permits and making improvements to the common elements and/or limited common elements of the Project in section 22.0 of the Declaration.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- ☒ Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- ☐ Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ Monthly ☐ Quarterly
☐ Semi-Annually ☐ Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: ☐ Month ☐ Year

For Sub-leaseholds:

- ☐ Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: ☐ Canceled ☐ Foreclosed
- ☐ As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.
- ☐ Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: ☐ Monthly ☐ Quarterly
☐ Semi-Annually ☐ Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: ☐ Month ☐ Year

☐ Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 3480 Kahumoku Road
Lihue, Hawaii 96766

Tax Map Key (TMK): (4) 3-2-007-018-0001 to 0008 & 0010

☐ Address ☐ TMK is expected to change because:

Land Area: 60.764

☐ Square Feet ☒ Acre(s) Zoning: Open

Fee Owner Name: White Rock Limited Partnership

Business Address: 2403 Ulu Maika Street
Lihue, Hawaii 96766

Lessor Name:

Business Address:

C. **Buildings and Other Improvements:**

1. ☐ New Building(s)
☐ Conversion of Existing Building(s)
☒ Both New Building(s) and Conversion
2. Number of Buildings: 11 Floors Per Building: 1
☐ Exhibit _____ contains further explanations.
3. Principal Construction Material:
☐ Concrete ☐ Hollow Tile ☒ Wood
☒ Other Shade canvas, aluminum posts, cmu footings

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	<u>10</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other: _____	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

☒ Yes ☐ No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

☐ Pets _____

☐ Number of Occupants _____

☒ Other Raising of bees and pigs is prohibited. Density is restricted pursuant to Declaration, sec. 7.0

☐ There are no special use restrictions

6. Interior (fill in appropriate numbers):

Elevators: _____ Stairways: _____ Trash Chutes: _____

<u>Apt.</u> <u>Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net</u> <u>Living Area (sf)*</u>	<u>Net</u> <u>Other Area (sf)</u>	<u>(Identify)</u>
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Total Number of Apartments: 10 See Exhibit C

*** Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.**

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

Each unit shall include the entire building(s) and improvement(s) (exterior/interior) comprising the unit, including the exterior finished surfaces of its perimeter and structural walls, roofs, foundations, floor and doors. The units shall not include any pipes, shafts, ducts, pumps, wires, conduits, or other utility or service lines which are located in the common elements or serve more than one unit.

Permitted Alterations to Apartments:

Units may be altered in accordance with the Declaration, the Building Code, Zoning and Subdivision Ordinances, and Building and House Rules.

Apartments Designated for Owner-Occupants Only:

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

7. Parking Stalls:

Total Parking Stalls: _____

	<u>Regular</u> <u>Covered</u> <u>Open</u>	<u>Compact</u> <u>Covered</u> <u>Open</u>	<u>Tandem</u> <u>Covered</u> <u>Open</u>	TOTAL
Assigned (for each unit)	_____	_____	_____	_____
Guest	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____

Total Covered & Open: _____

Each apartment will have the exclusive use of at least 1 parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

☐ Commercial parking garage permitted in condominium project.

☐ Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

☒ There are no recreational or common facilities.

☐ Swimming Pool

☐ Storage Area

☐ Recreation Area

☐ Laundry Area

☐ Tennis Court

☐ Trash Chute/Enclosure(s)

☐ Other: _____

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

☒ There are no violation

☐ Violations will not be cured

☐ Violation and cost to cure are listed below:

☐ Violations will be cured by: _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):
n/a

11. Conformance to Present Zoning Code

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

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

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

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

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

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

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

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

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

☐ described in Exhibit _____

☒ as follows:

(a) All of the Land in fee simple;

(b) The central and appurtenant facilities for services such as power, light, gas, telephone, sewer, cesspools, hot and cold water and like utilities, when and only when, those items are on shared installations;

(c) The main roadway (Kahumoku Road) servicing the units as described in Exhibit "C", attached to the Declaration and as shown on the Condominium Map, as amended.

(d) Any other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project, or normally in common use.

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

☐ There are no limited common elements in this project.

☒ The limited common elements and the apartments which use them as described in the Declaration, are:

☐ described in Exhibit _____

☒ as follows:

The land surrounding and under each unit is a limited common element of the unit and is for the exclusive use of said unit, for the support of the building(s) and other improvements comprising said unit and for driveway, parking, recreation and yard purposes. The limited common element areas appurtenant to Units 1, through 10 are more particularly described in Exhibits "D" to "M", respectively, attached to the Declaration.

(b) Any other common elements or improvements of the Project which are rationally related to and/or used by less than all of the units shall be limited common elements appurtenant to such units.

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

☒ described in Exhibit _____ A _____

☐ as follows:

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

Exhibit _____ B _____ describes the encumbrances against the title contained in the title report dated _____ June 6, 2017 _____ and issued by _____ Title Guaranty of Hawaii, Inc. _____.

Blanket Liens:

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

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

☐ There are blanket liens affecting title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien

Effect on Buyer's Interest and Deposit if Developer Defaults
or Lien is Foreclosed **Prior to Conveyance**

F. Construction Warranties:

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

1. Building and Other Improvements:
None

2. Appliances:
None

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

The shade canvas structures in Apartments 1-8, and 10 were installed as of July 6, 2017. With respect to Apartment 3, the Developer discloses that a foundation for a single-family dwelling has been completed (Affidavit of Publication of Owner's Notice of Completion of Contract filed on January 29, 1996), but that no further work has nor will be done to this improvement. Apartment 3, which also includes one shade structure, will be sold "as is, where is" without any warranties.

H. Project Phases:

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

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

The Developer has reserved the right to create one or more additional apartments from certain existing apartments it owns, so long as the total common interests appurtenant to the new apartments shall equal the common interest appurtenant to the original apartment as set forth in Exhibit "A", attached hereto.

A similar right is also reserved for the owner (other than the Developer) of said apartments, subject to compliance with section 14.0 of the Declaration and all federal, state and county laws. Only apartments 1, 2, 5 and 6 are allowed to create additional apartments and the Declaration limits the number of additional apartments which can be created from these four (4) existing apartments. See Exhibit "N", attached to the Declaration, as amended.

ALTHOUGH THE DECLARATION PROVIDES FOR THE MECHANISM TO DO THIS, THERE IS NO GUARANTY OR ASSURANCE THAT ADDITIONAL APARTMENTS CAN BE CREATED FROM EXISTING APARTMENTS AND THE PURCHASER ASSUMES THE FULL RISK IF, FOR ANY REASON, LEGAL OR OTHERWISE, ADDITIONAL APARTMENTS CANNOT BE CREATED OR ARE NOT ALLOWED. PURCHASER IS STRONGLY ADVISED TO CONSULT WITH ALL THE APPROPRIATE FEDERAL, STATE AND COUNTY GOVERNMENTAL AGENCIES WITH JURISDICTION OF THE FOREGOING AND OTHER MATTERS OF CONCERN PRIOR TO PURCHASE OF AN APARTMENT, AND BEFORE CONSTRUCTION. SEE ALSO PARAGRAPH C, PAGE 20 OF THIS SUPPLEMENTARY PUBLIC REPORT FOR ADDITIONAL INFORMATION.

IV. CONDOMINIUM MANAGEMENT

- A. **Management of the Common Elements:** The Association of Apartment 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.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- ☒ not affiliated with the Developer ☐ the Developer or Developer's affiliate
☐ self-managed by Association of Apartment Owners ☐ Other: _____

- B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment 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 apartment and the apartment 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 F contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

- C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- ☒ None ☐ Electricity (☐ Common Elements only ☐ Common Elements & Apartments)
☐ Gas (☐ Common Elements only ☐ Common Elements & Apartments)
☐ Water ☐ Sewer ☐ Television Cable
☐ Other:

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- ☐ Notice to Owners Occupants
- ☒ Specimen Sales Contract
Exhibit D contains a summary of the pertinent provisions of the sales contract.
- ☒ Escrow Agreement dated June 7, 2017
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.
- ☐ Other

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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

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

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

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

This Public Report is a part of Registration No. 3641 filed with the Real Estate Commission on October 21, 1996 .

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

☐ YELLOW paper stock

☐ WHITE paper stock

☒ PINK paper stock

C. Additional Information Not Covered Above

PROSPECTIVE PURCHASERS ARE ADVISED THAT THE APARTMENTS COVERED BY THIS SUPPLEMENTAL PUBLIC REPORT INCLUDE ONE SHADE STRUCTURE EACH SUITABLE ONLY FOR AGRICULTURAL/STORAGE USE ON LAND DESIGNATED AS A LIMITED COMMON ELEMENT AS DESCRIBED IN THE PROJECT'S AMENDED AND RESTATED DECLARATION OF CONDOMINIUM PROPERTY REGIME ("RESTATED DECLARATION") AND AS SHOWN ON THE AMENDED CONDOMINIUM MAP RECORDED/FILED IN CONNECTION WITH THIS PROJECT. SOME APARTMENTS ALSO CONTAIN THE REMNANTS OF STORAGE STRUCTURES WHICH EXISTED AT THE TIME THIS PROJECT WAS DEVELOPED IN 1996 BUT WHICH HAVE SINCE BEEN SEVERELY DAMAGED OR DETERIORATED OVER TIME AND HAVE NO REMAINING USEFUL LIFE. DEVELOPER HAS NOT REMOVED THESE STRUCTURES AND IS SELLING ALL APARTMENTS IN "AS IS" CONDITION WITHOUT ANY EXPRESS OR IMPLIED WARRANTIES OF ANY KIND WHATSOEVER. PURCHASERS WILL BE RESPONSIBLE TO REMOVE OR REPAIR THE STRUCTURES IN COMPLIANCE WITH ALL APPLICABLE GOVERNMENTAL LAWS.

SUBJECT TO ALL EXISTING LAWS AND SECTION 14.0 OF THE RESTATED DECLARATION, A COPY OF WHICH IS ATTACHED AS EXHIBIT "G", OWNERS MAY CONSTRUCT ADDITIONAL STRUCTURES AND/OR IMPROVEMENTS WITHIN AN APARTMENT'S APPURTENANT LIMITED COMMON ELEMENT LAND AREA OR ALTER EXISTING STRUCTURES AND/OR IMPROVEMENTS WITHIN THE LIMITED COMMON ELEMENT LAND AREA. EACH OWNER IS SOLELY RESPONSIBLE FOR OBTAINING ALL REQUIRED GOVERNMENTAL APPROVALS AND PERMITS PRIOR TO SUCH ALTERATION OR CONSTRUCTION. OWNERS SHALL ASSUME THE RISK OF CHANGES IN THE REQUIREMENTS FOR THE ISSUANCE OF THE GOVERNMENTAL APPROVALS AND PERMITS FOR ANY STRUCTURE OR IMPROVEMENT THAT THE OWNER DESIRES TO CONSTRUCT IN ADDITION TO WHAT ALREADY EXISTS IN THE APARTMENT. THERE IS NO GUARANTY THAT SUCH APPROVALS AND PERMITS WILL BE OBTAINED. PROSPECTIVE PURCHASERS ARE ADVISED TO CONSULT WITH THE APPROPRIATE KAUAI COUNTY AGENCY WITH JURISDICTION OF THE FOREGOING AND OTHER MATTERS OF CONCERN PRIOR TO PURCHASE OF AN APARTMENT, AND BEFORE CONSTRUCTION.

1. WATER. Purchasers should investigate the availability of water for future development and use prior to purchase of an apartment. Purchasers are advised that the apartments covered by this report are each assigned a water meter except for Apartment 7 and it is the purchaser's responsibility to obtain a water meter for this apartment and its appurtenant limited common element and for any intended future development. Purchasers are also advised that any application for water meters beyond what currently serves the Project will be reviewed by the Department of Water for adequate transmission, storage and fire flow protection requirements and could be denied based on such review.

2. KAHUMOKU ROAD. This road is located within a designated common element of the Project and provides legal access for all apartments to Lala Road, a public street. Kahumoku Road is not fully paved; the paved and unpaved portions of the road are shown on the Project's Condominium Map. The County Planning Department may require that Kahumoku Road be improved as a condition to approval of an application for a building permit for the fifth dwelling to be constructed in the Project. See sec. 8-4.59, Comprehensive Zoning Ordinance. PROSPECTIVE PURCHASERS ARE STRONGLY URGED TO CONSULT WITH LEGAL COUNSEL AND THE PLANNING DEPARTMENT TO INVESTIGATE WHETHER THE IMPROVEMENT OF KAHUMOKU ROAD CAN OR MAY BE IMPOSED AS A CONDITION OF APPROVAL OF ANY BUILDING OR OTHER GOVERNMENTAL PERMIT APPLICATIONS FOR ANY INTENDED USE OF, OR IMPROVEMENTS TO BE CONSTRUCTED WITHIN, AN APARTMENT.

3. REVOCABLE LICENSE. The Restated Declaration grants a revocable license over Kahumoku Road solely for access to Lala Road to properties which share a common boundary with the Project and have no other access to a public road; provided, that the owners of such properties agree to, among other things, pay its fair share of the maintenance and repair costs for Kahumoku Road. (See Declaration Section 5.1.) At present, Developer does not intend to execute separate license agreements with the owners of such properties; until such time that Developer executes separate license agreements with such owners, Developer intends to rely on the provisions of Declaration section 5.1.

4. UNIT 2 ACCESS. By letter dated February 20, 2017, the Department of Public Works of the County of Kauai allowed Apartment 2 to access Kapena Street at its west end. Prior to constructing a driveway approach, an application for a driveway approach permit must be submitted to the County for review and approval.

5. FLOOD HAZARD. The condominium map discloses FEMA flood zone designations, as well as base flood elevations. Prospective purchasers should consult with the County of Kauai Public Works Department for any requirements and restrictions on building in the various designations. Flood zone designations AEF, AE, XS, and X apply to the Project. See condominium map for areas within the Project that are affected by these designations.

6. RESERVE STUDY. Developer discloses that, at the present time, no "reserve study" was done in accordance with Hawaii Revised Statutes section 514A-83.6, and replacement reserve rules, Hawaii Administrative Rules Subchapter 6, Title 16, Chapter 107.

7. WASTEWATER. County sewer service is not available to serve the Project. Each unit within the Project shall be responsible for the cost and construction, maintenance, operation, repair, and/or replacement of its own wastewater system within each unit's appurtenant limited common element boundaries. This may include periodic pumping of the septic tank by a licensed professional, adding chemical or other recommended additives to the wastewater to manage the elements in the septic tank, and ensuring the related leach field is not inundated with solids or other material. This may also include upgrades to the wastewater system (including septic tank) from time to time pursuant to changes in requirements imposed by governmental agencies. No representations or warranties are made concerning the quality, useful life, replacement cost, operating cost, or maintenance cost of such wastewater systems. The development and operation of such wastewater systems are subject to requirements of the County of Kauai and the State of Hawaii's Department of Health.

8. ELECTRICITY, CABLE TV, and TELECOMMUNICATIONS. Each unit shall be responsible for and bear the cost of all electric, CATV, and telecommunication improvements and services needed to serve their unit. Developer will not be liable for or bear the cost of any such utility services.

9. NAWILIWILI STREAM. All units bounded by Nawilwili Stream are subject to possible flooding and are affected by FEMA flood zone AEF. As described in note 8.A. of the Project's condominium map, *"The floodway zone (AEF) is the channel of a stream plus any adjacent areas that must be kept free of encroachment so that the 1% annual chance flood can be carried without substantial increase in flood heights."*

10. REALTOR. The real estate broker for the Project is Kauai Realty, Inc., a Hawaii corporation ("Kauai Realty"). The President and Director of Kauai Realty is Clinton I. Shiraishi. White Rock Limited Partnership, the Project's developer, is a Hawaii partnership whose general partner is White Rock Corporation, a Hawaii corporation ("White Rock Corporation"). The President and Director of White Rock Corporation is also Clinton I. Shiraishi.

11. RESTATED BYLAWS. This condominium Project is registered under Haw. Rev. Stat. ("H.R.S.") chapter 514A. The Project's original Public Report, bearing an effective date of April 25, 1997, was also issued under authority of H.R.S. chapter 514A. Notwithstanding, H.R.S. §514B-22 titled "Applicability to preexisting condominiums" provides that part VI of H.R.S. chapter 514B relating to the management of condominiums applies to this Project provided that it "(1) shall apply only with respect to events and circumstances occurring on or after July 1, 2006; and (2) Shall not invalidate existing provisions of the declaration, bylaws, condominium map, or other constituent documents of those condominiums if to do so would invalidate the reserved rights of a developer or be an unreasonable impairment of contract." As such, the Amended and Restated Bylaws of the Association of Apartment Owners of Nawiliwili Estates dated May 11, 2017, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. T-10013221 and noted on Certificate of Title No. 1036280, 1123621 (the "Amended and Restated Bylaws") states that part VI of H.R.S. chapter 514B applies to this Project, subject to the provisos described above. (See third WHEREAS clause on page two of Amended and Restated ByLaws.)

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

White Rock Limited Partnership
Printed Name of Developer

By: Clinton I. Shiraishi 10/2/17
Duly Authorized Signatory* Date

Clinton I. Shiraishi, President, White Rock Corporation, General Partner of 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; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

EXHIBIT 1

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
1	269.57	3,234.86
2	690.78	8,289.33
3	84.24	1,010.89
4	67.39	808.72
5	168.48	2,021.79
6	219.03	2,628.32
7	33.70	404.36
8	33.70	404.36
9	33.70	404.36
10	84.24	1,010.89
	1,684.82	20,217.88

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:

Monthly Fee x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

☐ common elements only

☐ common elements and apartments

Elevator

Gas

☐ common elements only

☐ common elements and apartments

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

624.00

7,488.00

Payroll and Payroll Taxes

Office Expenses

Insurance

Reserves(*)

Taxes and Government Assessments

Audit Fees

Other

TOTAL

I, _____, as agent for/and/or employed by _____,
the condominium managing agent/developer for the _____

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

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 §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "A"

LIMITED COMMON ELEMENTS AND COMMON INTEREST

<u>Apartment</u>	<u>Land Area</u>	<u>Percentage Interest</u>
1	9.067 acres	16
2	23.365 acres	41
3	3.226 acres	5
4	2.223 acres	4
5	5.578 acres	10
6	7.387 acre	13
7	0.715 acres	2
8	1.169 acres	2
9	0.502 acres	2
10	2.721 acres	5
	55.953 acres	100%

EXHIBIT "B"
ENCUMBRANCES AGAINST TITLE
APARTMENTS 1 THROUGH 8, INCLUSIVE, AND 10

Note that Unit No. 9 was previously conveyed to a third party purchaser and, as of the date of this Report, Developer owns only Units 1 through 8, inclusive, and 10. The title reports cover only those units still owned by the Developer.

1. Real Property Taxes, if any, that may be due and owing.
2. Mineral and water rights of any nature.
3. -AS TO PARCEL SECOND (LOT 45-A):-
 - (A) Free flowage of Nawiliwili Stream and ditch as shown on Tax Map.
 - (B) Designation of Easement "G" (20 feet wide), in favor of the State of Hawaii, as shown on Map 17, as set forth in Land Court Application No. 957.
 - (C) Designation of Easement "CC", Parts 1 and 2 (10 feet wide) as shown on Map 17, as set forth in Land Court Order No. 32721, filed February 3, 1971.
 - (D) Designation of Easement "P" (10 feet wide) as shown on Map 17, as set forth in Land Court Order No. 32721, filed February 3, 1971.
 - (E) GRANT in favor of ROY JOSEPH CAMARA and LISA LEIKO CAMARA, husband and wife, dated January 14, 1991, recorded as Document No. 91-019667; granting Easement "AU", containing an area of 427 square feet, more or less, over Tax Key: (4) 3-2-6-5, in favor of (4) 3-2-6-25, and being more particularly described therein. (Not noted on Transfer Certificate(s) of Title referred to herein). Said instrument is not filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
 - (F) Grant to JOHN ROBERT CROUCH and LUCINDA DALE DICKSON, husband and wife, dated March 1, 2012, filed as Land Court Document No. A-44480796 granting an easement for access and utility purposes over, under and across Easement AU-3. (Not noted on Transfer Certificate(s) of Title referred to herein). Said instrument is not filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
4. -AS TO PARCEL FIRST (LOT 5):-

Designation of Easement "CC" Part 2 (10 feet wide) as shown of Map 1 of Land Court Application 1087.
5. WAIVER AND RELEASE dated April 29, 1996, recorded as Document No. 96-061676 by NAWILIWILI ESTATES, INC. and the DEPARTMENT OF PUBLIC WORKS OF THE COUNTY OF KAWAUI; re: water services.

(Not noted on Transfer Certificate(s) of Title referred to herein)

6. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED DECLARATION OF CONDOMINIUM
PROPERTY REGIME FOR "NAWILIWILI ESTATES"
CONDOMINIUM PROJECT

DATED : May 11, 2017
FILED : Document No. T-10013220
MAP : 1164 and any amendments thereto

The foregoing Amended and Restated Declaration restates the original Declaration dated July 29, 1996, filed as Land Court Document No. 2331839.

7. The terms and provisions contained in the following:

INSTRUMENT : AMENDED AND RESTATED BY-LAWS OF THE ASSOCIATION OF
APARTMENT OWNERS

DATED : May 11, 2017
FILED : Document No. 10013221

The foregoing Amended and Restated By-Laws restates the original By-Laws dated July 29, 1996, recorded as Document No. 2331840.

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated December 11, 2002, filed as Land Court Document No. 2873340.

9. CONVEYANCE OF WATER FACILITY, dated --- (acknowledged March 27, 2014 and January 22, 2014), recorded as Document No. A-52550655.

10. CONVEYANCE OF WATER FACILITY, dated --- (acknowledged March 27, 2014 and January 22, 2014), recorded as Document No. A-52550656.

11. WAIVER OF CONSTRUCTION DRAWINGS FOR CPR'S dated May 14, 2014, recorded as Document No. A-53230153

(Not noted on Transfer Certificate(s) of Title referred to herein)

12. GRANT

TO : PAUL SCOTT TAU-A-POMROY and NOELANI LAURA POMROY

DATED : August 28, 2013
FILED : Land Court Document No. T-8654290
RECORDED : Document No. A-50020805
GRANTING : a non-exclusive right and easement over Easement "A-1"

13. GRANT

TO : DENNIS MITSUAKI ESAKI and WAYNE TADAO WADA
DATED : --- (acknowledged July 1, 2015)
RECORDED : Document No. A-50020805
GRANTING : a non-exclusive right and easement over Easement "A-1"

(Not noted on Transfer Certificate(s) of Title referred to herein)

Said instrument is not filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

14. GRANT

TO : DENNIS MITSUAKI ESAKI and WAYNE TADAO WADA
DATED : --- (acknowledged July 1, 2015)
RECORDED : Document No. A-56930653
GRANTING : a non-exclusive right and easement over Easement "AU-1"

(Not noted on Transfer Certificate(s) of Title referred to herein)

Said instrument is not filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

15. GRANT

TO : JOHN ROBERT CROUCH and LUCINDA DALE DICKSON, husband and wife
DATED : October 13, 2015
FILED : Land Court Document No. T-9419140
GRANTING : a non-exclusive right and easement over Easement "AU-1"

16. GRANT

TO : PAUL SCOTT TAU-A POMROY and NOELANI LAURA POMROY
DATED : November 19, 2015
FILED : Land Court Document No. T-9480319
GRANTING : a non-exclusive right and easement over Easement "A-4-B"

17. The terms and provisions contained in Apartment Deed dated December 11, 2002, filed as Land Court Document No. 2873340.

18. -AS TO UNIT 2:-

(A) GRANT

TO : MARIAN M. HORITA, Trustee of the Marian M. Horita Trust dated September 4, 1987 as restated August 22, 2002

DATED : January 30, 2013
FILED : Land Court Document No. T-8456337
RECORDED : Document No. A-48040758
GRANTING : a non-exclusive right and easement for landscaping and wastewater treatment purposes over, under and across Easement SL-1

(B) GRANT

TO : MARTHA R. ELLIS

DATED : --- (acknowledged February 11, 2013)
FILED : Land Court Document No. T-8477262
RECORDED : Document No. A-48250642
GRANTING : a non-exclusive right and easement for landscaping over, under and across Easement L-1

(C) LICENSE

TO : RONALD YUKIO FUJIMOTO and CHERYL LAUREEN FUJIMOTO, husband and wife

DATED : --- (acknowledged June 10, 2014)
FILED : Land Court Document No. T-8949285
GRANTING : a nonexclusive license to access and use the Licensed Premises for the purposes specified therein

19. -AS TO UNIT 5:-

GRANT

TO : DENNIS MITSUAKI ESAKI and WAYNE TADAO WADA

DATED : --- (acknowledged July 1, 2015)
FILED : Land Court Document No. A-56930652
GRANTING : a non-exclusive right and easement for access and utilities over, under and across Easement "AU-2"

(Not noted on Transfer Certificate(s) of Title referred to herein)

Said instrument is not filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

20. -AS TO UNIT 10:-

GRANT

TO : PAUL SCOTT TAU'A POMROY and NOELANI LAURA POMROY
DATED : November 19, 2015
FILED : Land Court Document No. T-9480320
GRANTING : a non-exclusive right and easement for landscaping, access and
utilities over, under and across Easement "A-4-A"

EXHIBIT "C"
DESCRIPTION OF APARTMENTS

(a) Apartments 1 to 8 and 10. One free standing one-story four-sided one room shade canvas structure without a basement with twenty square feet of net area, more or less, constructed principally of steel posts, concrete and shade canvas.

(b) Unit 9. Two separate free standing one-story buildings without basements, constructed principally of wood, drywall and glass as shown on the Condominium Map. Building 9-A has four rooms and a bathroom containing approximately 548 square feet of storage area. Building 9-B has four rooms and a shower room containing approximately 641 square feet of storage area.

EXHIBIT "D"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

- (a) A buyer must obtain his own financing. An application for a mortgage loan must be submitted within ten (10) days after notification by Seller and if final approval is not received within thirty (30) days after submission of the application, then the Seller may terminate the contract. Buyer acknowledges that this Sales Contract is contingent upon any financing after issuance of the final public report.
- (b) That the buyer's money will be held in escrow, under the terms of the Escrow Agreement.
- (c) That the interest on deposits shall belong to the seller.
- (d) That the apartment will be subject to various legal documents, including the Declaration, Bylaws, Final Public Report, Escrow Agreement, Apartment Deed, Certificate of Architect and Condominium Map, and any other documents which the buyer is given a copy of and for which he has receipted.
- (e) That the buyer must close the purchase on a date certain and pay closing costs, in addition to the purchase price.
- (f) If the buyer defaults, and the seller is not in default, seller may terminate the Sales Contract and retain Buyer's deposits as liquidated damages. Seller may in addition pursue any other remedy, and all costs by reason of such default shall be borne by Buyer.
- (g) If the buyer has made all payments required under the Sales Contract, the buyer shall be entitled to seek specific performance.

The Sales Contract contains various other provisions with which the buyer should become acquainted.

Exhibit "E"
Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral third party ("Escrow"). Under the Escrow Agreement between Title Guaranty Escrow Services, Inc. and White Rock Limited Partnership dated June 7, 2017, these things will or may happen:

- (a) Escrow will let purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.
- (c) A refund of purchaser's funds will be made upon request by purchaser under the following conditions:
 - 1. Escrow receives a written request from seller to return purchaser's funds held by Escrow; or
 - 2. Escrow receives written notification of seller's exercise of any option to rescind the Sales Contract; or
 - 3. The conditions providing for a refund under Sections 514A-62 or -63 of the Condominium Property Act have been met.
- (d) Upon a purchaser's default under the Sales Contract, the purchaser's funds will be retained by the Seller as liquidated damages.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "F"
DISCLOSURE ABSTRACT
NAWILIWILI ESTATES

REGISTRATION NO. 3641

DISCLOSURE STATEMENT AS OF July 17, 2017

1. Name of Project: NAWILIWILI ESTATES
2. Location: Nawiliwili, Lihue, Kauai, Hawaii 96766
3. Name of Developer: White Rock Limited Partnership
4. Address: 2403 Ulu Maika Street, Lihue HI 96766
5. Telephone: (808) 245-1651
6. Listing Agent: Kauai Realty, Inc.
7. Address: 2403 Ulu Maika Street, Lihue, Kauai, Hawaii 96766
8. Maintenance Fees: See Exhibit "1", attached hereto and made a part hereof.
9. Commencement of Maintenance Fees: Presently, the expenses of the Project are being paid by the Developer and, therefore, maintenance fees have not yet been assessed by the Association of Apartment Owners of the Project. However, prospective purchasers should anticipate that the Association will commence assessment of maintenance fees to individual apartments at some future date.
10. Warranties: None
11. Project: The Project is a fee simple condominium project consisting of ten (10) apartments, nine of which include a shade structure and one with free standing detached structures (Unit 9), on land designated as limited common element in the Amended and Restated Nawiliwili Estates Declaration of Condominium Property Regime (the "Declaration"). In addition to a shade structure, Unit 3 also includes a foundation for a single-family dwelling. (See section IIIG on page 16 of the 2nd Supplementary Public Report). Unit 9 is not covered by the 2nd Supplementary Public Report. As disclosed in section III.H. on page 16 of the 2nd Supplementary Public Report and Paragraph 14.0 of the Declaration, the Developer or an apartment owner may create additional apartments from an existing apartment, provided, among other things, that the common interest appurtenant to the newly created apartments is equal to the common interest appurtenant to the original existing apartment and the apartment owner indemnify the Developer and the Association from any claims which arise from the creation of additional apartments by said apartment owner. The land is zoned open by the County of Kauai.

DATED: Lihue, Hawaii, July 17, 2017.

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:

1. I am the President for Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by the Developer of the Nawiliwili Estates condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. Attached hereto is a true and correct copy of the projected budget for the Project. The estimates contained therein, including the maintenance fee assessments and disbursements, are based upon and in reliance on the assumptions, expense and income data provided by the Developer along with information gathered by the Managing Agent from projects of comparable size and character. The estimated figures do not account for inflation, market adjustments, future utility rate changes, future insurance premium rate changes or other unanticipated events, including but not limited to, acts of government, acts of God, terrorism or war. In addition, the projected budget is based upon and in reliance on discussions with the Developer.

3. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as attached hereto and hereby incorporated herein by reference, were determined in accordance with Section 514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and that the Managing Agent made a good faith effort to calculate such estimates for the one-year period commencing January 2017, based on generally accepted accounting principles; provided that in calculating the annual maintenance charges and the monthly estimated cost for each unit in the Project, there may be some instances where dollars and cents amounts may not be exact due to rounding.

4. As permitted pursuant to Section 514B-148(b), new associations need not collect estimated reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

5. The Budget has been prepared on a cash basis.

DATED: Honolulu, Hawaii, this 5th day of May, 2017.


Name: J. MICHAEL HARTLEY
Title: PRESIDENT

Subscribed and sworn to before me
this 5th day of May, 2017.

State of Hawaii
City & County of Honolulu

Date: May 5, 2017 # of Pages: 3

Doc. Description: Certificate of Managing Agent & Estimated
Annual Disbursements for: Nawiliwili Estates


Notary Signature

Name: Stephanie M. Angle

No. & Expiration: 10134

6-13-2018

First Circuit, State of Hawaii

NOTARY CERTIFICATION

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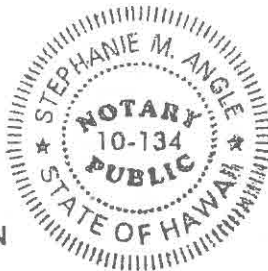


Exhibit "1"

05-05-17

Estimated Maintenance Fees

Nawiliwili Estates
(10 units)

Unit	% Common Interest	Monthly Maint Fee	Annual Maint Fee
1	16%	\$269.57	\$3,234.85
2	41%	\$690.78	\$8,289.31
3	5%	\$84.24	\$1,010.89
4	4%	\$67.39	\$808.71
5	10%	\$168.48	\$2,021.78
6	13%	\$219.03	\$2,628.32
7	2%	\$33.70	\$404.36
8	2%	\$33.70	\$404.36
9	2%	\$33.70	\$404.36
10	5%	\$84.24	\$1,010.89
TOTALS	100.00%	\$1,684.82	\$20,217.84

Estimated Fee DisbursementNawiliwili Estates
(10 units)

	Monthly Budget	Annual Budget
Utilities and Services		
Landscaping/Road Services	\$225.00	\$2,700.00
Management		
Property Management	\$624.00	\$7,488.00
Administrative		
Admin Supplies and Services	\$100.00	\$1,200.00
Condo Registration	\$13.00	\$156.00
General Excise Tax/Other	\$4.00	\$48.00
Professional Services		
Audit/Tax Fees	\$80.00	\$960.00
Legal Fees	\$80.00	\$960.00
Insurance		
AOA Property Liability	\$182.99	\$2,195.88
Fidelity Insurance	\$25.83	\$309.96
Reserves		
Improvements Reserve	\$150.00	\$1,800.00
Taxes and Government Assessments		
Other	\$50.00	\$600.00
Accountant and Taxes	\$150.00	\$1,800.00
TOTAL	\$1,684.82	\$20,217.84

EXHIBIT "G"

14.0 ALTERATION OF UNITS IN PROJECT. Notwithstanding anything provided to the contrary, and except as otherwise provided by law:

(a) Declarant shall have the right, without obtaining the approval of any party with an interest in the property, including any other unit owner and/or mortgagee, to (i) add additional buildings or alter the location of the buildings of any unit which it owns at any time, provided that the common interest appurtenant to the unit shall not change; (ii) cause the division of any unit which it owns at any time to create two or more units provided that the total common interest appurtenant to the newly created units shall equal the common interest appurtenant to the original unit; and (iii) convert certain portions of any existing unit to common element or limited common element status to facilitate any division provided that the total common interest appurtenant to the newly created unit(s) shall equal the common interest appurtenant to the original unit.

(b) The owner (other than Declarant) of any unit who desires to install, alter and/or rearrange partitions and other improvements within his unit or the limited common element appurtenant thereto, as appropriate to its intended utilization or who desires to cause the division of any unit which he owns to create two or more units or who desires to convert portions of his existing unit to common element or limited common element status to facilitate any division, may do so provided that (i) all construction activity necessary to any such division, installation or alteration shall be completed within a reasonable period of time after commencement thereof, subject to delays beyond the control of the unit owner or his contractors, whether caused by strikes, the unavailability of construction materials or otherwise, in which case any such construction activity shall be completed in such additional time as may be reasonably necessary in the exercise of due diligence; (ii) the unit owner shall indemnify, defend and hold the Declarant and Association harmless from and against any and all claims, damages, liens and encumbrances which may arise from or are in any way related to the alteration or division of the unit by the unit owner; (iii) all costs and expenses of any alteration or division of a unit which are incurred by the Project, the Association or any of its owners shall be paid by the owner of the unit being divided or altered; (iv) all applicable laws, ordinances or regulations are strictly observed by the owner of the unit being divided or altered; (v) the total common interest appurtenant to the newly created unit(s) shall equal the common interest appurtenant to the original unit; (vi) upon completion of the preliminary plans and specifications pertaining to the alteration or division, a copy thereof shall be provided to the Association for its review, and (vii) a copy of the final plans and specifications, along with copies of all required permits and approvals, shall be provided to the Association prior to commencement of construction.

(c) Any such alteration or division of unit(s) as provided above shall be effective provided that the party doing the alteration or division:

(1) Shall record or cause to be recorded an amendment to this Declaration describing the unit(s) in question and setting forth at least:

(A) a description of the additional improvements or the newly formed unit(s);

(B) in the case of the division of a unit by Declarant or a unit owner, the undivided percentage common interests of the newly formed units, which shall equal the undivided interest for the original unit.

(2) Shall record or cause to be recorded an amendment to the Condominium Map for the unit(s) being altered or divided to show an amended site plan or floor plan, as appropriate and necessary, together with a verified statement of registered architect or professional engineer, in the manner required by HRS Section 514A-12 of the Act, that said Condominium Map, as so amended, is an accurate copy of portions of the plans of the altered unit(s) as filed with and approved by the county officer having jurisdiction over the issuance of permits for the completion of buildings, and that the plans fully and accurately depict the layout, location, unit numbers, and dimensions of the units substantially as built; and

(3) Shall, if required by the title insurance company insuring title to the affected unit(s), record or cause to be recorded either (i) an amendment to any existing unit deed; or (ii) a cancellation of any existing unit deed and the issuance of replacement unit deed(s), to reflect the changed status of the unit(s) involved. The Declarant agrees to join in any such amendment, cancellation and/or reissuance of unit deeds provided that the terms thereof do not affect the respective rights of Declarant under any originally-issued unit deed.

Any such alteration shall comply in all respects with all applicable governmental codes, statutes, ordinances and rules and regulations.

(d) Any unit owner seeking to alter his unit as described above or seeking to divide his units, shall have the right to so amend the aforesaid Declaration and Condominium Map to effect said alteration or the division of units; and, subject to obtaining any required approvals, said unit owner shall not be required to gain the further consent or joinder of the Association, the Board or any unit owner or other persons to

execute and record amendments to the Declaration and Condominium Map and any and all other instruments necessary or appropriate for the purpose of carrying out the provisions or exercising the rights, powers or privileges herein granted to said unit owner.

(e) Each and every party acquiring an interest in the Project, by such acquisition, consents to any such alteration or division of units in accordance with the provisions hereinabove stated, and to the amendment or amendments of this Declaration and the Condominium Map to effect the same; agrees to execute such documents and do such other things as may be necessary or convenient to effect the same; and appoints the Declarant or the unit owner in question and their respective assigns as such party's attorney-in-fact, with power of substitution, to execute such documents and do such things on such party's behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by disability of such party. Each and every person also acknowledges, accepts and agrees that construction activity may occur and/or continue on the property submitted to this Declaration after he has taken occupancy in the Project in order that the alteration or division of units as aforesaid may be effected, and that such activity or activities may result in noise, dust or other annoyances to him, and said persons waive any rights, claims or actions which they may have or acquire against the Declarant or the unit owner in question, their contractors, subcontractors and their other respective agents or employees as a result of such activity or activities.

(f) Each unit owner, prior to construction or making any physical alterations, must obtain all applicable governmental approvals and permits. The owner assumes the risk of change in the matter of obtaining applicable governmental approvals and permits for any structure that owner desires to construct in addition to what is provided in this Declaration. Such owner who makes such an addition or alteration shall in each instance publish a notice of completion of any additional structure as provided by law in a newspaper of general circulation, which, along with the affidavit of publication of the notice, shall be filed with the clerk of the Fifth Circuit Court, State of Hawaii, or such other office as provided by law.

(g) Notwithstanding anything contained herein to the contrary:

(1) no unit owner may construct or alter any physical structure that would prevent or impair the availability of utility service or any type of easement to an adjoining owner;

(2) except for improvements existing on the date this Declaration is executed, each owner will observe the minimum setback required by the applicable provisions of the CZO from the perimeter of the land area of the limited common element appurtenant to the unit applied as if the units were separate subdivided lots or parcels;

(3) each unit shall be allocated a portion of the maximum lot coverage for the Land as allowed by the CZO minus the impervious surfaces of improvements within the common element, based upon a fraction, the numerator being the land area of the limited common element appurtenant to the unit and the denominator being the total land area of the Land. For example, assume the maximum lot coverage of the Land is 1,000 square feet, the impervious surfaces of the common element driveway total 100 square feet, the Land is 2,000 square feet and a unit's land area is 200 square feet. The unit shall be entitled to lot coverage of one-tenth $(200/2000)$ of 900 $(1,000 \text{ minus } 100)$, or 90 square feet; and

(4) Units 3, 4, 7, 8, 9 and 10 shall not be altered or divided to create additional units. Units 1, 2, 5 and 6 shall be allowed a set number of additional units which can be created from said units as set forth in **Exhibit "N"**, attached hereto and by reference made a part hereof. The numbers set forth in **Exhibit "N"** were based upon all laws including, but not limited to, the zoning ordinance applicable to the Land as of July 29, 1996. Therefore, if the number set forth in attached **Exhibit "N"** is different than what would otherwise be allowed by law at the time a unit owner seeks the required governmental approvals to create additional units, what is allowed by law shall control and apply and **Exhibit "N"** shall be amended accordingly.