

IMPORTANT -- Read This Developer Prepared Report Before Buying

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

DEVELOPER'S PUBLIC REPORT FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	MAKANA
Project Address	4667 Apopo Road Kapaa, Kauai, Hawaii 96766
Registration Number	8261 (Conversion)
Effective Date of Report	May 7, 2019
Developer(s)	Zoe A. Shinno

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 ("HRS"), as amended from time to time. The law defines "material facts" as "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 ("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 the 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, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to immediately submit 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; however, a purchaser may have rights to cancel or rescind a sales contract under specific circumstances.

For all sales information, please contact the Developer and real estate broker on page 9.

Individuals with special needs may request this material by calling the State of Hawaii Real Estate Commission at 586-2644.

Special Attention - - Significant Matters

[Use this page for special or significant matters which should be brought to the purchaser's attention. At minimum "Subject Headings" and page numbers where the subject is explained more may be used.]

The developer's inclusion of a disclosure or an explanation of any or all of the following applicable significant matters in this part of the developer's public report shall not be construed to constitute the Commission's:

- Approval or disapproval of the project;
- Representation that the developer has fully or adequately disclosed either all material facts or all pertinent changes, or both, concerning the project;
- Representation that the developer's disclosures of other material facts elsewhere in this report is less important; or
- Judgment of the value or merits of the project.

The commission reserves the right to request that the developer include these special and significant matters elsewhere in the developer's public report.

THIS IS A CONDOMINIUM PROJECT, NOT A SUBDIVISION. THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF DWELLINGS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING THE UNIT WITH THE EXISTING DWELLING, THERE IS NO ASSURANCE 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 RESIDENTIAL AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. This project consists of two existing dwellings located on Units 1 and 2. There are currently no residential structures on Units 3 and 4 which consist of spatial units, which may be defined as a "structure" under the Condominium Property Act.
2. 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 designated as a limited common element for that unit and does not represent a legally subdivided lot. The dotted lines on the Condominium Map merely represent the location of the limited common element assigned to each unit. 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 may not be available for interior roads and driveways.
3. Each unit will be separately metered for electrical and water service and will have separate septic tanks and associated leech fields, with the exception of Unit 1 which has a cesspool.
4. The creation of a condominium project and the registration of the units therein involve the preparation of complex documents normally drafted by a licensed attorney. For this project, the Developer prepared this Developer's Public Report and other important documents for the project without a licensed attorney. Issuance of an Effective Date for this Developer's Public Report does not guarantee that the project documents meet all legal requirements or achieve their intended purposes. Further, defects in the project documents can impair the operation of this project, the use of the units, and your ability to secure a mortgage or to resell your unit. ACCORDINGLY, YOU ARE STRONGLY ENCOURAGED TO HAVE THE PROJECT DOCUMENTS REVIEWED BY A LICENSED ATTORNEY BEFORE YOU WAIVE YOUR RIGHT TO CANCEL YOUR PURCHASE.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING. SEE ALSO ADDITIONAL SPECIAL DISCLOSURES BEGINNING ON PAGE 19.

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General Information on Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, HRS, 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.

For more general information on condominiums, please go to <http://www.hawaii.gov/hirec>. Contact the Hawaii Real Estate Commission's Condominium hot line at (808) 586-2644 from 9:00 AM to 3:00 PM, Monday through Friday. Contact the Developer and real estate broker on page 9 for any sales information.

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 that at first 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	Zoe A. Shinno
Address of Project	4667 Apopo Road Kapaa, Kauai, Hawaii 96746
Address of Project is expected to change because	Each unit is entitled to a separate address
Tax Map Key (TMK)	(4) 4-6-034-042
Tax Map Key is expected to change because	each unit is entitled to a separate CPR number
Land Area	1.47 acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	N/A

1.2 Buildings and Other Improvements

Number of Buildings	4 (2 dwellings, 2 spatial units)
Floors Per Building	1
Number of New Building(s)	0
Number of Converted Building(s)	2
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
Unit 1	1	3/2	1084 sq ft	68 sq ft	lanai	
				78 sq ft	deck	
				307 sq ft	garage	1537 sq ft
Unit 2	1	3/2	1344 sq ft	280 sq ft	deck	
				560 sq ft	garage	2184 sq ft
Unit 3	1	0	0	16 sq ft	spatial unit	16 sq ft
Unit 4	1	0	0	16 sq ft	spatial unit	16 sq ft
See Exhibit <u> </u> B <u> </u>						

4	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.

1.4 Parking Stalls

Total Parking Stall in the Project:	8
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	2
Attach Exhibit A* _____ 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 room within its limited common element for the parking of at least two vehicles.	

1.5 Boundaries of the Units

Boundaries of the unit: The boundaries of the units are the outer surface of each building or spatial unit on the specific limited common element areas set aside in the Project.
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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): Individual unit owners may remodel, expand or otherwise alter their unit, provided same is permitted by and done in complete accordance with all applicable ordinances, codes, rules regulations or other requirements in force at the time of said construction.
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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 B _____ .
As follows: Units 1-4: 25% each

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):

1.9 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 <u> C </u>	
Described as follows:	
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 <u> C </u>	
Described as follows:	
Unit 1: 14,405 square feet	
Unit 2: 24,900 square feet	
Unit 3: 11,082 square feet	
Unit 4: 13,645 square feet	

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 type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input type="checkbox"/>	Other:
<input checked="" 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 <u> D </u> describes the encumbrances against title contained in the title report described below.
Date of the title report: April 10, 2019
Company that issued the title report: Old Republic Title & Escrow of Hawaii

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning						
	Zoning/Type of Use	No. of Units	Use Permitted by Zoning		Zoning District	No. of Spatial
<input checked="" type="checkbox"/>	Residential	2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	R-4	0
<input type="checkbox"/>	ADU/Ohana		<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"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Hotel/Resort		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Preservation/Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input checked="" type="checkbox"/>	Other (Specify): spatial units	2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	R-4	2
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			
<p>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.</p> <p>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.</p> <p>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.</p>			
	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"/>
<p>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:</p>			

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</p> <p><input type="checkbox"/> Not Applicable</p>
<p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> <p>Pursuant to the Architect's Condition Report attached hereto as Exhibit E, the structural components and mechanical and electrical installations for Units 1 and 2 appear to be in sound condition.</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>Based upon the Architect's Condition Report referenced above the structural and related systems and components of the residential structures on Units 1 and 2 have an expected useful life in excess of 25 years</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>None</p>	
<p>Estimated cost of curing any violations described above:</p> <p>N/A</p>	

<p>Verified Statement from a County Official</p>	
<p>Regarding any converted structures in the project, attached as Exhibit <u>F</u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal 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:</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 type="checkbox"/> Yes <input checked="" 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 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 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:</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>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Zoe A. Shinno Business Address: P.O. Box 1679 Kapaa, Hawaii 96746 Business Phone Number : (808) 652-5685 E-mail Address: zoe.shinno@gmail.com
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: Oceanfront Sotherby's International Realty Business Address: 4244 Kilauea Road Kilauea HI 96754 Business Phone Number: (808) 651-3456 E-mail Address: suzigitte@gmail.com
2.3 Escrow Depository	Name: Old Republic Title & Escrow of Hawaii Business Address: 369 Paploa Road Kapaa, HI 96746 Business Phone Number: (808) 822-6808
2.4 General Contractor	Name: Business Address: N/A Business Phone Number:
2.5 Condominium Managing Agent	Name: None (self-managed by the Association) Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: This report was prepared pro se by the Developer and Business Address: her agent, Kuleana Development LLC 4365 Kukui Grove St. #103 Lihue HI 96766 Business Phone Number: (808) 645-0020

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), 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		
Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	July 11, 2018	A-67710877
Bureau of Conveyances	March 1, 2019	A-70020586
Bureau of Conveyances	April 8, 2019	A-70380445

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	July 11, 2018	A-67710878
Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

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

Land Court Map Number	
Bureau of Conveyances Map Number	5806
Dates of Recordation of Amendments to the Condominium Map:	
March 4, 2019	

3.4 House Rules

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

The House Rules for this project:

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

3.5 Changes to the Condominium Documents

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

Document	Minimum Set by Law	This Condominium
Declaration	67%	75%
Bylaws	67%	75%

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

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

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<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 (specify):

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 <u>N/A</u> 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 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>G</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: October 2, 2018 Name of Escrow Company: Old Republic Title & Escrow of Hawaii, Ltd. Exhibit <u>H</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 checked="" 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 checked="" type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	A Lender has priority over a Buyers rights under a purchase contract and can terminate the contract upon foreclosure of it's mortgage, in which case a Buyer is entitled to refund of deposit(s) paid

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

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

<p>Status of Construction: The unit 1 dwelling was constructed in 2003 and the Unit 2 dwelling was constructed in 1993. Units 3 and 4 are spatial units.</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 checked="" 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, or 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..</p>
-------------------------------------	--

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 the Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input 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 style="text-align: center;"><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 style="text-align: center;"><input type="checkbox"/></p>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, 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:

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, Bylaws, House Rules (if any), the Condominium Map, and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or
 - (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
 - (c) Closes the purchase of the unit before the 30-day cancellation period expires.

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

This is a condominium project, not a subdivision. Units purchased are not subdivided lots. A prospective Buyer should understand that all development and use of the property shall be in compliance with County codes and ordinances, and 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.

MAINTENANCE FEES.

The Developer believes that there will be no maintenance fees. This is so because all costs of every kind pertaining to each unit and its respective limited common element, including, but not limited to, cost of landscaping, maintenance and repair, replacement and improvement shall be borne entirely by the respective unit owner. All utilities are and will be separately metered. The Developer believes that the owner would rather treat any repair, maintenance, or replacement, including any construction, maintenance or repair costs associated with the common driveway, as a special assessment rather than collect and maintain a reserve fund. Based on the foregoing, the Developer has not attached a schedule of the breakdown of the annual maintenance fees and monthly estimated cost for each unit pursuant to HRS Section 514B-83(a)(3). Developer further discloses that no reserve study was done because there are no depreciable common elements that require any kind of replacement or major repair.

RESIDENTIAL DENSITY AND GUEST HOUSE ALLOCATION

This Project shall be restricted to a maximum of four (4) residential dwellings. Units 1, 3 and 4 shall each be entitled to one residential dwelling. Unit 2 is allocated the right to one residential dwelling and a Guest House as defined by Chapter 8 of the County of Kauai Comprehensive Zoning Ordinances.

WATER METER ALLOCATIONS

There is a County public water system available to the Project. This project has been approved for a total four (4) water meters from the County of Kauai Water Department. Two of these meters have been installed and service Units 1 and 2. The two remaining water meters have been allocated to Units 3 and 4 and each owner thereof shall be responsible for all costs associated with purchasing and installing its own water meter and connecting it to the public water system

U.S. POSTAL SERVICE

At the present time, each Unit owner must go to the U.S. Post Office to receive mail.

OWNER-OCCUPANT

This project is subject to the Owner-Occupant provisions of Hawaii Revised Statutes Chapter 514B, Section V, which provides for a minimum of 50% of the units to be offered for sale to owner-occupants. The Developer has elected to use a Chronological system which means that units designated for sale to prospective owner-occupants are offered for sale in the chronological order in which the prospective owner-occupants deliver to the Developer or the designated real estate broker completed owner-occupant affidavits, executed sales contracts or reservations, and earnest money deposits. A sample Owner-Occupant Affidavit is attached to this Developer's Public Report as Example I.

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.

Zoe A. Shinno

Printed Name of Developer

By: Zoe A. Shinno April 25, 2019
Duly Authorized Signatory* Date

Zoe A. Shinno/ Developer and Fee Owner

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai, State of Hawaii

Planning Department, County of Kauai, State of Hawaii

***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.**

EXHIBIT A

LEGEND

- DEP Dead End Sign Post
- EP Edge Asphalt Pavement
- GA Guy Anchor
- MB Mail Box
- SLP Speed Limit Sign Post
- UP Utility Pole
- NDF Wood Fence
- WM Water Meter
- NRF Wire Fence

GRAPHIC SCALE

1" = 50'



TRUE NORTH
Scale: 1 in. = 50 ft.

NOTES:

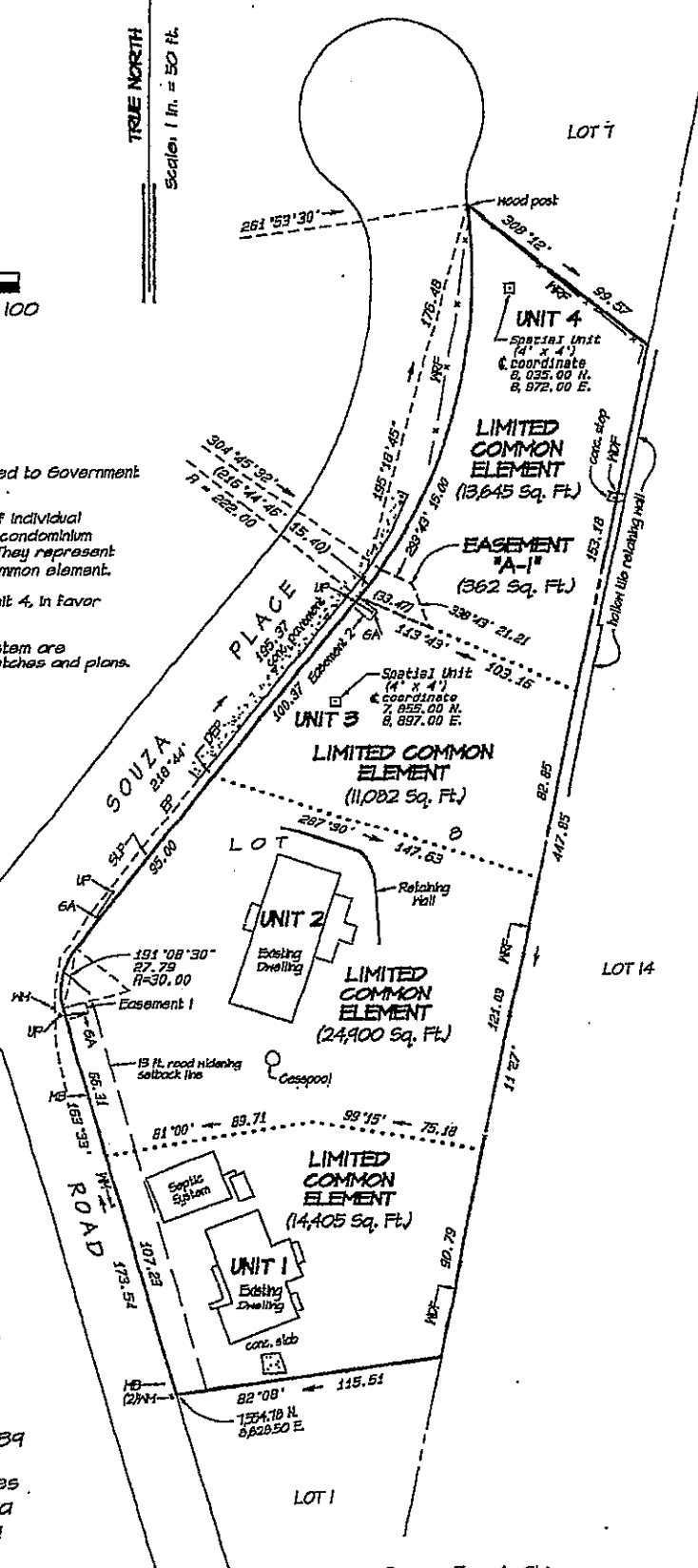
1. Origin of azimuth and coordinates referred to Government Survey Triangulation Station "NOKOU" Δ.
2. This project does not involve the sale of individual subdivided lots. The dotted lines on the condominium map are for illustration purposes only. They represent either a limited common element or a common element.
3. EASEMENT A-1 (15 feet wide) affecting Unit 4, in favor of Unit 3 for access purposes.
4. Location of the Cesspool and Septic System are approximate and based on available sketches and plans.



THIS WORK WAS PREPARED BY ME OR UNDER MY SUPERVISION

Eduardo L. Portugal
Licensed Professional Land Surveyor
Certificate Number 12973-LS

CONDOMINIUM MAP SHOWING
"MAKANA"
UNITS 1 Thru 4, Inclusive
Being Lot 8
Souza Subdivision, File Plan 1739
Portion of Lot 241
Kapaa Homesteads, 4th Series
Grant 10,541 To Joseph Souza
and Antonina Texeira Souza
AND
DESIGNATION OF EASEMENT "A-1"
At Kapaa, Kaula, Hawaii



Owner, Zos A. Shinno
Tax Map Key: (4) 4-6-34-42
Address: 4667 Apopo Road, Kapaa, HI 96746

EXHIBIT "B"

DESCRIPTION OF UNITS AND COMMON INTERESTS

Description of Units:

Unit 1 contains a single story residence built in 2003 and is constructed primarily of wood and concrete. The residence has three bedrooms, two bathrooms, a kitchen and living room with a net interior living area of 1,084 square feet; together with a 68 square foot lanai, a 78 square foot deck and a 307 square foot garage. The residence is centrally located within a 14,405 square foot limited common element.

Unit 2 contains a single story residence built in 1993 and is constructed primarily of wood and concrete. The residence has three bedrooms, two bathrooms, a kitchen, dining area, and living room with a net interior living area of 1,344 square feet; together with a 280 square foot deck and a 560 square foot garage. The residence is centrally located within a 24,900 square foot limited common element. Unit 2 has been allocated the right to construct a guest house.

Unit 3 contains a spatial unit which consists of an area of approximately 16 square feet. The center of the spatial unit is identified with the Government Survey Triangulation Station "NONOU", by the coordinates 7,855.00 N and 8,897.00 E, as shown on the Condominium Map. The spatial unit is generally located in the northern portion of a 11,082 square foot limited common element. This Unit is entitled to construct one single family dwelling.

Unit 4 contains a spatial unit which consists of an area of approximately 16 square feet. The center of the spatial unit is identified with the Government Survey Triangulation Station "NONOU", by the coordinates 8,035.00 N and 8,972.00 E, as shown on the Condominium Map. The spatial unit is generally located in the northern portion of a 13,645 square foot limited common element. This Unit is entitled to construct one single family dwelling.

Common Interest:

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. The Units are intended to equally burden the common elements; and therefore, the assessment of undivided interest both for common expense and for voting is 25% for each Unit. The common interest appurtenant to each unit shall be permanent.

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

EXHIBIT "C"

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, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone; and
- (e) any and all other future elements and facilities in common use or necessary to the Project.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, referred to as the "limited common elements," 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 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 the Units are located, as shown and designated on the Condominium Map and the table below.

<u>Unit Number</u>	<u>Area of Limited Common Element*</u>
Unit 1	14,405 square feet
Unit 2	24,900 square feet
Unit 3	11,082 square feet
Unit 4	13,645 square feet

*Land areas referenced herein are not legally subdivided lots.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

The following documents are listed as encumbrances against title for this Project:

1. For Real Property Taxes, if any, that may be due and owing, reference is hereby made to the Department of Finance, County of Kauai, State of Hawaii for the following:

Tax Key: (4) 4-6-034-042

2. Title to all minerals, and metallic mines reserved to the State of Hawaii.
3. A 13 foot road widening setback line as per survey of Cesar C. Portugal, Registered Professional Surveyor, Certificate No. 2225-SE, dated August 27, 1981, as contained in that certain affidavit recorded on October 2, 1981, in Book 15854, Page 677.
4. Easement 1 (5 feet wide) for electrical purposes, as per survey of Cesar C. Portugal, Registered Professional Surveyor, Certificate No 2225-SE, dated August 27, 1981, as contained in that certain affidavit recorded on October 2, 1981, in Book 15854, Page 677.
5. Easement 2 (5 feet wide) For electrical purposes, as per survey of Cesar C. Portugal. Registered Professional Surveyor, Certificate No. 2225-SE, dated August 27, 1981, as contained in that certain affidavit recorded on October 2, 1981, in Book 15854, Page 677.
6. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the following

Instrument:	GRANT
Granted To:	CITIZENS UTILITIES COMPANY, a Delaware corporation, and Hawaiian Telephone Company, a Hawaii corporation, now known as Hawaiian Telcom, Inc.
For:	Easement for utility purposes over, under, across, and through Easements I and 2
Dated	November 4, 198
Record	August 9. 1982 in the Bureau Conveyances. State of Hawaii in Book 16506, Page 556

The interest of CITIZENS COMMUNICATIONS COMPANY, formerly known as Citizens Utilities Company. a Delaware corporation, and successor-in-interest to Kauai Electric Company, Limited was assigned to KAUAI ISLAND UTILITY CO-OP, a Hawaii cooperative association by Assignment of Listed Easements recorded October 31, 2002 in the Bureau of Conveyances, State of Hawaii as Document No. 2002-194848.

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

Amount : \$459,000.00
Mortgagor : ZOE A SHINNO, single
Mortgagee : MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC.
as a nominee for SUMMIT FUNDING, INC., a corporation
organized and existing under the laws of California, as their
interest may appear.
Dated : December 19, 2017
Recorded : December 28, 2017 in the Bureau of Conveyances, State of Hawaii
as Document No. A-65710031
Loan No. : HAW1709x387430

8. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following: DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "MAKANA"

Dated : July 11, 2018
Recorded : Document No. A-67710877 but omitting any covenants or
restrictions if any, based upon race color, religion, sex, handicap,
familial status, or national origin unless any only to the extent that
said covenant (a) is exempt under Chapter 42, Section 3607 of the
United States Code or (b) relates to handicap but does not
discriminate against handicapped persons

Condominium Map No. 5806, as amended, to which reference is hereby made.

The Declaration was amended by instruments dated March 1, 2019, recorded in said Bureau as Document No. A-70020586 and April 8, 2019 recorded in said Bureau as Document No. A-70380445.

9. BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS OF MAKANA

Dated : July 11, 2018
Recorded : Document No.A-67710878
to which reference is hereby made

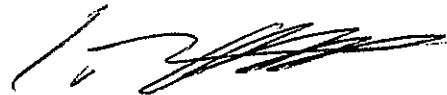
Robert Hotten, Architect
PO Box 626, Lawai, Kauai, Hawaii 96765
(831)229-5976

ARCHITECT'S CONDITION REPORT

The undersigned, being a licensed architect within the State of Hawaii and bearing Registration Number AR-6540, has inspected Unit 1 of the condominium project MAKANA, consisting of a 15 (fifteen) year old dwelling structure which may be occupied for residential use, situated at 4671 APOPO ROAD, Kauai, Hawaii and identified by Tax Map Key No. (4) 4-6-34: 42 0001

The inspection included the exterior roof, foundation, visible electrical and plumbing systems, and I find that the systems and components of the structure, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition. The structure and related systems and components have a probable expected useful life in excess of twenty years.

DATED: Feb 12, 2018, Kauai, Hawaii.



ROBERT HOTTEN

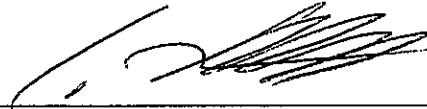
Robert Hotten, Architect
PO Box 626, Lawai, Kauai, Hawaii 96765
(831)229-5976

ARCHITECT'S CONDITION REPORT

The undersigned, being a licensed architect within the State of Hawaii and bearing Registration Number AR-6540, has inspected Unit 2 of the condominium project MAKANA, consisting of a 25 (twenty five) year old dwelling structure which may be occupied for residential use, situated at 4667 APOPO ROAD, Kauai, Hawaii and identified by Tax Map Key No. (4) 4-6-34: 42 0002

The inspection included the exterior roof, foundation, visible electrical and plumbing systems, and I find that the systems and components of the structure, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the stated age thereof and appear to be in sound condition. The structure and related systems and components have a probable expected useful life in excess of twenty years.

DATED: Feb 12, 2018, Kauai, Hawaii.



ROBERT HOTTEN

Bernard P. Carvalho Jr.
Mayor



Michael A. Dahilig
Director of Planning

Wallace G. Rezentes Jr.
Managing Director

Ka'aina S. Hull
Deputy Director of Planning

PLANNING DEPARTMENT
Enforcement Division
County of Kaua'i, State of Hawai'i

4444 Rice Street, Suite A-473, Lihu'e, Hawai'i 96766
TEL (808) 241-4050 FAX (808) 241-6699

DATE: **SEP 05 2018**

TO: Condominium Specialist
Real Estate Commission – P & VLD/DCCA
335 Merchant Street, Suite 333
Honolulu, Hawaii 96813

FROM: Planning Department

SUBJECT: **Certification of Inspection – CPR-2019-4**

Project Name: **MAKANA**

Tax Map Key: 46034042

The agent for the above-mentioned condominium project has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai, Section 514 B-5 & B-6, Hawaii Revised Statutes, subject to the disclosures and waivers (item "5" below) specified herein, we certify the following:

The developer has contracted Surveyor Eduardo L. Portugal to certify that the building on the proposed project referred to as **MAKANA** Units 1 thru 4 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.

1. There are no variances approved for the subject property.
2. The parcel does not contain any outstanding nonconforming uses or structures as a result of the adoption or amendments of any ordinances or codes and regulations.
3. There are no notices of violations of County building or zoning codes outstanding according to our records.

Page two:

4. **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 Patrick Henriques at (808) 241-4066.



Patrick Henriques, Inspector of Planning

cc: hm.rodgers.kauai@hawaiiantel.net
suzigillette.com

EXHIBIT "G"

SUMMARY OF PORTIONS OF THE PURCHASE CONTRACT AND ADDENDUM

This Project includes an Addendum to the Purchase Contract (the "Addendum") to be utilized in conjunction with a standard printed form Purchase Contract provided by the Hawaii Association of Realtors. The Purchase Contract contains the price and other terms and conditions which a purchaser will agree to buy a unit in the Project. The Addendum protects the rights of the Purchasers and the handling of the funds under the Condominium Property Act (the "Act"), as well as the insuring compliance with the Act by all parties. Relevant portions of the Purchase Contract and Addendum are summarized as follows:

1. The fact that the Act controls over any portion of a contract to sell a condominium unit.
2. That an effective date for a Developer's Public Report must be in place and a receipt for the same signed by the buyer.
3. That all purchaser funds must be held in escrow until the law allows closing and disbursement of the funds.
The conditions precedent to release of the funds are enumerated, including in part:
 - (a) That Purchaser will receive a copy of the Developer's Public Report for the project.
 - (b) That Purchaser be given an opportunity to read the public report(s) for the project and execute the Receipt and Notice and waives the right to cancel; provided however that if the Purchaser does not execute and return the Receipt and Notice within thirty days from the date of delivery of such report(s), or if the unit is conveyed to the Purchaser prior to the expiration of such thirty-day period, the Purchaser shall be deemed to have received for the report(s) and to have waived the Purchaser's right to cancel.
 - (c) 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.
4. If there is a dual agency by a single broker, it will be disclosed in the contract.
5. That interest on Buyer's deposits shall accrue to the Developer and not the Buyer.
6. In the event the Project includes the new construction or substantial remodeling of a premise, Hawaii law mandates that the Seller provide a specific notice to the Buyer in respect to filing lawsuits or other actions for defective construction against the contractor.

SPECIAL NOTICE: THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL THE 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 AND NOT THIS SUMMARY.

EXHIBIT "H"

SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between OLD REPUBLIC TITLE & ESCROW OF HAWAII (the "Escrow"), and ZOE A. SHINNO (the "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 a unit, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.
2. Escrow will receive payments under the sales contract and sums received from any other source with respect to the project. Funds held under the Agreement will 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) the Real Estate Commission has not issued a Public Report on the project or the requirements of the sales contract have not been met; or (b) 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, or if there is a right of cancellation under the sales contract. 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, up to a maximum of \$250.00, except in the case of a rescission, where there is no cancellation fee.
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 unit for which an unit deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. The cost of title insurance will be an additional amount, based upon schedule rate.
7. In the event of default by the Buyer, Buyer may forfeit his or her deposit, which will be paid to the Seller, less any cancellation fees charged by Escrow.

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.

EXHIBIT "T"

SAMPLE OWNER-OCCUPANT AFFIDAVIT

****FOR ILLUSTRATION ONLY****

FOR DEVELOPER'S USE (chronological system):

COMPLETED AFFIDAVIT SUBMITTED

DATE: _____ TIME: _____

EARNEST MONEY DEPOSIT SUBMITTED

DATE: _____ TIME: _____ (if required by developer)

NOTICE TO ALL PERSONS SIGNING THE AFFIDAVIT: This Affidavit is being provided to you pursuant to Part V of the Condominium Property Act (Chapter 514B of the Hawaii Revised Statutes). Part V is referred to as the "Owner-Occupant Law" in this Affidavit, and various Sections of Part V are referenced in this Affidavit. This Affidavit is a legal document that contains promises which are binding on you. If these promises are broken you could be subject to various penalties that are described in the Owner-Occupant Law and in this Affidavit. Therefore, it is strongly recommended that you seek the advice of an attorney or the Developer's representatives if you do not understand anything contained in the Affidavit, or have questions about anything contained in this Affidavit, or do not understand the references to the Owner-Occupant Law or other provisions of the Condominium Property Act which are contained in this Affidavit.

**AFFIDAVIT OF INTENT TO PURCHASE AND RESIDE IN AN
OWNER-OCCUPANT DESIGNATED CONDOMINIUM RESIDENTIAL UNIT**

We, the undersigned "owner-occupants," on this ____ day of _____, 20___, do hereby declare that it is our intention to purchase and reside in a condominium residential unit designated for an "owner-occupant" in the *PROJECT* condominium project ("Project") proposed by *DEVELOPER 1* and *DEVELOPER 2* ("Developer").

We understand, affirm, represent and agree by signing this Affidavit that:

1. It is our intent to reserve and purchase an owner-occupant designated residential unit ("designated unit") pursuant to the Owner-Occupant Law provisions.
2. The term "owner-occupant", as used herein, is defined in Section 514B-95 of the Owner-Occupant Law as:

"... any individual in whose name sole or joint legal title is held in a residential unit which, simultaneous to such ownership, serves as the individual's principal residence, as defined by the state department of taxation, for a period of not less than three hundred and sixty-five consecutive days, provided that the individual

retains complete possessory control of the premises of the residential unit during this period. An individual shall not be deemed to have complete possessory control of the premises if the individual rents, leases or assigns the premises for any period of time to any other person in whose name legal title is not held; except that an individual shall be deemed to have complete possessory control even when the individual conveys or transfers into a trust for estate planning purposes and continues to use the premises as the individual's principals residence during this period."

3. We understand that if two or more prospective owner- occupants intend to reside jointly in the same designated unit, only one owner-occupant's name shall be placed on the reservation list pursuant to a chronological system.

4. Pursuant to the Owner-Occupant Law, the chronological system means a system in which the residential units designated for sale to prospective owner-occupants are offered for sale to prospective owner-occupants in the chronological order in which the prospective owner-occupants deliver to the developer or the designated real estate broker completed owner-occupant affidavits, executed sales contracts or reservations, and earnest money deposits.

5. Should we require financing from a financial institution to purchase the designated unit, the financing shall be an owner- occupant mortgage loan. The financial institution is required to take all reasonable steps necessary to determine whether the borrower intends to become an owner-occupant.

6. At any time after obtaining adequate financing or a commitment for adequate financing up until the expiration of this Affidavit (365 days after recordation of the instrument conveying the designated unit to us), we shall notify the Real Estate Commission immediately upon any decision to cease being an owner- occupant of the designated unit.

7. At closing of escrow, we shall file a claim for and secure an owner-occupant property tax exemption with the appropriate county office for the designated unit.

8. We have personally executed this Affidavit and we are all of the prospective owner-occupants for the designated unit. This Affidavit shall not be executed by an attorney-in-fact.

9. This Affidavit shall be reaffirmed by us no earlier than our receipt of the Project's Developer's Public Report and no later than the closing of escrow for the unit. The Developer shall cancel our sales contract or reservation if we fail to make the reaffirmation. If the sales contract has become binding pursuant to Section 514B-86 of the Condominium Property Act, we may be considered to be in default under our sales contract and the Developer may exercise the default or other remedies provided for in the sales contract and any other remedies provided by law.

10. We shall not sell or offer to sell, lease or offer to lease, rent or offer to rent, assign or offer to assign, convey or otherwise transfer any interest in the designated unit until at least 365 consecutive days have elapsed since the recordation of the instrument conveying title to the

designated unit to us. Furthermore, we understand that we have the burden of proving our compliance with the law.

11. We understand that it is the affirmative duty of any developer, employee or agent of a developer, and real estate licensee, to report immediately to the Real Estate Commission any person who violates or attempts to violate the Owner-Occupant Law. No developer, employee or agent of a developer, or real estate licensee shall violate or aid any person in violating the Owner- Occupant Law.

12. The Real Estate Commission may require verification of our Owner-Occupant status and if we fail to submit such verification, we may be subject to a fine in an amount equal to the profit made from the sale, assignment or transfer of the designated unit.

13. Any false statement in this Affidavit or violation of the Owner-Occupant Law shall subject us to a misdemeanor charge with a fine not to exceed \$2,000, or by imprisonment of up to a year or both. We further understand that if we violate or fail to comply with the Owner-Occupant provisions, we shall be subject to a civil penalty of up to \$10,000, or fifty per cent of the net proceeds received or to be received from the sale, lease, rental, assignment or other transfer of the designated unit, whichever is greater.

14. When required by context, each pronoun reference shall include all numbers (singular or plural) and each gender shall include all genders.

By signing this Affidavit we represent and affirm that we have read, understand and agree to the above statements.

1)	_____	_____	_____
	Purchaser's signature	Print Name	Date
2	_____	_____	_____
	Purchaser's signature	Print Name	Date
3)	_____	_____	_____
	Purchaser's signature	Print Name	Date
4)	_____	_____	_____
	Purchaser's signature	Print Name	Date

STATE OF HAWAII)
) SS.
COUNTY OF KAUAI)

On this ___ day of _____, 20___, before me personally appeared _____, _____, and _____, to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed as Owner-Occupants.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____

REAFFIRMATION

(Leave Section Blank Until After Receipt for the Developer's Public Report)

We represent and affirm that we have received the Developer's Public Report for the condominium project identified on page one of the attached Affidavit.

By signing this Reaffirmation we represent, warrant and confirm that we have read, understand, agree to and reaffirm all the statements set forth in the attached Affidavit. We reaffirm that we are and will be the Owner-Occupants of the designated unit, and that the designated unit will be our principal residence for 365 consecutive days after recordation of the instrument conveying the designated unit to us.

REAFFIRMATION OF OWNER-OCCUPANTS:

- 1) _____
 Purchaser's signature Print Name Date

- 2 _____
 Purchaser's signature Print Name Date

- 3) _____
 Purchaser's signature Print Name Date

STATE OF HAWAII)
) SS.
COUNTY OF KAUAI)

On this ___ day of _____, 20___, before me personally appeared _____, _____, and _____, to me known to be the person(s) described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed as Owner-Occupants.

NOTARY PUBLIC, State of Hawaii
Print Name: _____
My commission expires: _____