

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	KULANA (This Report covers only Units 1B, 1Y, 2C, 5X, 7D, 8A, 8D, 8E, 11B, 11E, 13E, 15C, 16C, 17C and 18C)
Project Address	Oiohena, Hauiki and Kaapuni Roads, Kapaa, Hawaii 96746
Registration Number	4888
Effective Date of Report	October 20, 2023
Developer(s)	Association of Apartment Owners of Kulana Condominium

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. Subject Headings and page numbers where the subject is explained must 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 are 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 REPORT COVERS ONLY UNITS 1B, 1Y, 2C, 5X, 7D, 8A, 8D, 8E, 11B, 11E, 13E, 15C, 16C, 17C AND 18C. Units 8A, 8D and 8E were previously covered by Registration No. 5837, however, Registration No. 5837 and Units 8A, 8D and 8E will now be a part of this Registration and covered by this Public Report. This Public Report does not constitute approval of the Project by the Real Estate Commission or any other governmental agency, nor does it ensure that the Project is in compliance with all applicable County codes, ordinances or subdivision requirements.

THIS IS AN AGRICULTURAL CONDOMINIUM PROJECT. The land beneath and immediately adjacent to each Unit is designated as an "Exclusive Area" and is a LIMITED COMMON ELEMENT. An Exclusive Area is NOT a legally subdivided lot, and the boundaries of an Exclusive Area are not boundaries of a legally subdivided lot. Each Owner has an undivided percentage interest in the common elements of the Project, including the land.

SOME BUT NOT ALL UNITS ARE PART OF A SUBDIVISION. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection, street lighting, utilities, improved access for emergency vehicles, and drainage facilities, etc., may not be provided to each of the Units. Services such as County street maintenance and trash collection may not be available for the interior private roads and driveways of the Project. Additionally, please see Exhibit L for the status of certain services and services currently not available, such as sewer and cable.

NO WARRANTIES ARE GIVEN TO THE PURCHASER AS TO THE CONSTRUCTION, MATERIALS OR WORKMANSHIP OF THE PROJECT. THE PROJECT IS BEING SOLD IN "AS IS" CONDITION. The Units are not residences or dwellings. For example, it may be possible to construct a "Farm Dwelling," as such term is defined by the County rules, and, in addition to other things, it may be possible to use this "Farm Dwelling" for residential purposes. Of course, the Unit Owner would need to apply for and obtain the necessary permits and approvals from the County as well as the Association's Design Review Committee. In addition, County zoning rules, as well as the Condominium Declaration, require that the Project be used for agricultural purposes and activities, which may impact an Owner's intended use and enjoyment of the Unit. County rules also regulate and restrict the permissible use of the Land/Exclusive Areas, the number of dwelling units permitted, and the amount of total development permitted on the Project. Some of the Units in the Project (designated with an "x" or "y" after the Unit number) are not permitted to have a residence, but may otherwise be used as permitted by the County rules.

A prospective purchaser should be aware that making future improvements will require obtaining building or other permits from the County. Obtaining utilities and services beyond those installed by the Developer will require agreements between the Owner and the utility provider. DEVELOPER DISCLAIMS ALL WARRANTIES RELATED TO THE AVAILABILITY OF UTILITIES, ANY CONDITIONS THAT MAY BE IMPOSED BY UTILITY PROVIDERS AND ANY COST ASSOCIATED WITH THE INSTALLATION OF ADDITIONAL UTILITIES.

Each prospective purchaser should consult with their own architect, attorney or professional builder, to determine the affect of any governmental rules, Project documents or any other regulations that may affect the Purchaser's use of its Unit. THE DEVELOPER DISCLAIMS ALL WARRANTIES WITH RESPECT TO PURCHASER'S ABILITY TO USE THE UNIT FOR HIS OR HER INTENDED PURPOSE. PROSPECTIVE PURCHASERS ARE CAUTIONED TO CAREFULLY REVIEW ALL DOCUMENTS REGARDING THIS

TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report.....	1
General Information On Condominiums.....	2
Operation of the Condominium Project.....	2
Resources for Condominium Living.....	2a
1. THE CONDOMINIUM PROJECT.....	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units.....	3
1.4 Parking Stalls.....	4
1.5 Boundaries of the Units.....	4
1.6 Permitted Alterations to the Units	4
1.7 Common Interest.....	4
1.8 Recreational and Other Common Facilities.....	4
1.9 Common Elements.....	5
1.10 Limited Common Elements.....	5
1.11 Special Use Restrictions	5
1.12 Encumbrances Against Title.....	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters	6
1.14 Other Zoning Compliance Matters.....	6
1.15 Conversions	7
1.16 Project In Agricultural District.....	8
1.17 Project with Assisted Living Facility.....	8
2. PERSONS CONNECTED WITH THE PROJECT.....	9
2.1 Developer.....	9
2.2 Real Estate Broker.....	9
2.3 Escrow Depository.....	9
2.4 General Contractor.....	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS	10
3.1 Declaration of Condominium Property Regime	10
3.2 Bylaws of the Association of Unit Owners	10
3.3 Condominium Map.....	10
3.4 House Rules.....	11
3.5 Changes to the Condominium Documents.....	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT.....	12
4.1 Management of the Common Elements	12
4.2 Estimate of the Initial Maintenance Fees.....	12
4.3 Utility Charges to be Included in the Maintenance Fee.....	12
4.4 Utilities to be Separately Billed to Unit Owner	12
5. SALES DOCUMENTS.....	13
5.1 Sales Documents Filed with the Real Estate Commission.....	13
5.2 Sales to Owner-Occupants.....	13
5.3 Blanket Liens.....	13
5.4 Construction Warranties	13
5.5 Status of Construction, Date of Completion, or Estimated Date of Completion.....	14

TABLE OF CONTENTS

	Page
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance.....	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing.....	15
5.7 Rights Under the Sales Contract	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract	17
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract.....	17
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed.....	18
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change	18
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.....	19
EXHIBIT A: Overview of Project and Summary of Changes	
EXHIBIT B: List of Units and Limited Common Element Land Areas	
EXHIBIT C: Common Elements	
EXHIBIT D: Limited Common Elements	
EXHIBIT E: Developer's Reserved Rights	
EXHIBIT F: Encumbrances Against Title	
EXHIBIT G: Summary of Material Provisions of the Sales Contract	
EXHIBIT H: Summary of Material Provisions of the Escrow Agreement	
EXHIBIT I: Estimate of Initial Maintenance Fees & Reserve Study	
EXHIBIT J: Summary of Declaration of Covenants and Conditions	
EXHIBIT K: Provisions for Making Changes to Units	
EXHIBIT L: Additional Disclosures	
EXHIBIT M: Statement from County regarding Act 49	
EXHIBIT N:	
EXHIBIT O:	
ADDITIONAL:	

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.

Resources For Condominium Living

The Real Estate Branch website (<https://cca.hawaii.gov/reb>) includes information for owners on the management and operation of a condominium project. Topics include the following and more:

- The law and rules governing condominiums and the role of the declaration, bylaws, and house rules in the management and operation of the project.
- The respective roles of the owners, the board of directors, and agents of the association in managing and operating the project.
- The rights and responsibilities of owners and the board.
- The role of the Real Estate Commission in condominium governance.
- Access to information and documents concerning the management and operation of the project.
- Budgets and the role of maintenance fees and reserves in the upkeep of the project.
- Participation and procedures in board, association, and special meetings.
- Dispute resolution.
- Access to educational seminars sponsored by the Real Estate Commission and other organizations.

The Real Estate Branch also hosts free copies of developer's public reports, the condominium law, and condominium administrative rules on its website.

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	
Address of Project	Olohena, Hauiki and Kaapuni Roads Kapaemahu, Hawaii 96746 +
Address of Project is expected to change because (describe)	
Tax Map Key (TMK)	(4) 4-3-011-001
Tax Map Key is expected to change because	Each Unit will be assigned a separate tax may key CPR number +
Land Area (square feet or acres)	approximately 358.876 acres
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	103** **This includes Units 30A and 30B. Please see
Floors Per Building	1 Exhibit "L", Section 10 for an explanation of
Number of New Building(s)	103** the Owners' of Units 30A and 30B attempted
Number of Converted Building(s)	removal from the Project.
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, metal posts and shade cloth.

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
Shed	103**	0	0	16 sq. ft.	None	16 sq. ft.
See Exhibit <u> B </u>						

103**	Total Number of Units
-------	------------------------------

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

1.4 Parking Stalls

Total Parking Stalls in the Project:	Exclusive Areas (LCE) may be used for parking stalls.
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	
Attach Exhibit _____ specifying the parking stall number(s) assigned to each unit and guest and the type of parking stall(s) (compact/standard/tandem, covered/open, and electric charging ready/capable).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit:
 The outside surfaces of the exterior walls and roof and the bottom surfaces of the footings and foundations. Please see Section 4.1 of the Declaration for further detail.

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):
 See Paragraph 20.1 of the Condominium Declaration and Exhibit K to this Public Report.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in the Declaration, is:
 Described in Exhibit _____.
 As follows:
 Each Unit has an appurtenant undivided 1/103 common interest in all of the common elements of the Project. Please see Section 10 of Exhibit L to this Public Report for details regarding the number of units used to calculate the common interest of each Unit and the payment of maintenance fees.

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

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input checked="" type="checkbox"/>	Other (describe): Lake/reservoir (Lot 6); roadways and easements

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 C .

Described as follows:

Common Element	Number
Elevators	
Stairways	
Trash Chutes	

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 D .

Described as follows:

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 checked="" type="checkbox"/>	Other: See Exhibit J and Exhibit L.
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

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

Date of the title report: July 11, 2023

Company that issued the title report: Title Guaranty 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 type="checkbox"/>	Residential		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<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 checked="" type="checkbox"/>	Agricultural	103**	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	Ag/Open	0
<input type="checkbox"/>	Preservation/Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
<input type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes	<input type="checkbox"/> No		
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input type="checkbox"/> Yes <input type="checkbox"/> No			
Variances to zoning code have been granted.			<input type="checkbox"/> Yes <input type="checkbox"/> No			
Describe any variances that have been granted to zoning code		None. **See Exhibit L, Section 10, for further explanation.				

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> <p>NOTE: The Association, acting as the Developer, has obtained the appropriate permits. However, please note that other Owners in the Project may have constructed improvements without obtaining the appropriate building or other permit. While the Developer is unaware of any Notices of Violations that may have been issued to Owners in the Project, please consult with your advisors as to the effect, if any, that any unpermitted improvements within the Project may have on a Unit.</p>			

1.15 Conversions

"Converted" or "conversion" means the submission of a structure to a condominium property regime more than twelve months after the completion of construction; provided that structures used as sales offices or models for a project and later submitted to a condominium property regime shall not be considered to be converted structures. (§514B-3, HRS)

Developer's statement regarding units that may be occupied for residential use and that have been in existence for five years or more. (§514B-84(a)(1), HRS)

- Applicable**
 Not Applicable

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:

Developer's statement of the expected useful life of each item reported above:

List of any outstanding notices of uncured violations of any building code or other county regulations:

Estimated cost of curing any violations described above:

Verified Statement from a County Official

Regarding any converted structures in the project, attached as Exhibit(s) _____ is a verified statement signed by an appropriate county official which states that either:

- (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:
- (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;

or

- (B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.

Other disclosures and information:

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below</p>	<p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>
<p>Verified county statement (initial applications only): (An expanded assessment and county comment statement is required if project contains more than five units (§514B-52(b), HRS))</p>	<p>Exhibit <u> M </u></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?</p> <p><input checked="" type="checkbox"/> Yes <input type="checkbox"/> No</p>	
<p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws?</p> <p><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)	<p>Name: Association of Apartment Owners of Kulana</p> <p>Business Address: c/o KW Kauai (attn: R. Richardson), 2970 Haleko Road, Ste. 205, Kauai, HI 96766</p> <p>Business Phone Number: (808) 245-5758</p> <p>E-mail Address:</p>
<p>Names of officers and directors of Developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager or members of a limited liability company (LLC) if member managed.**</p>	
2.2 Real Estate Broker*	<p>Name: Oceanfront Sothebys International Realty</p> <p>Business Address: P.O. Box 223700 Princeville, Hawaii 96722</p> <p>Business Phone Number: (808) 639-6348</p> <p>E-mail Address: donna@oceanfrontsir.com</p>
2.3 Escrow Depository*	<p>Name: Title Guaranty Escrow Services, Inc.</p> <p>Business Address: 235 Queen Street Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-0211</p> <p>E-mail Address:</p>
2.4 General Contractor	<p>Name: Not Applicable.</p> <p>Business Address:</p> <p>Business Phone Number:</p> <p>E-mail Address:</p>
2.5 Condominium Managing Agent	<p>Name: KW Kauai (attn: R. Richardson)</p> <p>Business Address: 2970 Haleko Road, Ste. 205 Lihue, Kauai, Hawaii 96766</p> <p>Business Phone Number: (808) 245-5758</p> <p>E-mail Address:</p>
2.6 Attorney for Developer	<p>Name: McCorriston Miller Mukai MacKinnon LLP</p> <p>Business Address: P.O. Box 2800 Honolulu, Hawaii 96803-2800</p> <p>Business Phone Number: (808) 529-7300</p> <p>E-mail Address: sch@m4law.com</p>

* If different units have different agents, attach an addendum as page 9a listing each unit's respective agents.

** Attach separate sheet if necessary

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		2004-252101
Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau	January 20, 2005	2005-015753
Bureau	July 15, 2005	2005-143463
Bureau	June 8, 2006	2006-160828
Bureau	October 17, 2009	2009-161757
Bureau	July 30, 2018	A-67920600
Bureau	August 8, 2018	A-67950856
Bureau	April 5, 2023	A-85910330

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		2004-252102
Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau	October 17, 2009	2009-161757

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 & Recording Date:	
Bureau of Conveyances Map Number & Recording Date:	3902 (July 10, 2023)
Dates of Recordation of Amendments to the Condominium Map:	
August 8, 2018, July 10, 2023	

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%	67%
Bylaws	67%	67%

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

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

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

The initial Condominium Managing Agent for this project is (check one):

<input checked="" type="checkbox"/>	Not affiliated with the Developer
<input 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

Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit I 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. The breakdown includes the annual reserve contributions based on a reserve study (§514B-83(a)(3), HRS).

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
<input checked="" type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify): Utility charges for the common elements used by all Owners.

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 Units only
<input checked="" type="checkbox"/>	Gas for the Units only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer/Septic System
<input checked="" type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify/exhibit): Any utility used only for the Owner's Unit or limited common element
<input type="checkbox"/>	Other (specify/exhibit):

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: August 1, 2018 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit <u>H</u> contains a summary of the pertinent provisions of the escrow agreement.
<input checked="" type="checkbox"/>	Other: See Exhibit L to this Public Report for additional disclosures.

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

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

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

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

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. The Developer makes no warranties or representation regarding the construction of any part of the Project.

Appliances:

None. There are no appliances that are being sold with or as part of the Unit.

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

<p>Status of Construction:</p> <p>The units covered by this Public Report will initially be "shed" structures. Unit Owners must apply on their own and at their own expense for building permits from the County of Kauai to further improve their 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:</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

<input type="checkbox"/>	<p>Spatial Units. The Developer hereby declares by checking the box to the left that it is offering spatial units (units without any structures) for sale and will not be using purchasers' deposits to pay for any costs for project construction or to complete the project.</p>
--------------------------	--

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>
--------------------------	--

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 meet certain requirements, described below in 5.6.2.

The Developer is required to deposit all monies 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.

5.6.2 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;
<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: <http://cca.hawaii.gov/reb/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

See Exhibit L for additional disclosures.

EXHIBIT A

OVERVIEW OF PROJECT AND SUMMARY OF CHANGES

Summary of Changes to Public Report

1. Addition of Units to Registration. Previously, Units 8A, 8D and 8E were covered by Registration No. 5837. The Developer has decided to close Registration No. 5837 and transfer Units 8A, 8D and 8E to this Registration No. 4888 as the disclosures in the Public Report for Registration 5837 were virtually identical to those made in this Public Report.
2. Form of Public Report. This Developer has converted its Public Report to the form used for chapter 514B, HRS.
3. Section 1.12 (Encumbrances Against Title) and Exhibit F. An updated title report for this Project has been obtained and filed with the Real Estate Commission. In addition, Exhibit F has been revised accordingly.
4. Section 2.2 and 2.6 (Persons Connected with the Project). The broker and the attorney for the Project has changed and the updated information has been included in this Public Report. In addition, a copy of the new listing agreement has been filed with the Real Estate Commission.
5. Exhibit I. The budget has been updated and a reserve study has been included as part of Exhibit I.
6. Exhibit J. A disclosure related to the ownership of a portion of Twin Reservoir Dam has been added.
7. Exhibit L. Additional disclosures regarding the Project have been added to Exhibit L.

Overview of the Project

1. The units, except Units 27A and 27B, in the condominium project are located within the Kulana Subdivision. The Kulana Subdivision consists of lots upon which the condominium units, except Units 27A and 27B, in this Project are located. There are no financial or governance obligations associated with Kulana Subdivision. All financial and governance obligations arise at the condominium level and as a result of the owners membership in the condominium association.
2. Kulana is an agricultural subdivision and the land is classified within the State Land Use Agricultural District, and within lands zoned "Agricultural" and "Open" under the CZO of the County of Kauai. "Farm Dwellings" and other structures appropriate to agricultural usage are permitted for certain Units, subject to certain guidelines. Uses of all Units other than those located on a Remnant Lot are also subject to restrictions contained Declaration of Covenants, Conditions and Restrictions for Kulana Subdivision summarized in Exhibit J to this Public Report. You should also see the disclosures provided in Exhibit L to this Public Report. Guest houses appurtenant to a Unit may be permitted on the basis of one guest house per Lot, as assigned by and subject to the conditions imposed by the Developer. You should also review the Kauai County Comprehensive Zoning Ordinance (CZO), specifically Article 8, and the Hawaii Revised Statutes (HRS), specifically Section 205-4.5, for restrictions and allowable uses.
3. The construction of the improvements for the underlying subdivision required by the County have been completed.

4. The Kulana condominium project (the "Project") is located on 20 subdivided lots within the Kulana Subdivision. Each lot contains between two and nine units. The Units that are allowed to construct dwelling units contain the letters A, B, C, D, E, F, or G in the unit number. The Units that are not allowed to construct dwelling units and are "ag-only" contain an X or Y in the unit number. For example, Unit 1Y would be an "ag-only" unit and would not be allowed to construct a dwelling unit.

5. Regardless of what any documents say, Kauai County no longer allows transient vacation or vacation rentals on the land. Therefore, no vacation rentals, transient vacation rentals or bed and breakfast operations are allowed within the Project.

6. The Project is located within an agricultural district. Currently, HRS §205-4.5 provides the following:

(a) within the agricultural district, all lands with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B and for solar energy facilities, class B or C, shall be restricted to the following permitted uses:

(1) Cultivation of crops, including crops for bioenergy, flowers, vegetables, foliage, fruits, forage, and timber;

(2) Game and fish propagation;

(3) Raising of livestock, including poultry, bees, fish, or other animal or aquatic life that are propagated for economic or personal use;

(4) Farm dwellings, employee housing, farm buildings, or activities or uses related to farming and animal husbandry. "Farm dwelling", as used in this paragraph, means a single-family dwelling located on and used in connection with a farm, including clusters of single-family farm dwellings permitted within agricultural parks developed by the State, or where agricultural activity provides income to the family occupying the dwelling;

(5) Public institutions and buildings that are necessary for agricultural practices;

(6) Public and private open area types of recreational uses, including day camps, picnic grounds, parks, and riding stables, but not including dragstrips, airports, drive-in theaters, golf courses, golf driving ranges, country clubs, and overnight camps;

(7) Public, private, and quasi-public utility lines and roadways, transformer stations, communications equipment buildings, solid waste transfer stations, major water storage tanks, and appurtenant small buildings such as booster pumping stations, but not including offices or yards for equipment, material, vehicle storage, repair or maintenance, treatment plants, corporation yards, or other similar structures;

(8) Retention, restoration, rehabilitation, or improvement of buildings or sites of historic or scenic interest;

(9) Agricultural-based commercial operations as described in section 205-2(d)(15);

(10) Buildings and uses, including mills, storage, and processing facilities, maintenance facilities, photovoltaic, biogas, and other small-scale renewable energy systems producing energy solely for use in the agricultural activities of the fee or leasehold owner of the property, and vehicle and equipment storage areas that are normally considered directly accessory to the above-mentioned uses and are permitted under section 205-2(d);

(11) Agricultural parks;

(12) Plantation community subdivisions, which as used in this chapter means an established subdivision or cluster of employee housing, community buildings, and agricultural support buildings on land currently or formerly owned, leased, or operated by a sugar or pineapple plantation; provided that the existing structures may be used or rehabilitated for use, and new employee housing and agricultural support buildings may be allowed on land within the subdivision as follows:

(A) The employee housing is occupied by employees or former employees of the plantation who have a property interest in the land;

(B) The employee housing units not owned by their occupants shall be rented or leased at affordable rates for agricultural workers; or

(C) The agricultural support buildings shall be rented or leased to agricultural business operators or agricultural support services;

(13) Agricultural tourism conducted on a working farm, or a farming operation as defined in section 165-2, for the enjoyment, education, or involvement of visitors; provided that the agricultural tourism activity is accessory and secondary to the principal agricultural use and does not interfere with surrounding farm operations; and provided further that this paragraph shall apply only to a county that has adopted ordinances regulating agricultural tourism under section 205-5;

(14) Agricultural tourism activities, including overnight accommodations of twenty-one days or less, for any one stay within a county; provided that this paragraph shall apply only to a county that includes at least three islands and has adopted ordinances regulating agricultural tourism activities pursuant to section 205-5; provided further that the agricultural tourism activities coexist with a bona fide agricultural activity. For the purposes of this paragraph, "bona fide agricultural activity" means a farming operation as defined in section 165-2;

(15) Wind energy facilities, including the appurtenances associated with the production and transmission of wind generated energy; provided that the wind energy facilities and appurtenances are compatible with agriculture uses and cause minimal adverse impact on agricultural land;

(16) Biofuel processing facilities, including the appurtenances associated with the production and refining of biofuels that is normally considered directly accessory and secondary to the growing of the energy feedstock; provided that biofuel processing facilities and appurtenances do not adversely impact agricultural land and other agricultural uses in the vicinity.

For the purposes of this paragraph:

"Appurtenances" means operational infrastructure of the appropriate type and scale for economic commercial storage and distribution, and other similar handling of feedstock, fuels, and other products of biofuel processing facilities.

"Biofuel processing facility" means a facility that produces liquid or gaseous fuels from organic sources such as biomass crops, agricultural residues, and oil crops, including palm, canola, soybean, and waste cooking oils; grease; food wastes; and animal residues and wastes that can be used to generate energy;

(17) Agricultural-energy facilities, including appurtenances necessary for an agricultural-energy enterprise; provided that the primary activity of the agricultural-energy enterprise is agricultural

activity. To be considered the primary activity of an agricultural-energy enterprise, the total acreage devoted to agricultural activity shall be not less than ninety per cent of the total acreage of the agricultural-energy enterprise. The agricultural-energy facility shall be limited to lands owned, leased, licensed, or operated by the entity conducting the agricultural activity.

As used in this paragraph:

"Agricultural activity" means any activity described in paragraphs (1) to (3) of this subsection.

"Agricultural-energy enterprise" means an enterprise that integrally incorporates an agricultural activity with an agricultural-energy facility.

"Agricultural-energy facility" means a facility that generates, stores, or distributes renewable energy as defined in section 269-91 or renewable fuel including electrical or thermal energy or liquid or gaseous fuels from products of agricultural activities from agricultural lands located in the State.

"Appurtenances" means operational infrastructure of the appropriate type and scale for the economic commercial generation, storage, distribution, and other similar handling of energy, including equipment, feedstock, fuels, and other products of agricultural-energy facilities;

(18) Construction and operation of wireless communication antennas, including small wireless facilities; provided that, for the purposes of this paragraph, "wireless communication antenna" means communications equipment that is either freestanding or placed upon or attached to an already existing structure and that transmits and receives electromagnetic radio signals used in the provision of all types of wireless communications services; provided further that "small wireless facilities" shall have the same meaning as in section 206N-2; provided further that nothing in this paragraph shall be construed to permit the construction of any new structure that is not deemed a permitted use under this subsection;

(19) Agricultural education programs conducted on a farming operation as defined in section 165-2, for the education and participation of the general public; provided that the agricultural education programs are accessory and secondary to the principal agricultural use of the parcels or lots on which the agricultural education programs are to occur and do not interfere with surrounding farm operations. For the purposes of this paragraph, "agricultural education programs" means activities or events designed to promote knowledge and understanding of agricultural activities and practices conducted on a farming operation as defined in section 165-2;

(20) Solar energy facilities that do not occupy more than ten per cent of the acreage of the parcel, or twenty acres of land, whichever is lesser or for which a special use permit is granted pursuant to section 205-6; provided that this use shall not be permitted on lands with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A;

(21) Solar energy facilities on lands with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating B or C for which a special use permit is granted pursuant to section 205-6; provided that:

(A) The area occupied by the solar energy facilities is also made available for compatible agricultural activities at a lease rate that is at least fifty per cent below the fair market rent for comparable properties;

(B) Proof of financial security to decommission the facility is provided to the satisfaction of the appropriate county planning commission prior to date of commencement of commercial generation; and

(C) Solar energy facilities shall be decommissioned at the owner's expense according to the following requirements:

(i) Removal of all equipment related to the solar energy facility within twelve months of the conclusion of operation or useful life; and

(ii) Restoration of the disturbed earth to substantially the same physical condition as existed prior to the development of the solar energy facility.

For the purposes of this paragraph, "agricultural activities" means the activities described in paragraphs (1) to (3);

(22) Geothermal resources exploration and geothermal resources development, as defined under section 182-1; or

(23) Hydroelectric facilities, including the appurtenances associated with the production and transmission of hydroelectric energy, subject to section 205-2; provided that the hydroelectric facilities and their appurtenances:

(A) Shall consist of a small hydropower facility as defined by the United States Department of Energy, including:

(i) Impoundment facilities using a dam to store water in a reservoir;

(ii) A diversion or run-of-river facility that channels a portion of a river through a canal or channel; and

(iii) Pumped storage facilities that store energy by pumping water uphill to a reservoir at higher elevation from a reservoir at a lower elevation to be released to turn a turbine to generate electricity;

(B) Comply with the state water code, chapter 174C;

(C) Shall, if over five hundred kilowatts in hydroelectric generating capacity, have the approval of the commission on water resource management, including a new instream flow standard established for any new hydroelectric facility; and

(D) Do not impact or impede the use of agricultural land or the availability of surface or ground water for all uses on all parcels that are served by the ground water sources or streams for which hydroelectric facilities are considered.

(b) Uses not expressly permitted in subsection (a) shall be prohibited, except the uses permitted as provided in sections 205-6 and 205-8, and construction of single-family dwellings on lots existing before June 4, 1976. Any other law to the contrary notwithstanding, no subdivision of land within the agricultural district with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class A or B shall be approved by a county unless those A and B lands within the subdivision are made subject to the restriction on uses as prescribed in this section and to the condition that the uses shall be primarily in pursuit of an agricultural activity.

Any deed, lease, agreement of sale, mortgage, or other instrument of conveyance covering any land within the agricultural subdivision shall expressly contain the restriction on uses and the condition, as prescribed in this section that these restrictions and conditions shall be encumbrances running with the land until such time that the land is reclassified to a land use district other than agricultural district.

If the foregoing requirement of encumbrances running with the land jeopardizes the owner or lessee in obtaining mortgage financing from any of the mortgage lending agencies set forth in the following paragraph, and the requirement is the sole reason for failure to obtain mortgage financing, then the requirement of encumbrances shall, insofar as such mortgage financing is jeopardized, be conditionally waived by the appropriate county enforcement officer; provided that the conditional waiver shall become effective only in the event that the property is subjected to foreclosure proceedings by the mortgage lender.

The mortgage lending agencies referred to in the preceding paragraph are the Federal Housing Administration, Federal National Mortgage Association, Department of Veterans Affairs, Small Business Administration, United States Department of Agriculture, Federal Land Bank of Berkeley, Federal Intermediate Credit Bank of Berkeley, Berkeley Bank for Cooperatives, and any other federal, state, or private mortgage lending agency qualified to do business in Hawaii, and their respective successors and assigns.

(c) Within the agricultural district, all lands with soil classified by the land study bureau's detailed land classification as overall (master) productivity rating class C, D, E, or U shall be restricted to the uses permitted for agricultural districts as set forth in section 205-5(b).

(d) Notwithstanding any other provision of this chapter to the contrary, golf courses and golf driving ranges approved by a county before July 1, 2005, for development within the agricultural district shall be permitted uses within the agricultural district.

(e) Notwithstanding any other provision of this chapter to the contrary, plantation community subdivisions as defined in this section shall be permitted uses within the agricultural district, and section 205-8 shall not apply.

[(f)] Notwithstanding any other law to the contrary, agricultural lands may be subdivided and leased for the agricultural uses or activities permitted in subsection (a); provided that:

(1) The principal use of the leased land is agriculture;

(2) No permanent or temporary dwellings or farm dwellings, including trailers and campers, are constructed on the leased area. This restriction shall not prohibit the construction of storage sheds, equipment sheds, or other structures appropriate to the agricultural activity carried on within the lot; and

(3) The lease term for a subdivided lot shall be for at least as long as the greater of:

(A) The minimum real property tax agricultural dedication period of the county in which the subdivided lot is located; or

(B) Five years.

Lots created and leased pursuant to this section shall be legal lots of record for mortgage lending purposes and shall be exempt from county subdivision standards.

EXHIBIT B

UNITS, LCE AREAS AND LOCATIONS

IMPORTANT NOTE: ALL LIMITED COMMON ELEMENT AREAS FOR UNITS AS SHOWN IN THIS EXHIBIT ARE APPROXIMATE. THE LIMITED COMMON ELEMENT AREA SHOWN IN THIS EXHIBIT IS THE NUMBER OF SQUARE ACRES WITHOUT DEDUCTING ANY OF THE EASEMENT AREAS, IF ANY, WITHIN THE LIMITED COMMON ELEMENT AREA. THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE ACTUAL LIMITED COMMON ELEMENT AREA OF ANY PARTICULAR UNIT AS THE AREAS ARE APPROXIMATE AND MAY VARY.

Unit No.	TMK No.	Approx. LCE Area (Acres)	Unit Location (Lot & Location in Lot)
1A	(4) 4-3-11-1-1	2.709	Lot 1, northwest
1B	(4) 4-3-11-1-2	1.918	Lot 1, west
1C	(4) 4-3-11-1-3	4.818	Lot 1, center
1D	(4) 4-3-11-1-4	4.284	Lot 1, northeast
1E	(4) 4-3-11-1-5	5.397	Lot 1, southeast
1F	(4) 4-3-11-1-6	2.420	Lot 1, southwest
1G	(4) 4-3-11-1-7	2.047	Lot 1, southwest
1X	(4) 4-3-11-1-8	3.550	Lot 1, northwest
1Y	(4) 4-3-11-1-9	2.026	Lot 1, northeast
2A	(4) 4-3-11-1-10	2.428	Lot 2, northwest
2B	(4) 4-3-11-1-11	2.157	Lot 2, east
2C	(4) 4-3-11-1-12	1.562	Lot 2, east
2D	(4) 4-3-11-1-13	2.244	Lot 2, southeast
2E	(4) 4-3-11-1-14	4.193	Lot 2, south
2F	(4) 4-3-11-1-15	1.492	Lot 2, west center
2G	(4) 4-3-11-1-16	3.114	Lot 2, west center
2X	(4) 4-3-11-1-17	7.711	Lot 2, north
3A	(4) 4-3-11-1-18	3.994	Lot 3, north
3B	(4) 4-3-11-1-19	2.970	Lot 3, east
3C	(4) 4-3-11-1-20	2.579	Lot 3, southeast
3D	(4) 4-3-11-1-21	2.496	Lot 3, south
3E	(4) 4-3-11-1-22	4.010	Lot 3, southwest
4A	(4) 4-3-11-1-23	4.544	Lot 4, northwest
4B	(4) 4-3-11-1-24	4.517	Lot 4, northeast
4C	(4) 4-3-11-1-25	4.502	Lot 4, southeast
4X	(4) 4-3-11-1-26	1.519	Lot 4, southwest
5A	(4) 4-3-11-1-27	4.881	Lot 5, west
5B	(4) 4-3-11-1-28	4.688	Lot 5, southwest
5C	(4) 4-3-11-1-29	2.653	Lot 5, southeast
5D	(4) 4-3-11-1-30	2.204	Lot 5, south

Unit No.	TMK No.	Approx. LCE Area (Acres)	Unit Location (Lot & Location in Lot)
5X	(4) 4-3-11-1-31	7.619	Lot 5, north
7A	(4) 4-3-11-1-32	2.731	Lot 7, northwest
7B	(4) 4-3-11-1-33	3.547	Lot 7, north
7C	(4) 4-3-11-1-34	2.114	Lot 7, northeast
7D	(4) 4-3-11-1-35	3.016	Lot 7, southeast
7E	(4) 4-3-11-1-36	3.903	Lot 7, south
8A	(4) 4-3-11-1-37	1.738	Lot 8, east
8B	(4) 4-3-11-1-38	2.363	Lot 8, south center
8C	(4) 4-3-11-1-39	3.050	Lot 8, south
8D	(4) 4-3-11-1-40	1.266	Lot 8, northwest
8E	(4) 4-3-11-1-41	2.127	Lot 8, center
9A	(4) 4-3-11-1-42	2.601	Lot 9, north
9B	(4) 4-3-11-1-43	3.058	Lot 9, east
9C	(4) 4-3-11-1-44	2.866	Lot 9, southeast
9D	(4) 4-3-11-1-45	2.631	Lot 9, southwest
9E	(4) 4-3-11-1-46	2.055	Lot 9, west
10A	(4) 4-3-11-1-47	2.695	Lot 10, north
10B	(4) 4-3-11-1-48	2.483	Lot 10, east
10C	(4) 4-3-11-1-49	2.790	Lot 10, southeast
10D	(4) 4-3-11-1-50	1.988	Lot 10, west center
10E	(4) 4-3-11-1-51	3.018	Lot 10, southwest
11A	(4) 4-3-11-1-52	3.124	Lot 11, northwest
11B	(4) 4-3-11-1-53	2.308	Lot 11, north center
11C	(4) 4-3-11-1-54	2.576	Lot 11, northeast
11D	(4) 4-3-11-1-55	2.419	Lot 11, south
11E	(4) 4-3-11-1-56	3.068	Lot 11, west
12A	(4) 4-3-11-1-57	2.117	Lot 12, northwest
12B	(4) 4-3-11-1-58	1.820	Lot 12, northeast
12C	(4) 4-3-11-1-59	3.206	Lot 12, southeast
12D	(4) 4-3-11-1-60	6.100	Lot 12, southwest
12E	(4) 4-3-11-1-61	2.202	Lot 12, west
13A	(4) 4-3-11-1-62	1.468	Lot 13, northwest
13B	(4) 4-3-11-1-63	1.847	Lot 13, northeast
13C	(4) 4-3-11-1-64	3.091	Lot 13, center
13D	(4) 4-3-11-1-65	1.893	-Lot 13, east
13E	(4) 4-3-11-1-66	3.315	Lot 13, south
14A	(4) 4-3-11-1-67	1.150	Lot 14, north
14B	(4) 4-3-11-1-68	1.636	Lot 14, east
14C	(4) 4-3-11-1-69	4.550	Lot 14, southeast
14D	(4) 4-3-11-1-70	2.779	Lot 14, south
14E	(4) 4-3-11-1-71	2.929	Lot 14, southwest
15A	(4) 4-3-11-1-72	1.783	Lot 15, northwest
15B	(4) 4-3-11-1-73	1.598	Lot 15, northeast

Unit No.	TMK No.	Approx. LCE Area (Acres)	Unit Location (Lot & Location in Lot)
15C	(4) 4-3-11-1-74	4.280	Lot 15, east
15D	(4) 4-3-11-1-75	2.895	Lot 15, south center
15E	(4) 4-3-11-1-76	1.773	Lot 15, southwest
16A	(4) 4-3-11-1-77	2.298	Lot 16, northwest
16B	(4) 4-3-11-1-78	1.998	Lot 16, west center
16C	(4) 4-3-11-1-79	3.860	Lot 16, northeast
16D	(4) 4-3-11-1-80	3.362	Lot 16, southeast
16E	(4) 4-3-11-1-81	3.042	Lot 16, southwest
17A	(4) 4-3-11-1-82	4.618	Lot 17, northeast
17B	(4) 4-3-11-1-83	4.760	Lot 17, west & south center
17C	(4) 4-3-11-1-84	3.091	Lot 17, southwest
18A	(4) 4-3-11-1-85	6.036	Lot 18, northwest
18B	(4) 4-3-11-1-86	3.744	Lot 18, northeast
18C	(4) 4-3-11-1-87	3.476	Lot 18, west center
18D	(4) 4-3-11-1-88	3.329	Lot 18, southeast
18E	(4) 4-3-11-1-89	2.122	Lot 18, southwest
19A	(4) 4-3-11-1-90	4.372	Lot 19, northeast
19B	(4) 4-3-11-1-91	3.889	Lot 19, southeast
19C	(4) 4-3-11-1-92	4.856	Lot 19, south
19D	(4) 4-3-11-1-93	4.763	Lot 19, southwest
19E	(4) 4-3-11-1-94	3.685	Lot 19, northwest
20A	(4) 4-3-11-1-95	4.009	Lot 20, northwest
20B	(4) 4-3-11-1-96	8.338	Lot 20, east & northeast
20C	(4) 4-3-11-1-97	5.985	Lot 20, south
20D	(4) 4-3-11-1-98	3.220	Lot 20, south center
20E	(4) 4-3-11-1-99	5.658	Lot 20, southwest
27A	(4) 4-3-11-1-105	5.158	Remnant Parcel 4 (Lot 27), west
27B	(4) 4-3-11-1-106	2.074	Remnant Parcel 4 (Lot 27), east
30A*	(4) 4-3-11-1-107	0.831	Remnant Parcel 7, northwest
30B*	(4) 4-3-11-1-108	0.888	Remnant Parcel 7, southeast

*Please see Section 10 of Exhibit L.

EXHIBIT C

COMMON ELEMENTS

Section 5 of the Declaration establishes the Common Elements for the Project. Section 5 states as follows:

"5. COMMON ELEMENTS. One freehold estate is hereby designated in all of the remaining portions of the Project, herein called the "Common Elements," including specifically, but not limited to:

- (1) The Land in fee simple;
- (2) The Common Property;
- (3) Those Ponds located on Lots 12, 13 and 14; and rights, if any, obtained by Declarant now or in the future on behalf of the Owners in accordance with Paragraph 22.5 of this Declaration.
- (4) Easements and rights in favor of the Association under the Master Grant of Easements;
- (5) Lot 6, the man-made reservoir located on Lot 6, entry gates and pavilions, any trails and any other recreational facilities of common use;
- (6) Those portions of the Land designated on the Condominium Map as "Common Element", including without limitation those designated as Common Elements 2Y, 5W, 5Y, 5Z, 7X, 7Y, 8X, 10X, 11X, 12X, 13X, P-2, P-3, 15X, 17X or 17Y.
- (7) All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, telephone equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one Unit for services such as power, light, water, gas (if any), cablevision (if any), sewer, refuse, telephone, and radio and television signal distribution;
- (8) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use."

EXHIBIT D

LIMITED COMMON ELEMENTS

Section 6 of the Declaration designates certain portions of the Project as "limited common elements", including specifically but not limited to:

"6. LIMITED COMMON ELEMENTS.

6.1 Certain parts of the Common Elements, herein called and designated limited common elements, are hereby set aside and reserved for the exclusive use of certain Units and such Units shall have appurtenant thereto exclusive easements for the use of such limited common elements.

The limited common elements so set aside and reserved are as follows:

(1) Any entrance, exit, gateway, entry, patio, yard, driveway or steps which would normally be used only for the purposes of ingress to and egress from a Unit shall be a limited common element appurtenant to and reserved for the exclusive use of such Unit.

(2) That portion of the Land designated on the Condominium Map as a "Lot" (together with the airspace above such Land area), is for the exclusive use of the Unit having the same letter designation as such Land area on such Condominium Map (such area may be referred to as an "Exclusive Area"). Schedule 1 attached to the Declaration contains a list of the Units, and the area of the Exclusive Area appurtenant to such Unit.

(3) Each Exclusive Area is subject to any nonexclusive easements shown on the Condominium Map and which are noted or reserved as set forth in Paragraph 22.6 of the Declaration, which are for the benefit of other Unit Owners, provided that the Owner of the Unit burdened by such easement reserves the right to make use of such easement, subject to the terms and conditions set forth in Paragraph 8.1 of this Declaration and provided further, that such Owner may not construct fences or buildings or plant trees on or over such easement that are for access or utility purposes.

(4) Any other common element of the Project which is rationally related to fewer than all the Units shall be deemed a limited common element appurtenant to and for the exclusive use of such Unit(s) to which it is rationally related.

6.2 A Unit Owner may grant easements on or over the Exclusive Area appurtenant to his Unit, provided that the use of such easement does not present a danger to other Units and does not materially change the level of activity on the Project as a whole."

Note: an "Exclusive Area" is not a legally subdivided lot; it is a limited common element in a condominium property regime.

EXHIBIT E

DEVELOPER'S RESERVED RIGHTS

The Developer (Declarant) reserved a number of rights to take action relating to the Project and to amend the Project Documents. A prospective purchaser of a Unit is urged to review the Project Documents, not merely the summaries contained in this Public Report.

Among the reserved rights are those set forth in Paragraph 22 and rights to amend Project Documents set forth in Paragraph 21.

A. Summary of Rights reserved in Paragraph 22 of the Declaration:

1. Rights to have easements to make improvements, complete repairs and maintenance of the Project in connection with Developer's obligations.

2. Right to have sales activities on or from the Project, including the common elements, in connection with the sale of the units in the Project.

3. Right to make to modify the Project to make it conform, if the Project is found not to be in compliance with any federal, state County or other law during the period that Developer is selling the Units in the Project or thereafter. This right shall include, but shall not be limited to, the right to cause noise, dust and other disturbances and nuisances incidental to modifying the common elements as required.

4. Right from time to time to grant and convey to any public or Government Entity (including the County) any and all rights relating to the Roadway Lots (or portion or portions thereof), upon such terms and conditions relating to the dedication and acceptance thereof as Declarant and such grantee may agree.

5. Right to enter into easements, licenses and other forms of agreements ("Sharing Agreements") with owners of properties outside the Project ("Neighbors") if such Sharing Agreements are, in Declarant's discretion, for the benefit of the Project or if such Sharing Agreements are required under the Land Use Agreement or the County Permit. Such agreements may include (but shall not require) agreements granting reciprocal rights between the Association and the Neighbors.

NOTE: The right was reserved to Declarant until the earlier of December 31, 2015, or upon the sale by Declarant of 90% of the Units to third parties, but was extended to the Association (together with other Declarant rights) by amendment to the Declaration recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2009-161757 to add a new Section 29 to the Declaration, which provides as follows:

"29. RIGHTS OF THE ASSOCIATION TO COMPLETE THE KULANA SUBDIVISION.

29.1 Effective as of October 21, 2009, the Association shall have the right (but not the obligation), to be exercised by the vote or written consent of a majority

of the Board, without the joinder or consent of any Unit Owner, Unit purchaser, lienholder or other person, to do (or cause to be done) all such things as the Declarant has or at any time had the right to do (regardless of whether the Declarant's rights have expired) under this Declaration, the Bylaws and the Master CCRs Declaration that are reasonably required, directly or indirectly (i) to complete the Kulana Subdivision infrastructure and improvements, (ii) to comply with all of the terms and requirements of the County Permit, and (iii) to obtain from the appropriate Government Entity or Entities final subdivision approval for the Kulana Subdivision. These rights are hereby granted to the Association for the express and limited purpose of enabling the Association to cause the completion of the Kulana Subdivision infrastructure and improvements as expeditiously and economically as possible so that the Unit Owners may apply for such governmental permits and authorizations as are required to enable the Owners to make such Changes to their Units and Exclusive Areas as are permitted by Section 20.1 of this Declaration, subject, however, to all of the conditions, requirements and restrictions pertaining to Changes set forth in Section 20 of this Declaration.

29.2 The rights herein granted to the Association include, but are not limited to, the right to execute (and, if appropriate, to cause to be recorded in the Bureau of Conveyances) any and all legal documents, agreements, certificates, amendments, maps, plans, conveyances and other instruments required by any Government Entity or utility or service provider or by law to accomplish the tasks for which such rights are granted, including (but not limited to) one or more amendments to this Declaration, the Bylaws and/or the Condominium Map as may be necessary to reflect changes to the Project or the Land caused by or otherwise related to the exercise of such rights. Any such instrument or amendment need only be approved by a majority of the Board and signed by the person or persons authorized to sign by appropriate Board resolution, without the joinder or consent of any Unit Owner, Unit purchaser, mortgagee, lienholder, or any other person or entity whatsoever.

29.3 The rights herein granted shall be in addition to, and shall in no way limit or be deemed to limit, all other rights granted or reserved to the Association in this Declaration, the Bylaws, the Master CCRs Declaration or by applicable law (including Chapters 514A and 514B of the Hawaii Revised Statutes).

29.4 By acquiring, exercising or failing to exercise the rights granted in this Section 29, the Association shall not be or become (or be deemed to be or become) a successor to the Declarant, a co-Declarant, a partner or joint venturer with the Declarant, a subsidiary of the Declarant, or otherwise liable in any way whatsoever for the Declarant's past, present or future acts or omissions or the consequences thereof."

6. Right to Grant Easements. In addition to the rights reserved in favor of Declarant under the Master Grant of Easements (referred in Exhibit F of this Public Report) Declarant further reserves (a) the right to grant to any public or governmental authority rights-of-way and other easements or to obtain easements or access rights onto public ways, which are for the sole benefit of the Project or which do not materially interfere with the use nor

materially impair the value of, any Unit, over, across, under and through the Common Elements and limited common elements for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities; (b) the right to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof; and (c) the right to amend the terms and conditions of any existing easement to reflect the final configuration of the Improvements intended to be made within such area of the easement if such change shall become necessary or desirable after the completion of roadways and other public facilities, private roadways or utilities; provided, however, that any such changes shall not materially change the use by a Unit Owner of such easement or easements.

(The foregoing rights in favor of Declarant shall terminate when Declarant no longer owns any Units in the Project. Thereafter, the Association, through the Board, with the consent or agreement of any holder of any then existing easement affected thereby, is authorized to grant, convey, transfer, cancel, relocate and otherwise deal with any and all such public services and utilities easements now or hereafter located on or affecting the Project.)

B. The rights so reserved in favor of the Declarant in Paragraph 21.3 of the Declaration are stated as follows:

"21.3 Declarant's Rights to Make Amendments Required by Law Lenders Title Insurers, Etc. Notwithstanding Paragraphs 21.1 and 21.2,

(a) at any time prior to the first recordation in the Bureau of Conveyances of a conveyance of a Unit, the Declarant may amend this Declaration (including all exhibits) and the Bylaws in any manner, without the consent of any Unit purchaser; and

(b) at any time after the first recordation in the Bureau of Conveyances of a conveyance of a Unit:

(i) Declarant may amend this Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, unit numbers, and the dimensions of an improvement or change in a Unit as-built; and so long as the plans filed therewith involve only immaterial Changes to the layout, location, or dimensions of the units as built or any change in any Unit number; and

(ii) So long as Declarant retains any interest in an Unit in the Project, Declarant shall have the right (but not the obligation) to amend this Declaration and the Bylaws (and the Condominium Map, if appropriate) (without the necessity of the consent or joinder of the Association, the Board, any other Unit Owner or any other person who has an Interest in a Lot or an Interest in a Unit) for the purpose of meeting any requirement imposed by (aa) applicable Law, (bb) the Real Estate Commission of the State of Hawaii, (cc) any title insurance company issuing a title insurance policy on the Project or any of the Units, (dd) any institutional lender lending funds on the security of the Project or any of the Units, or (ee) any other governmental or quasi-governmental agency including, without limitation, the Federal National

Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration; and

(c) Declarant shall have the right to amend this Declaration and the Condominium Map to make minor alterations in the Project, any Unit or in the common elements, so long as such to do not affect the physical location, design or size of any Unit, the use available for the Owner of such Unit for the Unit's or its appurtenant limited common elements, change the common interest appurtenant to an Unit which has been sold and filed in the Bureau of Conveyances location or size of a Unit shall be made without the consent of all persons having an interest in such Unit.

(d) Each and every person party acquiring an interest in the Project, by such acquisition, shall be deemed to have consented to the amendments described in this Section 21 and to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same, and appoints Declarant and its assigns as his or her attorney-in-fact with full power of substitution to execute and deliver such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the duration of such reserved rights, and shall not be affected by the disability of such party or parties."

C. Note, that the joinder or consent of a Unit Owner is not required, but if such is required in order for Developer or other benefitted person ("Third Party") to exercise his rights, then the Unit Owner must give such joinder or consent upon being requested so by Declarant or such Third Party. If a Unit Owner fails to do so, then Declarant or such Third Party is given a power of attorney from each Unit Owner to give such joinder or consent.

EXHIBIT F

LIST OF ENCUMBRANCES

1. Real Property Taxes, if any, that may be due and owing.

Unit 1B is covered by Tax Key: (4) 4-3-011-001 CPR No. 0002.
Unit 1Y is covered by Tax Key: (4) 4-3-011-001 CPR No. 0009.
Unit 2C is covered by Tax Key: (4) 4-3-011-001 CPR No. 0012.
Unit 5X is covered by Tax Key: (4) 4-3-011-001 CPR No. 0031.
Unit 7D is covered by Tax Key: (4) 4-3-011-001 CPR No. 0035.
Unit 8A is covered by Tax Key: (4) 4-3-011-001 CPR No. 0037.
Unit 8D is covered by Tax Key: (4) 4-3-011-001 CPR No. 0040.
Unit 8E is covered by Tax Key: (4) 4-3-011-001 CPR No. 0041.
Unit 11B is covered by Tax Key: (4) 4-3-011-001 CPR No. 0053.
Unit 11E is covered by Tax Key: (4) 4-3-011-001 CPR No. 0056.
Unit 13E is covered by Tax Key: (4) 4-3-011-001 CPR No. 0066.
Unit 15C is covered by Tax Key: (4) 4-3-011-001 CPR No. 0074.
Unit 16C is covered by Tax Key: (4) 4-3-011-001 CPR No. 0079.
Unit 17C is covered by Tax Key: (4) 4-3-011-001 CPR No. 0084.
Unit 18C is covered by Tax Key: (4) 4-3-011-001 CPR No. 0087.

-Note:- Attention is invited to the fact that the premises covered herein may be subject to possible rollback or retroactive property taxes.

2. Mineral and water rights of any nature.

3. The terms and provisions contained in the following:

INSTRUMENT : LAND PATENT GRANT NO. 5266

DATED : April 14, 1910

The foregoing includes, but is not limited to, matters relating to water rights.

4. Exception and reservation of roads and trails as set forth in Land Patent Grant No. 5266 to Rufus P. Spalding, dated April 14, 1910.

5. Free flowage of ditch and stream as referenced on Tax Map.

6. Ditches referenced on survey map prepared by Pedro Y. Guzman, Licensed Professional Land Surveyor of R.M. Towill Corporation, dated March 18, 1998.

7. Kainahola Stream referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

8. The terms and provisions contained in the following:

INSTRUMENT : DEED

DATED : May 21, 1999

RECORDED : Document No. 99-082059

9. GRANT in favor of THE LIHUE PLANTATION COMPANY, LIMITED, a Hawaii corporation, dated May 21, 1999, recorded as Document No. 99-082060; re: granting irrevocable easement rights affecting portions of the Property, and appurtenant to the Seller's land, for use, operation, maintenance, repair, improvement and/or replacement of such portions of the Irrigation Ditch System as are located within the perimeter boundaries of the property.

10. -AS TO LOT 1 ONLY:-

(A) Designation of Easement "AU-3" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

(B) Designation of Easement "AU-48" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

(C) Designation of Easement "D-10" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

(D) Designation of Easement "D-12A" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

(E) Designation of Easement "D-16" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (F) Designation of Easement "D-17" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "D-44" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Designation of Easement "D-47" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor dated November 16, 2018.
- (I) Designation of Easement "D-56" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) Designation of Easement "P-4" for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (K) Designation of Easement "P-5" for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (L) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (M) Drainage and Building Setback lines as per survey prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

11. -AS TO LOT 2 ONLY:-

- (A) LICENSE AGREEMENT by and between KAPAA 382, LLC, a Hawaii limited liability company "Licensor", and : ROBERT GRINPAS and ESTHER GRINPAS, husband and wife, "Licensee", dated August 13, 1999, recorded as Document No. 2000-011540, for a term of 15 years commencing on August 15, 1999.
- (B) Designation of Easement "AU-2" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (C) Designation of Easement "AU-15" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "AU-48" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "D-11" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "D-13A" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "D-39" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Designation of Easement "D-40" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Designation of Easement "DR-2" for drainage purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) Designation of Easement "P-6" for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (K) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (L) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (M) Setback (6 feet wide) for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

12. -AS TO LOT 3 ONLY:-

- (A) Designation of Easement "AU-1" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-48" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-14" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Setback (6 feet wide) for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

13. -AS TO LOT 4 ONLY:-

- (A) Designation of Easement "D-15" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (C) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Setback (6 feet wide) for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

14. -AS TO LOT 5 ONLY:-

- (A) Designation of Easement "AU-6" (56 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-8" (56 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "AU-30" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "AU-49" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "D-19" (20 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "D-21" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "D-23" (20 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (H) Designation of Easement "D-25" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Designation of Easement "D-51" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) Designation of Easement "DR-3" for drainage purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (K) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (L) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (M) Setback (6 feet wide) for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (N) GRANT in favor of KENNETH SMALHEISER, unmarried, DANIEL DIAMOND, a married man, and WILLIAM R. HANCOCK, a married man, dated August 1, 2002, recorded as Document No. 2002-148167; granting a nonexclusive easement in, through, under and across Easement "K-AU-1" for access and utility purposes.

Consent given by JEANNETTE P. MEIER, unmarried, by instrument dated August 2, 2002, recorded as Document No. 2002-148170.

15. -AS TO LOT 6 ONLY:-

- (A) Designation of Easement "AU-7" (56 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-50" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (C) Designation of Easement "AU-51" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "D-22" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "D-34" (30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "D-50" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "D-52" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) Reservoir(s) and/or Dam(s) as referenced on the tax map and any matters arising out of "Hawaii Dam and Reservoir Safety Act of 2007", Chapter 179D of the Hawaii Revised Statutes.

16. -AS TO LOT 7 ONLY:-

- (A) Designation of Easement "AU-23" (16 and 56 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (B) Designation of Easement "AU-24" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "AU-29" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "AU-47" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "AU-49" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "AU-53" (44 feet wide) for pedestrian, vehicular access, and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "D-18" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Designation of Easement "D-20" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Designation of Easement "D-24" (10 and 20 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (K) Setback (8 feet wide) for road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (L) Designation of Easement "E-7Y" for communication purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (M) GRANT in favor of KENNETH SMALHEISER, unmarried, DANIEL DIAMOND, a married man, and WILLIAM R. HANCOCK, a married man, dated August 1, 2002, recorded as Document No. 2002-148167; granting a nonexclusive easement in, through, under and across Easement "K-AU-1" for access and utility purposes.

Consent given by JEANNETTE P. MEIER, unmarried, by instrument dated August 2, 2002, recorded as Document No. 2002-148170.

17. -AS TO LOT 8 ONLY:-

- (A) Designation of Easement "AU-25" (20 and 40 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-53" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-27" (20 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Setback (8 feet wide) for road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (G) GRANT in favor of KENNETH SMALHEISER, unmarried, DANIEL DIAMOND, a married man, and WILLIAM R. HANCOCK, a married man, dated August 1, 2002, recorded on Document No. 2002-148167; granting a nonexclusive easement in, through, under and across Easement "K-AU-1" for access and utility purposes.

Consent given by JEANNETTE P. MEIER, unmarried, by instrument dated August 2, 2002, recorded as Document No. 2002-148170.

18. -AS TO LOT 9 ONLY:-

- (A) Designation of Easement "AU-26" (20 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-53" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation Easement "AU-54" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "D-28" (10 and 20 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Setback (8 feet wide) for road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) GRANT in favor of KENNETH SMALHEISER, unmarried, DANIEL DIAMOND, a married man, and WILLIAM R. HANCOCK, a married man, dated August 1, 2002, recorded as Document No. 2002-148167; granting a nonexclusive easement in, through, under and across Easement "K-AU-1" for access and utility purposes.

Consent given by JEANNETTE P. MEIER, unmarried, by instrument dated August 2, 2002, recorded as Document No. 2002-148170.

19. -AS TO LOT 10 ONLY:-

- (A) Designation of Easement "AU-46" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-54" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-29" (10 and 20 feet wide) for irrigation ditch system purposes referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor dated, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "DR-4" for drainage purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "E-10X" for communication purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Setback (8 feet wide) for road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) GRANT in favor of KENNETH SMALHEISER, unmarried, DANIEL DIAMOND, a married man, and WILLIAM R. HANCOCK, a married man, dated August 1, 2002, recorded as Document No. 2002-148167; granting a nonexclusive easement in, through, under and across Easement "K-AU-1" for access and utility purposes.

Consent given by JEANNETTE P. MEIER, unmarried, by instrument dated August 2, 2002, recorded as Document No. 2002-148170.

20. -AS TO LOT 11 ONLY:-

- (A) Designation of Easement "AU-4" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "D-41" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-54" (30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "DR-1" for drainage purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "DR-5" for drainage purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Setback (6 feet wide) for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Setback (13 feet wide) for road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Restriction of vehicle access rights along Hauiki Road, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

21. -AS TO LOT 12 ONLY:-

- (A) Designation of Easement "D-2" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (B) Designation of Easement "D-3" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-42" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "D-55" (30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "E-9-A" (60 feet wide) for overhead electrical transmission purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "P-1" for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "G-1" for future road widening grading purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Setback (6 feet wide) for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) Setback (13 feet wide) for road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (K) Restriction of vehicle access rights along Hauiki Road and Lot 23, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (L) GRANT in favor of GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED now known as HAWAIIAN TELCOM, INC., dated October

28, 1975, recorded in Liber 11015 at Page 529; granting a right and easement for utility purposes, as shown on the map attached thereto.

- (M) GRANT in favor of CITIZENS UTILITIES COMPANY, now known as CITIZENS COMMUNICATIONS COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE, dated May 12, 1998, recorded as Document No. 98-161869; granting a right and easement for utility purposes over Easements "E-5", "E-7", and "E-9", more particularly described therein.

22. -AS TO LOT 13 ONLY:-

- (A) Designation of Easement "D-4" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "D-5" (15-30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-43" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "P-2" for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Setback (6 feet wide) for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "AU-57" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

23. -AS TO LOT 14 ONLY:-

- (A) Designation of Easement "AU-55A" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M.

Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (B) Designation of Easement "AU-56" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "AU-59A" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "D-1" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "E-9-B" (60 feet wide) for overhead ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "P-3" for overhead ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "G-2" for future road widening grading purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Restriction of vehicle access rights along Lot 23, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) GRANT in favor of GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED, now known as HAWAIIAN TELCOM, INC., dated October 28, 1975, recorded in Liber 11015 at Page 529; granting a right and easement for utility purposes, as shown on the map attached thereto.
- (K) GRANT in favor of CITIZENS UTILITIES COMPANY, now known as CITIZENS COMMUNICATIONS COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE, dated May 12, 1998, recorded as

Document No. 98-161869; granting a right and easement for utility purposes over Easements "E-5", "E-7", and "E-9", more particularly described therein.

24. -AS TO LOT 15 ONLY:-

- (A) Designation of Easement "AU-50" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "D-6" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-31" (30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "D-35" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "D-48" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Setback (6 feet wide) for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

25. -AS TO LOT 16 ONLY:-

- (A) Designation of Easement "AU-56" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-57" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M.

Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (C) Designation of Easement "D-7A" (15 and 30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "D-36" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "D-45" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "E-9-C" (60 feet wide) for overhead electrical transmission purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "G-3" for future road widening grading purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Restriction of vehicle access rights along Lot 23, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) GRANT in favor of GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED, now known as HAWAIIAN TELCOM, INC., dated October 28, 1975, recorded in Liber 11015 at Page 529; granting a right and easement for utility purposes, as shown on the map attached thereto.
- (K) GRANT in favor of CITIZENS UTILITIES COMPANY, now known as CITIZENS COMMUNICATIONS COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE, dated May 12, 1998, recorded as Document No. 98-161869; granting a right and easement for utility purposes over Easements "E-5", "E-7", and "E-9", more particularly described therein.

26. -AS TO LOT 17 ONLY:-

- (A) Designation of Easement "AU-50" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-51" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-26" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "D-33" (30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "D-49" (10 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) GRANT in favor of KENNETH SMALHEISER, unmarried, DANIEL DIAMOND, a married man, and WILLIAM R. HANCOCK, a married man, dated August 1, 2002, recorded as Document No. 2002-148167; granting a nonexclusive easement in, through, under and across Easement "K-AU-1" for access and utility purposes.

Consent given by JEANNETTE P. MEIER, unmarred, by instrument dated August 2, 2002, recorded as Document No. 2002-148170.

27. -AS TO LOT 18 ONLY:-

- (A) Designation of Easement "AU-58A" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-50" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "AU-56" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "D-8" (30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "D-32" (30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "D-37" (15 and 30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "D-46" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Designation of Easement "E-9-D" (60 feet wide) for overhead electrical transmission purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Designation of Easement "G-4" for future road widening grading purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (J) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (K) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (L) Restriction of vehicle access rights along Lot 23, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (M) Designation of Easement "E-18" (20 feet wide) for electrical utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (N) GRANT in favor of GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED, now known as HAWAIIAN TELCOM, INC., dated October 28, 1975, recorded in Liber 11015 at Page 529; granting a right and easement for utility purposes, as shown on the map attached thereto.
- (O) GRANT in favor of CITIZENS UTILITIES COMPANY, now known as CITIZENS COMMUNICATIONS COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE, dated May 12, 1998, recorded as Document No. 98-161869; granting a right and easement for utility purposes over Easements "E-5", "E-7", and "E-9", more particularly described therein.

28. -AS TO LOT 19 ONLY:-

- (A) Designation of Easement "AU-58A" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-50" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "AU-52 (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on Subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "AU-20" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M.

Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (E) Designation of Easement "AU-41" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "D-9" (30 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Designation of Easement "D-38" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (H) Designation of Easement "E-7-B" (60 feet wide) for overhead electrical transmission purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (I) Designation of Easement "G-5" for future road widening grading purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (J) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (K) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (L) Restriction of vehicle access rights along Lot 23, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (M) Designation of Easement "W-1" (10 feet wide) for water line purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (N) Designation of Easement "E-19" (10 feet wide) for electrical utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (O) GRANT in favor of GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED, now known as HAWAIIAN TELCOM, INC., dated October 28, 1975, recorded in Liber 11015 at Page 529; granting a right and easement for utility purposes, as shown on the map attached thereto.
- (P) GRANT in favor of CITIZENS UTILITIES COMPANY, now known as CITIZENS COMMUNICATIONS COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE, dated May 12, 1998, recorded as Document No. 98-161869; granting a right and easement for utility purposes over Easements "E-5", "E-7", and "E-9", more particularly described therein.

29. -AS TO LOT 20 ONLY:-

- (A) Designation of Easement "AU-21" (44 feet wide) for pedestrian and vehicular access and utility, as shown on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (B) Designation of Easement "AU-37" (44 feet wide) for pedestrian and vehicular access and utility purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (C) Designation of Easement "D-30" (20 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (D) Designation of Easement "E-5-A" (60 feet wide) for overhead electrical transmission purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (E) Designation of Easement "E-7-A" (60 feet wide) for overhead electrical transmission purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (F) Designation of Easement "G-6" for future road widening purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
- (G) Native Hawaiian Stream Access Easement, 10 feet from each bank, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.

- (H) Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
 - (I) Restriction of vehicle access rights along Lot 23, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
 - (J) Designation of Easement "W-1" (10 feet wide) for water line purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
 - (K) GRANT in favor of GTE HAWAIIAN TELEPHONE COMPANY, INCORPORATED, now known as HAWAIIAN TELCOM, INC., dated October 28, 1975, recorded in Liber 11015 at Page 529; granting a right and easement for utility purposes, as shown on the map attached thereto.
 - (L) GRANT in favor of CITIZENS UTILITIES COMPANY, now known as CITIZENS COMMUNICATIONS COMPANY, whose interest is now held by KAUAI ISLAND UTILITY COOPERATIVE, dated May 12, 1998, recorded as Document No. 98-161869; granting a right and easement for utility purposes over Easements "E-5", "E-7", and "E-9", more particularly described therein.
30. -AS TO LOT 21 ONLY:-
- Designation of Easement "D-53" (15 feet wide) for irrigation ditch system purposes, referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
31. -AS TO LOT 22:-
- Drainage and Building Setback lines referenced on subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022.
32. -AS TO LOTS 21, 22 AND 23:-
- Rights of others who may have easement or access rights in the land described herein.
33. -AS TO REMNANT 4 ONLY:-
- (A) Easement for irrigation and drainage purposes, being a strip of land ten feet wide, more particularly described in instrument dated November 17, 2000, recorded as Document No. 2000-162045.

(B) Any claim or boundary dispute which may exist or arise by reason of the failure of the Grant of Easement dated August 1, 2002 referred to in Schedule "C" to locate with certainty the boundaries of the Easement "K-AU-2" described in said instrument.

34. -AS TO REMNANT 7 ONLY:-

GRANT in favor of WILLIAM R. HANCOCK, a married man, dated August 1, 2002, recorded as Document No. 2002-148166; granting a nonexclusive easement in, through, under and across Easement K-AU-2 for access and utility purposes. (Consent given by JEANNETTE P. MEIER, unmarried, by instrument dated August 2, 2002, recorded as Document No. 2002-148170).

35. The terms and provisions contained in the following:

INSTRUMENT : LAND USE AGREEMENT

DATED : March 14, 2003
RECORDED : Document No. 2003-229571
PARTIES : KAPAA 382, LLC ("Kapaa 382"); KAPAA 160, LLC ("Kapaa 160"); THE HANCOCK COMPANY, INC. PROFIT SHARING PLAN AND TRUST, WILLIAM R. HANCOCK, Trustee, and JUNE VAN DAHM and KRIS VAN DAHM, husband and wife (collectively called the "Lot 28 Owners"); ROBERT VALENTI ("Valenti"); and KAREN B. COLE ("Cole")

36. GRANT in favor of KAUAI ISLAND UTILITY COOPERATIVE and VERIZON HAWAII INC., now known as HAWAIIAN TELCOM, INC., dated on March 3, 2004, recorded as Document No. 2004-087882; granting a right and easement for utility purposes, as shown on the map attached thereto as Exhibit "A".

No joinder by DANIEL J. DIAMOND; WILLIAM R. HANCOCK, Trustee of the Hancock and Company, Inc. Profit Sharing Plan and Trust; and JUNE VAN DAHM and KRIS VAN DAHM.

37. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT TO INCORPORATE AGRICULTURAL RESTRICTIONS INTO INSTRUMENTS OF CONVEYANCE

DATED : October 16, 2003
RECORDED : Document No. 2004-180702
PARTIES : KAPAA 382, LLC, a Hawaii limited liability company, and the COUNTY OF KAUAI

38. The terms and provisions contained in the following:

INSTRUMENT : AGREEMENT TO RELEASE RIGHTS TO THREE-PHASE
POWER INSTALLATION

DATED : August 31, 2004

RECORDED : Document No. 2004-189923

PARTIES : KAPAA 382, LLC, a Hawaii limited liability company, and KAUAI
ISLAND UTILITY COOPERATIVE, a consumer cooperative

39. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF COVENANTS, CONDITIONS, AND
RESTRICTIONS FOR THE KULANA SUBDIVISION

DATED : August 27, 2004

RECORDED : Document No. 2004-191224

Said Declaration was amended by instrument dated April 29, 2005, recorded as Document
No. 2005-090236.

40. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF GRANT AND RESERVATION OF
EASEMENTS FOR KULANA SUBDIVISION

DATED : February 13, 2004

RECORDED : Document No. 2004-214158

41. The terms and provisions contained in the following:

INSTRUMENT : OLOHENA ROAD DEFERRED DEDICATION AGREEMENT

DATED : October 14, 2004

RECORDED : Document No. 2004-236777

PARTIES : KAPAA 382, LLC, a Hawaii limited liability company, and COUNTY
OF KAUAI

42. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR
"KULANA" CONDOMINIUM PROJECT

DATED : November 24, 2004

RECORDED : Document No. 2004-252101

MAP : 3902 and any amendments thereto

Amended and Restated Declaration of Condominium Property Regime dated --- (acknowledged January 20, 2005), recorded as Document No. 2005-015753.

Consent and Joinder dated November 30, 2004, recorded as Document No. 2004-257780, dated December 1, 2004, recorded as Document No. 2004-257781, dated December 2, 2004, recorded as Document No. 2004-257782, dated December 2, 2004, recorded as Document No. 2004-255458, dated December 1, 2004, recorded as Document No. 2004-257779, and dated October 17, 2009, recorded as Document No. 2009-161757.

Said Declaration was amended by instruments dated July 15, 2005, recorded as Document No. 2005-143463, dated June 8, 2006, recorded as Document No. 2006-160828, and dated October 17, 2009, recorded as Document No. 2009-161757.

ASSIGNMENT OF GUEST HOUSE DESIGNATION RIGHTS AS TO LOT 11 OF THE KULANA SUBDIVISION dated September 19, 2014, recorded as Document No. A-53790858.

CLARIFICATION AND CONFIRMATION OF AMENDMENT OF DECLARATION OF CONDOMINIUM PROPERTY REGIME OF KULANA dated July 30, 2018, recorded as Document No. A-67920600.

Said Declaration was further amended by instrument(s) dated August 8, 2018, recorded as Document No. A-67950856, and dated April 5, 2023, recorded as Document No. A-85910330.

43. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF CONDOMINIUM OWNERS

DATED : November 24, 2004
RECORDED : Document No. 2004-252102

Said By-Laws was amended by instrument dated October 17, 2009, recorded as Document No. 2009-161757.

Consent and Joinder dated November 30, 2004, recorded as Document No. 2004-257780, dated December 1, 2004, recorded as Document No. 2004-257781, dated December 2, 2004, recorded as Document No. 2004-257782, dated December 2, 2004, recorded as Document No. 2004-255458, dated December 1, 2004, recorded as Document No. 2004-257779, and dated October 17, 2009, recorded as Document No. 2009-161757.

44. Effects, if any of AMENDMENT TO DECLARATION AND TO CONDOMINIUM MAP OF THE CONDOMINIUM PROPERTY REGIME "KULANA" dated May 14, 2010, recorded as Document No. 2010-070973; The removal of Remnant Lot 7 (and the

units located thereon) from the Project. (No joinder by Association of Apartment Owners of Kulana)

45. CONVEYANCE OF WATER FACILITY dated September 24, 2020, recorded as Document No. A-75780955.
46. CONVEYANCE OF WATER FACILITY dated October 21, 2021, recorded as Document No. A-79720836.
47. CONVEYANCE OF WATER FACILITY dated October 21, 2021, recorded as Document No. A-79720837.
48. Claims arising out of customary and traditional rights and practices, including without limitation those exercised for subsistence, cultural, religious, access or gathering purposes, as provided for in the Hawaii Constitution or the Hawaii Revised Statutes.
49. GRANT OF EASEMENT in favor of BOARD OF WATER SUPPLY, COUNTY OF KAUAI, dated September 24, 2020, recorded as Document No. A-75780957; granting an easement for water system purposes, over and across Easement(s) AU-1, AU-2, AU-3, AU-6, AU-7, AU-8, AU-23, AU-25, AU-26, AU-49, and AU-60, being more particularly described therein and subject to the terms and provisions contained therein.

-Note:- Attention is invited to the effect of Easement "AU-60" noted in the above Grant. Subdivision map prepared by Dennis M. Esaki, Land Surveyor, dated September 8, 2022, re-certified by the County of Kauai on October 11, 2022, recorded as Document No. A-83900205, did not designate said Easement "AU-60".

50. The effects, if any, of RIGHT-OF-ENTRY in favor of the COUNTY OF KAUAI, dated February 2, 2021, recorded as Document No. A-77200658, as to Proposed Lot 22-A.
51. WAIVER AND RELEASE

DATED : June 22, 2021
RECORDED : Document No. A-78500444
BY : KULANA ASSOCIATION OF APARTMENT OWNERS
WITH : COUNTY OF KAUAI PLANNING COMMISSION
RE : water service

52. GRANT OF EASEMENT in favor of BOARD OF WATER SUPPLY, COUNTY OF KAUAI, dated October 21, 2021, recorded as Document No. A-79720842; granting an easement for water system purposes over and across Easement (s) AU-20, AU-41, AU-48, AU-50, AU-52, AU-53, AU-54, AU-56, AU-57, W-1, being more particularly described and subject to the terms and provisions as contained therein.

53. -AS TO ITEM SIXTH (UNIT 11B) ONLY:-

TAX LIEN

BY : REAL PROPERTY DIVISION, DEPARTMENT OF FINANCE,
COUNTY OF KAUAI

AGAINST : KAPAA 382, LLC

DATED : May 20, 2008

RECORDED : Document No. 2008-084720

AMOUNT : \$7,927.38

54. Any unrecorded leases and matters arising from or affecting the same.

55. There is no evidence of ASSOCIATION OF APARTMENT OWNERS OF KULANA CONDOMINIUM having been formed or registered with the applicable state and/or country agency.

We will require evidence of formation or registration with the applicable state and/or country agency prior to the issuance of a title insurance policy.

EXHIBIT G

SUMMARY OF THE MATERIAL PROVISIONS OF THE SALES CONTRACT

NOTE: ALL PURCHASERS AND PROSPECTIVE PURCHASERS SHOULD READ WITH CARE ALL PROVISIONS OF THE ESCROW AGREEMENT AND THEIR SALES CONTRACT, AND DISCUSS THEM WITH THEIR LEGAL AND TAX ADVISORS TO BE SURE THAT THEY FULLY UNDERSTAND THESE IMPORTANT LEGAL DOCUMENTS. THE SUMMARIES OF THE ESCROW AGREEMENT AND SALES CONTRACT CONTAINED IN EXHIBITS G AND H ARE NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THOSE DOCUMENTS BUT ONLY A SUMMARY OF SOME KEY PROVISIONS OF THOSE AGREEMENTS. PURCHASERS AND PROSPECTIVE PURCHASERS MUST REFER TO THE ESCROW AGREEMENT AND THEIR SALES CONTRACT TO DETERMINE THEIR RIGHTS AND OBLIGATIONS AND TO DETERMINE THE SPECIAL MEANING OF TERMS THAT ARE DEFINED IN THE ESCROW AGREEMENT OR THE SALES CONTRACT. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THE SUMMARIES CONTAINED IN EXHIBITS G, H OR ELSEWHERE IN THIS PUBLIC REPORT ON THE ONE HAND, AND THE ESCROW AGREEMENT AND/OR SALES CONTRACT ON THE OTHER HAND, THE ESCROW AGREEMENT AND/OR SALES CONTRACT WILL GOVERN.

The Association ("seller") will use the Hawaii Association of Realtors' Standard Form of Purchase Contract (the "Contract"). The Contract will state the terms and conditions under which a buyer will agree to buy a unit in the Project. Among other things, the Contract will state:

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.
- (b) Whether or not the seller and buyer will be represented by real estate agents.
- (c) What items of personal property will be included in the sale.
- (d) That the buyer's money will be held in escrow.
- (e) Which closing costs will be allocated to the buyer and seller.
- (f) Requirements relating to the buyer's financing of the purchase of a unit.
- (g) Buyer's right to inspect the unit prior to closing.
- (h) That the buyer must close the purchase at a certain date and pay some of the closing costs, in addition to the purchase price.
- (i) Whether the buyer will receive interest on deposits made under the Contract.
- (j) That in the event of a default by the buyer under the Contract, the seller may, in addition to other remedies, be entitled to all deposits paid by the buyer as liquidated damages. In the event of a default by the seller under the Contract, the buyer may, in addition to other remedies, bring an action for damages against the seller or seek specific performance.
- (k) That the seller makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.

The Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon buyers and prospective buyers to read with care the specimen Contract (and all addenda attached thereto) on file with the Real Estate Commission.

EXHIBIT H

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

The Escrow Agreement provides how the funds paid by the buyer under the Purchase Contract to Escrow are to be held and released. In addition, the Escrow Agreement includes provisions relating to the following:

(a) The Escrow Agreement provides that all purchase contracts for the sale of units in the Project shall be delivered, fully executed, to Escrow.

(b) The Escrow Agreement provides that Escrow is to collect payments from the buyer and hold them in accounts with banks or savings institutions that are federally insured, if so instructed in writing by the seller.

(c) The Escrow Agreement provides who gets to keep interest that may be earned on the funds with Escrow.

(d) The Escrow Agreement provides for the closing or settlement of the sale and states the conditions that must be met before Escrow will disburse any of the buyer's funds to the seller.

(e) The Escrow Agreement states what it will do in the event of a default by either the seller or the buyer under the Purchase Contract.

(f) The Escrow Agreement provides certain protections to Escrow in the event of a dispute between the buyer and the seller. These protections include the right to file an "interpleader" and the right to recover certain fees and costs. In an interpleader action the escrow deposit is given to the court to decide what action to take.

(g) The Escrow Agreement sets out escrow fees, escrow cancellation fees and the fees for certain policies of title insurance.

The Escrow Agreement contains various other important provisions relating to the handling of the buyer's funds and the transfer of title to a unit at closing. It is incumbent upon buyers and prospective buyers to read with care the executed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT I

ESTIMATE OF INITIAL MAINTENANCE FEES

The estimated monthly maintenance fees are approximately \$400 per unit and are based on the attached operating budget.

GENERAL ACCOUNTS	Year 2021		Year 2021		Year 2022		Year 2022		Year 2023	
	(Budget)	(Monthly/Budget)	(Actual)	(Monthly/Budget)	(Budget)	(Monthly/Budget)	(Est'd Actual)	(Budget)	(Monthly/Budget)	(Monthly/Budget)
INCOME										
600a - Maintenance Fees (Accrual)	\$ 518,400.00	\$ 43,200.00	\$ 518,400.00	\$ 43,200.00	\$ 518,400.00	\$ 43,200.00	\$ 518,400.00	\$ 43,200.00	\$ 518,400.00	\$ 43,200.00
611 - Late Fees (Cash)	\$ -	\$ -	\$ 4,650.00	\$ -	\$ -	\$ -	\$ 4,440.30	\$ -	\$ 1,500.00	\$ 125.00
611 - Monthly Interest Change (Cash)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
640 - Interest Income (Cash)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
660 - County FRC Fees (Cash)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
690 - Other Receipts / Recoveries (Cash)	\$ -	\$ -	\$ 38,459.00	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Provision for Unpaid Fees & Interest (Est)	\$ (185,000.00)	\$ (15,416.67)	\$ (171,200.00)	\$ (14,333.33)	\$ (172,000.00)	\$ (14,333.33)	\$ (129,494.70)	\$ (115,000.00)	\$ (9,583.33)	\$ (9,583.33)
Actual Cash Income (Est)	\$ 333,400.00	\$ 27,783.33	\$ 390,309.00	\$ 28,866.67	\$ 346,400.00	\$ 28,866.67	\$ 384,465.00	\$ 404,900.00	\$ 33,741.67	\$ 33,741.67
EXPENSES; GENERAL ACCOUNTS										
72450000 - Prof. Services; Engineer'g	\$ 17,500.00	\$ 1,458.33	\$ 6,679.00	\$ 1,458.33	\$ 17,500.00	\$ 1,458.33	\$ 3,270.78	\$ 7,600.00	\$ 625.00	\$ 625.00
72450000 - Prof. Services; Security	\$ 2,500.00	\$ 208.33	\$ -	\$ 208.33	\$ 2,500.00	\$ 208.33	\$ 500.00	\$ 24,000.00	\$ 2,000.00	\$ 2,000.00
72450000 - Prof. Services; General	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,500.00	\$ -	\$ 208.33
72450000 - Prof. Services; DRC	\$ 5,000.00	\$ 416.67	\$ 651.04	\$ 416.67	\$ 5,000.00	\$ 416.67	\$ -	\$ -	\$ -	\$ -
72475000 - Prof. Tax Prep. & Audit	\$ 7,500.00	\$ 625.00	\$ 5,623.00	\$ 625.00	\$ 7,500.00	\$ 625.00	\$ 38,160.00	\$ 15,000.00	\$ 1,250.00	\$ 1,250.00
72475000 - Prof. Tax Prep. & Audit (K. Jones)	\$ 6,500.00	\$ 541.67	\$ 5,623.00	\$ 541.67	\$ 6,500.00	\$ 541.67	\$ -	\$ -	\$ -	\$ -
72210000 - Insurance; Project, D&O	\$ 12,100.00	\$ 1,008.33	\$ 14,212.00	\$ 1,008.33	\$ 12,100.00	\$ 1,008.33	\$ 6,878.13	\$ 9,500.00	\$ 791.67	\$ 791.67
72242000 - Legal Fees (Case Lomb-Nicholson)	\$ -	\$ -	\$ 1,500.00	\$ -	\$ -	\$ -	\$ 24,793.00	\$ -	\$ -	\$ -
72420000 - Legal Fees (Various)	\$ 1,500.00	\$ 125.00	\$ -	\$ 125.00	\$ 1,500.00	\$ 125.00	\$ 942.41	\$ 2,500.00	\$ -	\$ 208.33
72420000 - Legal Fees (McComiston) (Note 3)	\$ 40,000.00	\$ 3,333.33	\$ 23,962.00	\$ 3,333.33	\$ 20,000.00	\$ 1,666.67	\$ 12,185.00	\$ 10,000.00	\$ 833.33	\$ 833.33
72420000 - Legal Fees (Nemey) (Note 5)	\$ 25,000.00	\$ 2,083.33	\$ 39,873.00	\$ 2,083.33	\$ 27,500.00	\$ 2,291.67	\$ 46,379.00	\$ 20,000.00	\$ 1,666.67	\$ 1,666.67
72420000 - Legal Fees (Herrera, Mantegna, Brod)	\$ 2,500.00	\$ 208.33	\$ 10,703.00	\$ 208.33	\$ 5,000.00	\$ 416.67	\$ -	\$ -	\$ -	\$ -
72410000 - Management Services	\$ 35,000.00	\$ 2,916.67	\$ 32,498.00	\$ 2,916.67	\$ 35,000.00	\$ 2,916.67	\$ 35,000.04	\$ 35,000.00	\$ 2,916.67	\$ 2,916.67
844 - Board Meeting & Director's Exp	\$ 7,500.00	\$ 625.00	\$ 9,693.00	\$ 625.00	\$ 7,500.00	\$ 625.00	\$ 6,536.54	\$ 7,500.00	\$ 625.00	\$ 625.00
72470000 - Project Office Expenses	\$ 105,000.00	\$ 8,750.00	\$ 100,186.00	\$ 8,750.00	\$ 120,000.00	\$ 10,000.00	\$ 214,984.00	\$ 175,000.00	\$ 14,583.33	\$ 14,583.33
71015000 - Maint. (Clearing/Other)	\$ 24,000.00	\$ 2,000.00	\$ 24,000.00	\$ 2,000.00	\$ 24,000.00	\$ 2,000.00	\$ 24,000.00	\$ 60,000.00	\$ 5,000.00	\$ 5,000.00
851 - Capital Replacement Fund (Note 4)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
872 - Supplies - Bkig & Other	\$ 50.00	\$ 4.17	\$ -	\$ 4.17	\$ 50.00	\$ 4.17	\$ 2.88	\$ 50.00	\$ 4.17	\$ 4.17
72330000 - Taxes Income/Excise	\$ 40,000.00	\$ 3,333.33	\$ 39,031.00	\$ 3,333.33	\$ 40,000.00	\$ 3,333.33	\$ 37,217.30	\$ 35,000.00	\$ 2,916.67	\$ 2,916.67
72331000 - Taxes Property (Note 6)	\$ 800.00	\$ 66.67	\$ 707.00	\$ 66.67	\$ 800.00	\$ 66.67	\$ 746.27	\$ 800.00	\$ 66.67	\$ 66.67
72015000 - Electricity	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
72010000 - EKWUC Ag Water Fees (Note 7)	\$ 1,500.00	\$ 125.00	\$ -	\$ 125.00	\$ 2,000.00	\$ 166.67	\$ -	\$ -	\$ -	\$ -
890 - Other Expenses	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total Expenses	\$ 333,950.00	\$ 27,829.17	\$ 309,215.04	\$ 28,808.33	\$ 345,700.00	\$ 28,808.33	\$ 451,595.45	\$ 404,350.00	\$ 33,695.93	\$ 33,695.93
Balance = Income minus Expenses	\$ (50.00)	\$ (45.83)	\$ 81,090.96	\$ 58.33	\$ 700.00	\$ 58.33	\$ (67,130.45)	\$ 550.00	\$ 45.83	\$ 45.83

NOTE: OPERATING REVENUES ARE BASED UPON A MONTHLY MAINTENANCE FEE EQUAL TO \$400.00/UNIT TIMES ESTIMATED NUMBER OF PAYING UNITS. REFER TO NOTE 1 & NOTE 2 BELOW.

Note 1 = The 2023 Budget is derived from approximate AOUO income and expenses incurred from Jan 2021 through November of 2022. Adjustments have been made to historical costs in order to project income and expenses anticipated in 2023.

Note 2 - Income projections are based on an average of paying lots to date and may fluctuate. Current revenue projections assume that an average 84 unit out of 103 total units will remain current throughout the year.

Note 3 - Anticipated legal costs include provisions for subdivision entitlement, collections and general legal activities. Legal expenses may be highly variable.

Note 4 = Refer to line item #851. Hawaii Condo Regime 514A-83.6 Requires Statutory Replacement Reserves to be set aside and incorporated the Annual Budget. An updated Reserve Study, completed by the AOA in 2022 identifies a monthly reserve requirement of \$12,100. In Jan 2022 the set aside will be increased from \$2,000/mo to \$5,000/mo. The monthly set aside will continue to increase up to \$12,100/mo. as AOA units are sold and AOA revenue increases.

Note 5 = Legal services furnished by Phil Nemey include both collections service and general association service. Legal costs incurred for collections are reimbursable upon settlement of debt with the delinquent owner.

Note 6 = Refer to line item #72331000. This line item has been established to budget for the payment of "current" Real Property Taxes due to the County of Kauai associated with Developer lots acquired as part of the Fidelity Settlement. Payments occur from the AOUO General Account.

Note 7 = The EKUWC dissolved in 2019. Annual fees in the amount of \$16,400 were suspended.

CERTIFICATE

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

1. I am the managing agent for the Kulana condominium project (the "Project").
2. I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each unit in the Project, as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference, were determined in accordance with §514B-148 of the Hawaii Revised Statutes and Chapter 107 of the Hawaii Administrative Rules, and are based on generally accepted accounting principles.
3. The Budget has been prepared on a cash basis.

DATED: Honolulu, Hawaii, this 28 day of MARCH, 2023.

By Wayne Richardson III
Name: WAYNE RICHARDSON III
Its MANAGING AGENT
Date: 3-28-2023

2023
RESERVE STUDY
FOR

**Kulana
Subdivision**

December 2, 2022

Prepared by

Armstrong Consulting, Inc.

HAWAII 7192 Kalaniani'ole Hwy Ste, A143A #329 • Honolulu, HI 96825 • Phone: (808) 394-6910 • Fax: (808) 377-8511
FLORIDA 1333 Gateway Dr., Suite 1014 • Melbourne, FL 32901 • Phone: (321) 674-0196 • Fax: (321) 308-0231
Toll Free Phone: (800) 561-7732 • E-mail: sales@armstrongassoc.net • Toll Free Fax: (888) 332-4610

2023 RESERVE STUDY FOR Kulana Subdivision

December 2, 2022

A level One (1) study was performed according to the Community Associations Institute (CAI) Reserve Study Standards. (*See attached standards.*)

This report may also rely on information supplied by the property manager, Board of Directors, resident manager, contractors and published replacement guides modified for local conditions related to reconstruction.

The placement of a useful life on common elements is not an exact science. There are many variables that affect their life. For example, weather, usage, vandalism and proper maintenance. Therefore, we recommend a review of the physical analysis every three years or at any time of a major condition change [i.e., storm damage] and an update of the financial analysis every year.

Disclosure: as an impartial third party, Armstrong Consulting, Inc. also provides construction management for Association's reserve projects, by being the Association's representative.

Copyright: Armstrong Consulting, Inc. retains all rights to the use of the Reserve Study it has prepared. While limited copies may be made to assist in the analysis of the Study by Management or the Board, the work contained in the Study cannot be distributed to and/or used for any additional analysis by another person or entity without the express, prior, written consent of Armstrong Consulting, Inc.

This report was either prepared or reviewed by Finn Armstrong, R.S.



Armstrong Consulting, Inc.
Florida Office
1333 Gateway Drive, Suite 1014
Melbourne, Florida 32901
Toll Free (888) 819-2300
Phone (321) 674-0196
Fax (888) 332-4610

Hawaii Office
7192 Kalaniani'ole Hwy Ste A143A #329
Honolulu, Hawaii 96825
Toll Free (800) 561-7732
Phone (808) 394-6910
Fax (808) 377-8511





Armstrong Consulting, Inc.



Armstrong Consulting Inc.
7192 Kalaniana'ole Hwy
Suite A143A #329

1333 Gateway Drive, Suite 1014
Melbourne, Florida 32901
Phone (321) 674-0196

Toll Free (800) 561-7732 • Toll Free Fax (888) 332-4610 • E-mail: sales@armstrongassoc.net

December 2, 2022

Re: **Kulana Subdivision Reserve Study Summary**

Dear Management:

Attached is the 2023 reserve study update for Kulana Subdivision. This report considers the replacement, repair and/or refurbishment of the short-lived building and site improvements for the common elements such as asphalt pavement & drainage culverts. The total current cost of the components included in this study is \$2,223,124 and the total future cost is \$3,324,408. The largest proportion of these expenses involves the asphalt pavement.

The reserve fund beginning balance as of 01/01/2023 is estimated at \$218,000 as reported per management. The inflation rate used is 3%, the rate of return used is 1% for reserve fund investments with the analysis time horizon being 30 years.

Based on the above parameters, the analysis recommends that the Association set the annual reserve contribution for 2023 at \$145,000 utilizing no annual increases throughout the remainder of the budget period to meet future capital expenditure requirements.

This reserve study does not include a component for the complete replacement of the project's electrical or storm water drainage system. A reserve study is a budget planning tool and not an engineering study. Determining the condition for hidden or unapparent building or site components is beyond the scope of this reserve study. It is assumed in this reserve study that the project's electrical and storm water drainage system will have a useful life similar to that of the overall project.

Accurately predicting the premature failure or replacement cost of these components is not considered reasonable. A component for the replacement of the project's electrical and storm water drainage system can be included per request of the client if information is available that warrants their inclusion.

Feel free to call us if you have any concerns or questions. We appreciate the opportunity to be of service.

Sincerely,
Finn Armstrong
Reserve Specialist

Kulana Subdivision
TABLE OF CONTENTS

Project Definition.....	1
Analysis Definition.....	2
Cash Flow Projections.....	3
Cash Flow Projections Graph.....	4
Projected Expenditures by Component.....	5
Accountant's Report by Component.....	8
Component Summary.....	10

Kulana Subdivision
PROJECT DEFINITION REPORT

12/02/2022

Project Information

Project:	Kulana Subdivision	Project Date:	1/01/2005
Address:	Olohena/Hauiki Roads	Number of Phases:	3
City:	Kapaa	Number of Units:	101
State:	HI	Number of Models:	1
Zip:			

Property Description

Kulana subdivision is a proposed development located at Olohena Kanehoa and Hauiki Roads near Kapaa, Hawaii. The project's improvements included in this study are the asphalt paved roads. The asphalt roads are measured at approximately 18,835 linear feet or 3.57 miles and are approximately 16 feet wide in most areas. The asphalt roads were anticipated for completion in 2005 and will be considered new and in good condition. Per management the roadways have very light usage due to the limited residences which have been built to date.

*The project was under development prior to the completion of this report. Proposed construction blueprints provided by the client were the basis for the selection and quantification of common area components used in the study. The estimated cost and useful life of these components are based on industry standards and the reserve specialist's experience with similar type components.

Kulana Subdivision ANALYSIS DEFINITION REPORT

Analysis 1

Project Information

Project: Kulana Subdivision	Project Date: 1/01/2005
Address: Olohena/Hauiki Roads	Analysis Date: 1/01/2023
City: Kapaa	Number of Phases: 3
State: HI	Number of Units: 101
Zip:	Number of Models: 1

Analysis Parameters

Rate of Inflation: 3%	Deferred Expenditures: No
Rate of Return on Investment: 1%	Contingency: 0%
Beginning Funds: 218,000.00	Contingency Time: None
Loan/Special Assessment: No	

Annual Contribution Factors

		2033: 0%	2043: 0%
2024: 0%	2034: 0%	2044: 0%	
2025: 0%	2035: 0%	2045: 0%	
2026: 0%	2036: 0%	2046: 0%	
2027: 0%	2037: 0%	2047: 0%	
2028: 0%	2038: 0%	2048: 0%	
2029: 0%	2039: 0%	2049: 0%	
2030: 0%	2040: 0%	2050: 0%	
2031: 0%	2041: 0%	2051: 0%	
2032: 0%	2042: 0%	2052: 0%	

Additional Analysis Information

The reserve fund beginning balance as of 01/01/2023 is estimated at \$218,000 as reported per management. The inflation rate used is 3%, the rate of return used is 1% for reserve fund investments with the analysis time horizon being 30 years.

Based on the above parameters, the analysis recommends that the Association set the annual reserve contribution for 2023 at 145,000 utilizing no annual increase throughout the remainder of the budget period to meet future capital expenditure requirements.

Based on these assumptions, the reserve funding plan adequately meets Hawaii State reserve requirements under the cash flow method. Please review the above financial data and the entire report for accuracy.

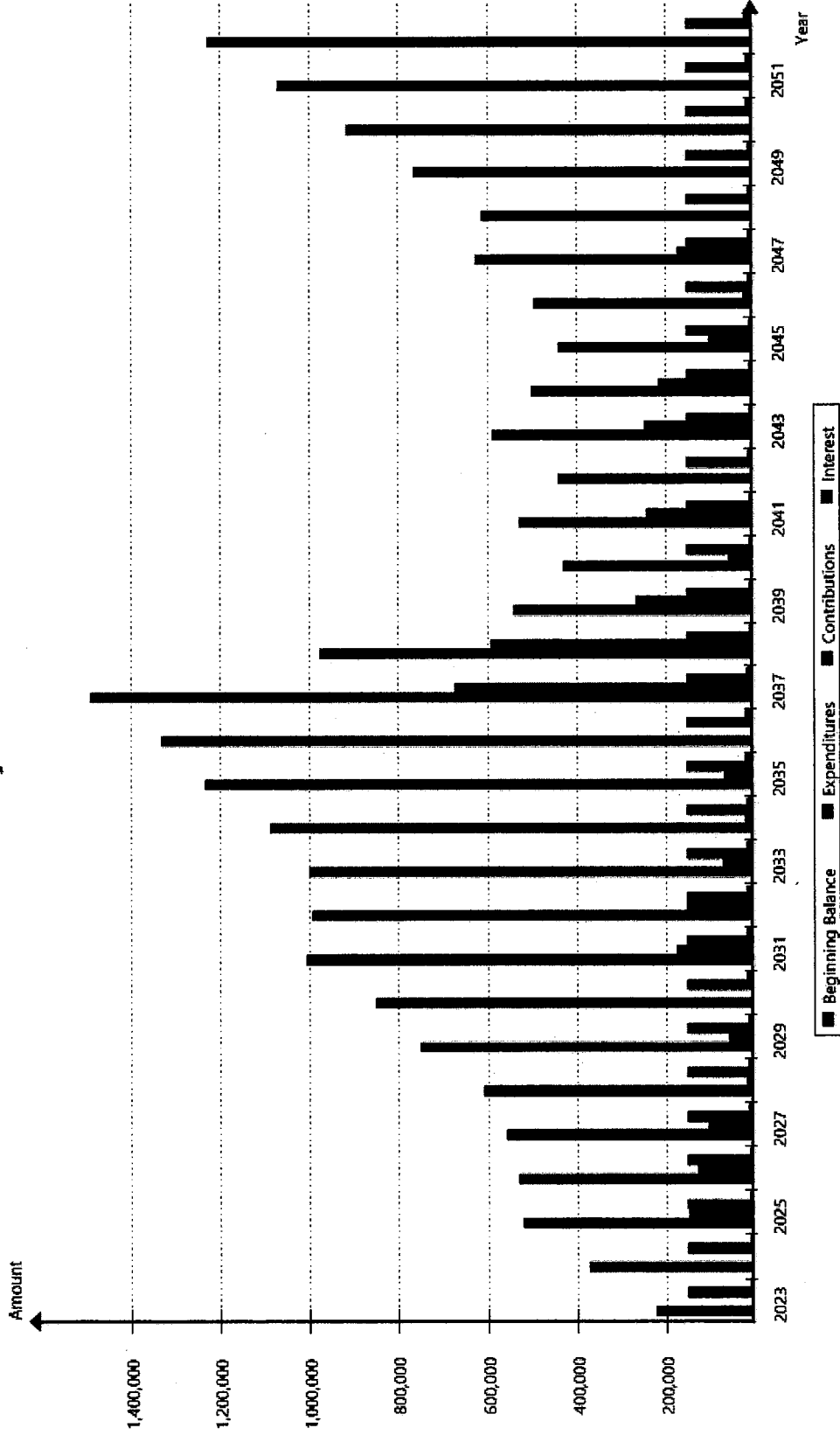
Kulana Subdivision
CASHFLOW SUMMARY PROJECTIONS

Analysis 1

Year	Beginning Balance	Contribution	Average/ Unit/Mo	Interest Earned	Expenditures	Ending Balance
2023	218,000.00	145,000.00	119.64	2,976.63	0.00	365,976.63
2024	365,976.63	145,000.00	119.64	4,462.61	0.00	515,439.24
2025	515,439.24	145,000.00	119.64	4,553.37	140,426.00	524,566.61
2026	524,566.61	145,000.00	119.64	4,817.82	123,217.00	551,167.43
2027	551,167.43	145,000.00	119.64	5,320.58	99,752.00	601,736.01
2028	601,736.01	145,000.00	119.64	6,721.97	10,768.00	742,689.98
2029	742,689.98	145,000.00	119.64	7,745.59	49,786.00	845,649.57
2030	845,649.57	145,000.00	119.64	9,279.46	0.00	999,929.03
2031	999,929.03	145,000.00	119.64	9,144.78	167,689.00	986,384.81
2032	986,384.81	145,000.00	119.64	9,215.14	147,140.00	993,459.95
2033	993,459.95	145,000.00	119.64	10,107.42	65,359.00	1,083,208.37
2034	1,083,208.37	145,000.00	119.64	11,535.87	12,860.00	1,226,884.24
2035	1,226,884.24	145,000.00	119.64	12,510.78	59,452.00	1,324,943.02
2036	1,324,943.02	145,000.00	119.64	14,092.49	0.00	1,484,035.51
2037	1,484,035.51	145,000.00	119.64	8,986.69	667,541.00	970,481.20
2038	970,481.20	145,000.00	119.64	4,651.09	585,736.00	534,396.29
2039	534,396.29	145,000.00	119.64	3,541.36	260,162.00	422,775.65
2040	422,775.65	145,000.00	119.64	4,518.96	51,189.00	521,105.61
2041	521,105.61	145,000.00	119.64	3,643.81	236,666.00	433,083.42
2042	433,083.42	145,000.00	119.64	5,136.49	0.00	583,219.91
2043	583,219.91	145,000.00	119.64	4,242.71	239,142.00	493,320.62
2044	493,320.62	145,000.00	119.64	3,634.26	209,836.00	432,118.87
2045	432,118.87	145,000.00	119.64	4,190.81	93,210.00	488,099.68
2046	488,099.68	145,000.00	119.64	5,504.80	18,340.00	620,264.48
2047	620,264.48	145,000.00	119.64	5,347.84	166,135.00	604,477.32
2048	604,477.32	145,000.00	119.64	6,857.63	0.00	756,334.95
2049	756,334.95	145,000.00	119.64	8,362.56	0.00	909,717.51
2050	909,717.51	145,000.00	119.64	9,922.81	0.00	1,064,640.32
2051	1,064,640.32	145,000.00	119.64	11,478.54	0.00	1,221,118.86
2052	1,221,118.86	145,000.00	119.64	13,049.90	0.00	1,379,168.76
Totals:		4,350,000.00		215,574.76	3,404,406.00	

**Kulana Subdivision
CASHFLOW PROJECTIONS GRAPH**

Analysis 1



PROJECTED EXPENDITURES

Kulana Subdivision - Analysis 1

	2023	2024	2025	2026	2027	2028	2029	2030	2031	2032
Asphalt Slurry - Ho'oloko - 2027					19,110					
Asphalt Slurry - Kana - 2026			49,158						56,701	
Asphalt Slurry - Kana - 2031							48,786			36,362
Asphalt Slurry - Kapana - 2029				30,460						
Asphalt Slurry - Kulihi - 2026				82,263						88,234
Asphalt Slurry - Kulihi - 2032										
Asphalt Slurry - Laina - 2026										
Asphalt Slurry - Laina - 2032					35,618					
Asphalt Slurry - Lo'ia - 2027						10,768				
Asphalt Slurry - Malakani - 2028										
Asphalt Slurry - Makai - 2026			10,714						12,794	
Asphalt Slurry - Makai - 2031										
Asphalt Slurry - Mana & Kaulike - 2026			31,626						37,768	
Asphalt Slurry - Mana & Kaulike - 2031										
Asphalt Slurry - UHama - 2026			48,626						56,428	
Asphalt Slurry - UHama - 2031				10,504						12,544
Asphalt Slurry - Waiale - 2026										
Asphalt Slurry - Waiale - 2032					45,024					
Drainage Culvert - Repts (Contingency)										
Totals	0	0	140,426	123,217	99,762	16,768	48,786	0	167,669	147,140

PROJECTED EXPENDITURES

Kulana Subdivision - Analysis 1

	2033	2034	2035	2036	2037	2038	2039	2040	2041	2042
Asphalt Overlay - Ho'oloko					233,880		90,843			
Asphalt Overlay - Kana									238,698	
Asphalt Overlay - Kapano						144,751				
Asphalt Overlay - Kilihi						351,052				
Asphalt Overlay - Lani							169,319			
Asphalt Overlay - Lo'ili								51,189		
Asphalt Overlay - Malakani										
Asphalt Overlay - Maki					50,830					
Asphalt Overlay - Mana & Kaulike					150,340					
Asphalt Overlay - Uliama					232,591					
Asphalt Overlay - Waialea						49,933				
Asphalt Slurry - Ho'oloko - 2033	22,822									
Asphalt Slurry - Kapano - 2035			59,452							
Asphalt Slurry - Lo'ili - 2035	42,537									
Asphalt Slurry - Malakani - 2034		12,860								
Totals	68,389	12,860	59,452	0	687,641	595,736	260,162	51,189	238,698	0

PROJECTED EXPENDITURES

Kulana Subdivision - Analysis 1

	2043	2044	2045	2046	2047	2048	2049	2050	2051	2052
Asphalt Slurry - Ho'ohoko - 2045			32,547							
Asphalt Slurry - Kana - 2043	83,715									
Asphalt Slurry - Kepano - 2047					84,784					
Asphalt Slurry - Kilihi - 2044		51,858								
Asphalt Slurry - Lana - 2044		140,092								
Asphalt Slurry - Lo'hi - 2045			80,863							
Asphalt Slurry - Maltaleni - 2046				18,340						
Asphalt Slurry - Matali - 2043	18,245									
Asphalt Slurry - Miana & Kaulike - 2043	53,858									
Asphalt Slurry - Uihama - 2043	83,324									
Asphalt Slurry - Waialea - 2044		17,886								
Drainage Culvert - Repairs (Contingency)					81,351					
Totals	239,142	209,836	83,210	18,340	166,135	0	0	0	0	0

**Kulana Subdivision
ACCOUNTANT'S REPORT**

Analysis 1

1/01/2023 - 12/31/2023

Component	Remaining Life (yr/mo)	Future Cost	Assigned Reserves	2023 Contribution Requirement	2023 Assigned Interest Earned	2023 Funding Requirement
Asphalt Overlay - Ho'oloko	16/00	90,843	5,422	3,606	74	3,680
Asphalt Overlay - Kana	14/00	233,680	14,818	9,856	202	10,058
Asphalt Overlay - Kepano	18/00	236,666	13,340	8,873	182	9,055
Asphalt Overlay - Kiiki	15/00	144,751	8,901	5,920	122	6,042
Asphalt Overlay - Lana	15/00	391,052	24,046	15,994	328	16,322
Asphalt Overlay - Lo'hi	16/00	169,319	10,105	6,722	138	6,860
Asphalt Overlay - Maikailani	17/00	51,189	2,968	1,974	41	2,015
Asphalt Overlay - Makai	14/00	50,930	3,230	2,148	44	2,192
Asphalt Overlay - Miana & Kaulike	14/00	150,340	9,533	6,341	130	6,471
Asphalt Overlay - Uliama	14/00	232,581	14,749	9,810	201	10,011
Asphalt Overlay - Waialea	15/00	49,933	3,070	2,042	42	2,084
Asphalt Slurry - Ho'oloko - 2027	04/00	19,110	1,763	1,172	24	1,196
Asphalt Slurry - Ho'oloko - 2033	10/00	22,822	1,654	1,100	23	1,123
Asphalt Slurry - Ho'oloko - 2045	22/00	32,547	1,651	1,098	23	1,121
Asphalt Slurry - Kana - 2025	02/00	48,158	4,987	3,317	68	3,385
Asphalt Slurry - Kana - 2031	08/00	58,702	4,582	3,047	63	3,110
Asphalt Slurry - Kana - 2043	20/00	83,715	4,470	2,973	61	3,034
Asphalt Slurry - Kepano - 2029	06/00	49,786	4,209	2,800	57	2,857
Asphalt Slurry - Kepano - 2035	12/00	59,452	4,021	2,675	55	2,730
Asphalt Slurry - Kepano - 2047	24/00	84,784	4,096	2,725	56	2,781
Asphalt Slurry - Kiiki - 2026	03/00	30,450	2,942	1,957	40	1,997
Asphalt Slurry - Kiiki - 2032	09/00	36,362	2,733	1,818	37	1,855
Asphalt Slurry - Kiiki - 2044	21/00	51,856	2,698	1,795	37	1,832
Asphalt Slurry - Lana - 2026	03/00	82,263	7,949	5,287	109	5,396
Asphalt Slurry - Lana - 2032	09/00	98,234	7,383	4,911	101	5,012
Asphalt Slurry - Lana - 2044	21/00	140,082	7,289	4,848	100	4,948
Asphalt Slurry - Lo'hi - 2027	04/00	35,618	3,285	2,165	45	2,230
Asphalt Slurry - Lo'hi - 2033	10/00	42,537	3,083	2,050	42	2,092
Asphalt Slurry - Lo'hi - 2045	22/00	60,663	3,077	2,047	42	2,089
Asphalt Slurry - Maikailani - 2028	05/00	10,768	950	632	13	645
Asphalt Slurry - Maikailani - 2034	11/00	12,960	900	598	12	611

**Kulana Subdivision
ACCOUNTANT'S REPORT**

Analysis 1

1/01/2023 - 12/31/2023

Component	Remaining Life (yr/mo)	Future Cost	Assigned Reserves	2023 Contribution Requirement	2023 Assigned Interest Earned	2023 Funding Requirement
Asphalt Slurry - Makailani - 2046	23/00	18,340	908	604	12	616
Asphalt Slurry - Makai - 2025	02/00	10,714	1,087	723	15	738
Asphalt Slurry - Makai - 2031	08/00	12,794	989	664	14	678
Asphalt Slurry - Makai - 2043	20/00	18,246	974	648	13	661
Asphalt Slurry - Mana & Kaulike - 2025	02/00	31,626	3,209	2,134	44	2,178
Asphalt Slurry - Mana & Kaulike - 2031	08/00	37,766	2,948	1,961	40	2,001
Asphalt Slurry - Mana & Kaulike - 2043	20/00	53,858	2,876	1,913	39	1,952
Asphalt Slurry - Uliama - 2025	02/00	48,928	4,964	3,302	68	3,370
Asphalt Slurry - Uliama - 2031	08/00	58,428	4,560	3,033	62	3,095
Asphalt Slurry - Uliama - 2043	20/00	83,324	4,450	2,960	61	3,021
Asphalt Slurry - Waialele - 2026	03/00	10,504	1,015	675	14	689
Asphalt Slurry - Waialele - 2032	09/00	12,544	943	627	13	640
Asphalt Slurry - Waialele - 2044	21/00	17,888	931	619	13	632
Drainage Culvert - Repairs (Contingency)	04/00	45,024	4,230	2,814	58	2,872
Totals:		3,323,857	217,999	144,999	2,976	147,977

**Kulana Subdivision
COMPONENT SUMMARY REPORT**

Analysis 1

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpt. (mo/yr)	Racur	Current Cost	Future Cost
Pavement							
Asphalt Overlay - Ho'oloko Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+14/00	01/39	Y	56,592	90,843
Asphalt Overlay - Kana Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+12/00	01/37	Y	154,440	233,680
Asphalt Overlay - Kepano Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+16/00	01/41	Y	138,960	236,686
Asphalt Overlay - Kāiki Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+13/00	01/36	Y	92,890	144,751
Asphalt Overlay - Lana Condition: Good - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+13/00	01/38	Y	250,920	381,052
Asphalt Overlay - Lo'ihi Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+14/00	01/39	Y	105,480	169,319
Asphalt Overlay - Maikali Condition: Fair - Consistent with Age	Client/Management 1/01/2005	20/00	+15/00	01/40	Y	30,960	51,189
Asphalt Overlay - Makai Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+12/00	01/37	Y	33,660	50,930
Asphalt Overlay - Mana & Kaulike Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+12/00	01/37	Y	99,360	150,340
Asphalt Overlay - Uliama Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+12/00	01/37	Y	153,720	232,591
Asphalt Overlay - Waialeale Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	20/00	+13/00	01/38	Y	32,040	49,933
Asphalt Slurry - Ho'oloko - 2027 Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	06/00	+16/00	01/27	N	16,978	19,110
Asphalt Slurry - Ho'oloko - 2033 Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	06/00	+22/00	01/33	N	16,978	22,822
Asphalt Slurry - Ho'oloko - 2045 Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	06/00	+34/00	01/45	N	16,978	32,547
Asphalt Slurry - Kana - 2025 Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	06/00	+14/00	01/25	N	46,332	49,158
Asphalt Slurry - Kana - 2031 Condition: Fair - Consistent with Age	1/01/2005 Source: Armstrong Consulting Internal Cost Data	06/00	+20/00	01/31	N	46,332	56,702

**Kulana Subdivision
COMPONENT SUMMARY REPORT**

Analysis 1

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpt. (mo/yr)	Recur	Current Cost	Future Cost
Asphalt Slurry - Kana - 2043 Condition: Fair - Consistent with Age	1/01/2005	06/00	+32/00	01/43	N	46,332	83,715
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Kepano - 2029 Condition: Fair - Consistent with Age	1/01/2005	06/00	+18/00	01/29	N	41,688	49,786
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Kepano - 2035 Condition: Fair - Consistent with Age	1/01/2005	06/00	+24/00	01/35	N	41,688	59,452
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Kepano - 2047 Condition: Fair - Consistent with Age	1/01/2005	06/00	+36/00	01/47	N	41,688	84,784
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Kiliki - 2026 Condition: Fair - Consistent with Age	1/01/2005	06/00	+15/00	01/26	N	27,864	30,450
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Kiliki - 2032 Condition: Fair - Consistent with Age	1/01/2005	06/00	+21/00	01/32	N	27,864	36,362
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Kiliki - 2044 Condition: Fair - Consistent with Age	1/01/2005	06/00	+33/00	01/44	N	27,864	51,856
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Lana - 2026 Condition: Fair - Consistent with Age	1/01/2005	06/00	+15/00	01/26	N	75,276	82,263
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Lana - 2032 Condition: Fair - Consistent with Age	1/01/2005	06/00	+21/00	01/32	N	75,276	98,234
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Lana - 2044 Condition: Fair - Consistent with Age	1/01/2005	06/00	+33/00	01/44	N	75,276	140,092
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Lo'ahi - 2027 Condition: Fair - Consistent with Age	1/01/2005	06/00	+16/00	01/27	N	31,644	35,618
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Lo'ahi - 2033 Condition: Fair - Consistent with Age	1/01/2005	06/00	+22/00	01/33	N	31,644	42,537
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Lo'ahi - 2045 Condition: Fair - Consistent with Age	1/01/2005	06/00	+34/00	01/45	N	31,644	60,663
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Maikailani - 2028 Condition: Fair - Consistent with Age	1/01/2005	06/00	+17/00	01/28	N	9,288	10,768
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Maikailani - 2034 Condition: Fair - Consistent with Age	1/01/2005	06/00	+23/00	01/34	N	9,288	12,980
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Maikailani - 2046 Condition: Fair - Consistent with Age	1/01/2005	06/00	+35/00	01/46	N	9,288	18,340
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Makai - 2025 Condition: Fair - Consistent with Age	1/01/2005	06/00	+14/00	01/25	N	10,088	10,714
Source: Armstrong Consulting Internal Cost Data							

**Kulana Subdivision
COMPONENT SUMMARY REPORT**

Analysis 1

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpt. (m/yr)	Recur	Current Cost	Future Cost
Asphalt Slurry - Makai - 2031 Condition: Fair - Consistent with Age	1/01/2005	06/00	+20/00	01/31	N	10,088	12,794
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Makai - 2043 Condition: Fair - Consistent with Age	1/01/2005	06/00	+32/00	01/43	N	10,088	18,246
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Mana & Kaulike - 2025 Condition: Fair - Consistent with Age	1/01/2005	06/00	+14/00	01/25	N	29,808	31,626
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Mana & Kaulike - 2031 Condition: Fair - Consistent with Age	1/01/2005	06/00	+20/00	01/31	N	29,808	37,766
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Mana & Kaulike - 2043 Condition: Fair - Consistent with Age	1/01/2005	06/00	+32/00	01/43	N	29,808	53,858
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Uliama - 2025 Condition: Fair - Consistent with Age	1/01/2005	06/00	+14/00	01/25	N	46,116	48,928
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Uliama - 2031 Condition: Fair - Consistent with Age	1/01/2005	06/00	+20/00	01/31	N	46,116	58,428
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Uliama - 2043 Condition: Fair - Consistent with Age	1/01/2005	06/00	+32/00	01/43	N	46,116	83,324
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Waialeale - 2026 Condition: Fair - Consistent with Age	1/01/2005	06/00	+15/00	01/26	N	9,612	10,504
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Waialeale - 2032 Condition: Fair - Consistent with Age	1/01/2005	06/00	+21/00	01/32	N	9,612	12,544
Source: Armstrong Consulting Internal Cost Data							
Asphalt Slurry - Waialeale - 2044 Condition: Fair - Consistent with Age	1/01/2005	06/00	+33/00	01/44	N	9,612	17,988
Source: Armstrong Consulting Internal Cost Data							
Sub Total:						2,163,124	3,278,033
Plumbing							
Drainage Culvert - Repairs (Contingency) Condition: Fair - Consistent with Age	1/01/2003	20/00	+04/00	01/27	Y	40,000	45,024
Source: National Cost Data							
Sub Total:						40,000	45,024
Grand Total:						2,223,124	3,323,057

Reserve Study Addendum

COMMUNITY ASSOCIATIONS INSTITUTE (CAI) RESERVE STUDY STANDARDS

What is a Reserve Study?

A Reserve Study is made up of two parts, 1) the information about the physical status and repair/replacement cost of the major common area components the association is obligated to maintain (Physical Analysis), and 2) the evaluation and analysis of the association's Reserve balance, income, and expenses (Financial Analysis). The Physical Analysis is comprised of the Component Inventory, Condition Assessment, and Life and Valuation Estimates. The Component Inventory should be relatively "stable" from year to year, while the Condition Assessment and Life and Valuation Estimates will necessarily change from year to year. The Financial Analysis is made up of a finding of the client's current Reserve Fund Status (measured in cash or as Percent Funded) and a recommendation for an appropriate Reserve contribution rate (Funding Plan).

Physical Analysis	Financial Analysis
Component Inventory	Fund Status
Condition Assessment	Funding Plan
Life and Valuation Estimates	

Reserve Study Contents

The following is a list of the minimum contents to be included in the Reserve Study.

- A summary of the association's number of units, physical description, and Reserve Fund financial condition.
- A projection of Reserve Starting Balance, recommended Reserve contributions, projected Reserve expenses, and projected ending Reserve Fund Balance for a minimum of 20 years.
- A tabular listing of the Component Inventory, component quantity or identifying descriptions, Useful Life, Remaining Useful Life, and Current Replacement Cost.
- A description of methods and objectives utilized in computing the Fund Status and development of the Funding Plan.
- Source(s) utilized to obtain component Repair or Replacement cost estimates.
- A description of the Level of Service by which the Reserve Study was prepared.
- Fiscal year for which the Reserve Study is prepared.

Levels of Service

The following three categories describe the various types of Reserve Studies, from exhaustive to minimal.

I. Full: A Reserve Study in which the following five Reserve Study tasks are performed:

- Component Inventory
- Condition Assessment (based upon on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

II. Update, With-Site-Visit/On-Site Review: A Reserve Study update in which the following five Reserve Study tasks are performed:

- Component Inventory (verification only, not quantification)
- Condition Assessment (based on on-site visual observations)
- Life and Valuation Estimates
- Fund Status
- Funding Plan

III. Update, No-Site-Visit/Off-Site Review: A Reserve Study update with no on-site visual observations in which the following three Reserve Study tasks are performed:

- Life and Valuation Estimates
- Fund Status
- Funding Plan

Disclosures

The following are the minimum disclosures to be included in the Reserve Study.

General: Description of other involvement(s) with the association that could result in actual or perceived conflicts of interest.

Physical Analysis: Description of how thorough the on-site observations were performed: representative sampling vs. all common areas, destructive testing or not, field measurements vs. drawing take-offs, etc.

Financial Analysis: Description of assumptions utilized for interest and inflation, tax, and other outside factors.

Personnel Credentials: State or organizational licenses or credentials carried by the individual responsible for Reserve Study preparation or oversight.

Update Reports: Disclosure of how the current work is reliant on the validity of prior Reserve Studies.

Completeness: Material issues which, if not disclosed, would cause a distortion of the association's situation.

Reliance on Client Data: Information provided by the official representative of the association regarding financial, physical, quantity, or historical issues will be deemed reliable by the consultant. The reserve study will be a reflection of information provided to the consultant and assembled for the association's use, not for the purpose of performing an audit, quality/forensic analyses, or background checks of historical records.

Reserve Balance: The actual or projected total presented in the reserve study is based upon information provided and was not audited.

Component Quantities: For Update With-Site-Visit and Update No-Site-Visit Levels of Service, the client is considered to have deemed previously developed component quantities as accurate and reliable.

Reserve Projects: Information provided about reserve projects will be considered reliable. Any on-site inspection should not be considered a project audit or quality inspection.

Terms and Definitions

CASH FLOW METHOD: A method of developing a Reserve Funding Plan where contributions to the Reserve fund are designed to offset the variable annual expenditures from the Reserve fund. Different Reserve Funding Plans are tested against the anticipated schedule of Reserve expenses until the desired Funding Goal is achieved.

COMPONENT: The individual line items in the Reserve Study, developed or updated in the Physical Analysis. These elements form the building blocks for the Reserve Study. Components typically are: 1) Association responsibility, 2) with limited Useful Life expectancies, 3) predictable Remaining Useful Life expectancies, 4) above a minimum threshold cost, and 5) as required by local codes.

COMPONENT INVENTORY: The task of selecting and quantifying Reserve Components. This task can be accomplished through on-site visual observations, review of association design and organizational documents, a review of established association precedents, and discussion with appropriate association representative(s).

COMPONENT METHOD: A method of developing a Reserve Funding Plan where the total contribution is based on the sum of contributions for individual components. See "Cash Flow Method."

CONDITION ASSESSMENT: The task of evaluating the current condition of the component based on observed or reported characteristics.

CURRENT REPLACEMENT COST: See "Replacement Cost."

DEFICIT: An actual (or projected) Reserve Balance less than the Fully Funded Balance. The opposite would be a Surplus.

EFFECTIVE AGE: The difference between Useful Life and Remaining Useful Life. Not always equivalent to chronological age, since some components age irregularly. Used primarily in computations.

FINANCIAL ANALYSIS: The portion of a Reserve Study where current status of the Reserves (measured as cash or Percent Funded) and a recommended Reserve contribution rate (Reserve Funding Plan) are derived, and the projected Reserve income and expense over time is presented. The Financial Analysis is one of the two parts of a Reserve Study.

FULLY FUNDED: 100% Funded. When the actual (or projected) Reserve balance is equal to the Fully Funded Balance.

FULLY FUNDED BALANCE (FFB): Total Accrued Depreciation. An indicator against which Actual (or projected) Reserve balance can be compared. The Reserve balance that is in direct proportion to the fraction of life "used up" of the current Repair or Replacement cost. This number is calculated for each component, then summed together for an association total. Two formulas can be utilized, depending on the provider's sensitivity to interest and inflation effects. Note: Both yield identical results when interest and inflation are equivalent.

$FFB = \text{Current Cost} \times \text{Effective Age} / \text{Useful Life}$

or

$FFB = (\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) + [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Interest Rate})^{\text{Remaining Life}}] - [(\text{Current Cost} \times \text{Effective Age} / \text{Useful Life}) / (1 + \text{Inflation Rate})^{\text{Remaining Life}}]$

FUND STATUS: The status of the reserve fund as compared to an established benchmark such as percent funding.

FUNDING GOALS: Independent of methodology utilized, the following represent the basic categories of Funding Plan goals:

- **Baseline Funding:** Establishing a Reserve funding goal of keeping the Reserve cash balance above zero.
- **Full Funding:** Setting a Reserve funding goal of attaining and maintaining Reserves at or near 100% funded.
- **Statutory Funding:** Establishing a Reserve funding goal of setting aside the specific minimum amount of Reserves required by local statutes.
- **Threshold Funding:** Establishing a Reserve funding goal of keeping the Reserve balance above a specified dollar or Percent Funded amount. Depending on the threshold, this may be more or less conservative than "Fully Funding."

FUNDING PLAN: An association's plan to provide income to a Reserve fund to offset anticipated expenditures from that fund.

FUNDING PRINCIPLES:

- Sufficient Funds When Required
- Stable Contribution Rate over the Years
- Evenly Distributed Contributions over the Years
- Fiscally Responsible

LIFE AND VALUATION ESTIMATES: The task of estimating Useful Life, Remaining Useful Life, and Repair or Replacement Costs for the Reserve components.

PERCENT FUNDED: The ratio, at a particular point of time (typically the beginning of the Fiscal Year), of the actual (or projected) Reserve Balance to the Fully Funded Balance, expressed as a percentage.

PHYSICAL ANALYSIS: The portion of the Reserve Study where the Component Inventory, Condition Assessment, and Life and Valuation Estimate tasks are performed. This represents one of the two parts of the Reserve Study.

REMAINING USEFUL LIFE (RUL): Also referred to as "Remaining Life" (RL). The estimated time, in years, that a reserve component can be expected to continue to serve its intended function. Projects anticipated to occur in the initial year have "zero" Remaining Useful Life.

REPLACEMENT COST: The cost of replacing, repairing, or restoring a Reserve Component to its original functional condition. The Current Replacement Cost would be the cost to replace, repair, or restore the component during that particular year.

RESERVE BALANCE: Actual or projected funds as of a particular point in time that the association has identified for use to defray the future repair or replacement of those major components which the association is obligated to maintain. Also known as Reserves, Reserve Accounts, Cash Reserves. Based upon information provided and not audited.

RESERVE PROVIDER: An individual who prepares Reserve Studies.

RESERVE STUDY: A budget planning tool that identifies the current status of the Reserve fund and a stable and equitable Funding Plan to offset the anticipated future major common area expenditures. The Reserve Study consists of two parts: the Physical Analysis and the Financial Analysis. "Our budget and finance committee is soliciting proposals to update our Reserve Study for next year's budget."

RESPONSIBLE CHARGE: A reserve specialist in responsible charge of a reserve study shall render regular and effective supervision to those individuals performing services that directly and materially affect the quality and competence rendered by the reserve specialist. A reserve specialist shall maintain such records as are reasonably necessary to establish that the reserve specialist exercised regular and effective supervision of a reserve study of which he was in responsible charge. A reserve specialist engaged in any of the following acts or practices shall be deemed not to have rendered the regular and effective supervision required herein:

1. The regular and continuous absence from principal office premises from which professional services are rendered; except for performance of field work or presence in a field office maintained exclusively for a specific project;
2. The failure to personally inspect or review the work of subordinates where necessary and appropriate;
3. The rendering of a limited, cursory or perfunctory review of plans or projects in lieu of an appropriate detailed review;
4. The failure to personally be available on a reasonable basis or with adequate advance notice for consultation and inspection where circumstances require personal availability.

SPECIAL ASSESSMENT: An assessment levied on the members of an association in addition to regular assessments. Special Assessments are often regulated by governing documents or local statutes.

SURPLUS: An actual (or projected) Reserve Balance greater than the Fully Funded Balance. See "Deficit."

USEFUL LIFE (UL): Total Useful Life or Depreciable Life. The estimated time, in years, that a reserve component can be expected to serve its intended function if properly constructed in its present application or installation.

Courtesy of Armstrong Consulting, Inc.

EXHIBIT J

SUMMARY OF DECLARATION OF COVENANTS, CONDITIONS AND RESTRICTIONS FOR KULANA SUBDIVISION

The Kulana Condominium Project which is selling units pursuant to this Public Report is located within the Kulana Subdivision. The Kulana Subdivision has a separate set of governing documents, however, the conditions and restrictions within the governing documents of the Kulana Subdivision also affect the owners of units within the Kulana Condominium Project. Therefore, this Exhibit provides a summary of the recorded Declaration of Covenants, Conditions and Restrictions (the "CCRs") for the Kulana Subdivision. This is a summary of the restrictions applicable to all subdivided lots upon which the Project is located. It does not affect any "Remnant Lot". The CCRs were imposed in connection with the County of Kauai's approval of the subdivision of the land on which the Project is located.

THIS SUMMARY IS NOT INTENDED TO RECITE OR INTERPRET THE ACTUAL PROVISIONS OF THE CCRs OF THE KULANA SUBDIVISION, NOR TO COVER EVERY ISSUE WHICH A PURCHASER MIGHT HAVE AN INTEREST. A PROSPECTIVE PURCHASER IS URGED TO OBTAIN A FULL COPY OF THE CCRs FROM THE DEVELOPER OR ITS SALES AGENT AND TO REVIEW THE CCRs CLOSELY PRIOR TO ENTERING INTO AN AGREEMENT TO PURCHASE A UNIT IN THIS PROJECT.

GENERAL PROVISIONS OF THE CCRs.

Article I defines many terms used in the CCRs. Articles II and III address the organization of the subdivision and the imposition of Design Rules affecting any improvement to be made by an owner. It also creates a Design Review Committee to enforce the Rules. It contains provisions for the possible annexation of other properties to be covered by the CCRs at a later date; imposes the obligations of owners to observe the restrictions; and provides for further and supplementary restrictions, on certain conditions.

USE OF CONDOMINIUM PROPERTY REGIMES ("CPR") FOR OWNERSHIP AND DEVELOPMENT.

Article IV explains the method of using CPRs as a vehicle for ownership and development of the Project as a whole.

DESIGN AND USE CRITERIA FOR THE PROJECT.

Article V establishes general design restrictions applicable to the subdivision and the Project. There are restrictions on siting of improvements, specific permitted/prohibited uses and activities, requirement for submission of design documents for review and evaluation by a Design Review Committee, and methods of design and construction. The statement

“Residences may be used for transient vacation rentals... or for bed and breakfast activities” no longer applies due to a change in law.

ASSOCIATION.

Article VI establishes procedures for enforcement of the CCRs.

Article VII describes past and potential future agricultural uses which entail the existence of many factors which might be found to be objectionable to prospective owners. This Article provides notice to an owner of some negative factors which might exist in buying a condominium unit within the Project.

Article VIII establishes the means for dealing with certain issues arising when enforcing the CCRs or the breach of obligations under the CCRs, and provides for the use of certain remedies including arbitration.

MISCELLANEOUS.

Article IX covers several miscellaneous items. It includes provisions for the transfer of control to the Owners of the Project following the initial period of control by the Developer. It addresses transfer of property to a governmental entity and the impact of Project Documents on subsequent transferees. It also provides for the method of giving notice of certain matters related to the CCRs. It also allows the Association to enter Units to inspect conditions, with prior notice.

The document establishes the duration of the CCRs (total 55 years from the date of adoption) and mandates retention of all covenants required as a condition of subdivision approval of the County of Kauai. It also provides a means of amending the CCRs (75% vote, if permitted under other controls affecting the Project). Other miscellaneous provisions include such matters as how the covenants should be interpreted in a court of law, the severability of clauses if anyone is found to be illegal, and similar matters. Finally, the CCRs set forth requirements for the maintenance of the stream ditches located within the Project.

The Condominium Association shares ownership and responsibility for the Twin Reservoir Dam (a portion of which is located within the Subdivision), with several other owners (Dam Owners), which include the State of Hawaii and the County of Kauai. The Twin Reservoirs were created around 1920 by the construction of earthen filled dams intended to store water for irrigation of sugar cane. Two reservoirs were created by two dam segments and existing topography. The two dam segments form the foundations of Waipouli and Hauiki Roads. While Twin Reservoir is no longer used for irrigation purposes and neither of the reservoirs currently impounds water for other uses, until the dam segments are breached and decommissioned, significant cost may be incurred by the Dam Owners to maintain the dam in compliance with State dam safety requirements. Breaching and decommissioning the dam segments may also result in significant cost to the Dam Owners. The Condominium Association has not budgeted or set aside any funds for ongoing compliance, breaching, or decommissioning efforts, however, it has obtained estimates which are described in more detail in Exhibit L, Section 7.

EXHIBIT K

PROVISIONS FOR MAKING CHANGES TO UNITS

The Declaration of Condominium Regime and other Project documents contain significant conditions to changes to be made to a Unit. Among the most important provisions are Paragraphs 20.1, 20.2 and 20.3 of the Declaration which provide as follows:

"20.1 Construction and Other Changes to Units.

Each Unit Owner at his sole option, at any time and from time to time, without the consent or joinder of the Association, the Board, any person having an Interest in a Lot or any person having an Interest in a Unit (other than the holder of a mortgage lien affecting the Owner's Unit, if such mortgage requires consent of such holder,) shall have the right to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the Buildings and Improvements to or in the Owner's Unit or portions thereof or upon the Exclusive Area appurtenant to Owner's Unit (the foregoing are referred to singly, as a "Change" and collectively as "Changes") upon the conditions set forth in this Section 20,

20.2 Conditions to Making Changes. The following conditions shall apply to an Owner making Changes to his Unit:

(a) All Changes shall comply with the Declaration and the other Association Documents;

(b) All Changes within or to a Unit or its appurtenant Exclusive Area located on any of Lots 1 through 5 and Lots 7 through 20 inclusive shall comply with the Master CCRs Declaration. The Master CCRs Declaration provides, in pertinent part, that no Building or Improvement may be constructed, erected or maintained nor may any Agricultural Activity be undertaken, on any Lot or Unit until plans therefor have been submitted to and approved by the Design Review Committee.

(c) Notwithstanding (b), Changes within or to a Unit or its appurtenant Exclusive Area located on any of Remnant Lots shall not be required to comply with the Master CCRs Declaration.

(d) All Changes shall conform with the CZO and the applicable Laws, including the requirements for issuance of building and, if the Change relates to construction of a Farm Dwelling, complying with permits by the County for Farm Dwellings and other Improvements.

(e) The Improvements and Buildings constituting the change are within the uses permitted under Section 10 of the Declaration.

(f) Any such Change shall be at the expense of the Unit Owner making the Change (who shall indemnify the Association and the other Unit Owners from all such costs) and such Change shall be expeditiously made and done in a manner that will not unreasonably interfere with the use or enjoyment by Owners of other Units, the limited common elements appurtenant to each of such Units or the Common Elements.

(g) During the course of making such Change, the Unit Owner making such Change will cause to be maintained at his expense builder's all-risk insurance in an amount considered reasonably prudent. At the request of the Association, the Owner making the Change shall cause the Association to be named as an additional insured and shall deposit with the Association evidence of such insurance.

(h) The Unit Owner making the Change shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Unit affected by such Change for electricity, sewer and other utilities and services; provided that the same shall not cause any permanent interruption in the services of such utilities to any other Unit Owners and shall not otherwise unreasonably interfere with another Unit Owner's use or enjoyment of his Unit, the Common Elements or the Unit's appurtenant limited common elements.

(i) If notwithstanding Paragraph 20.1 above, the consent or joinder of another Unit Owner is required in connection with making the Change, or seeking building or other permits with a Governmental Entity or person providing utility services, then the Unit Owner shall be deemed to have a special power of attorney from each such other Unit Owner to provide such consent or joinder; provided that all cost and expense relating to the Change shall be borne by the Owner making the Change.

20.3 Conditions to Changes Relating to a Farm Dwelling. In addition to the conditions set forth in Paragraph 20.2 above, an Owner whose Change relates to constructing a Farm Dwelling may not do so until the completion of roadway and other subdivision Improvements made in accordance with the County Permit and with the Land Use Agreement and the acceptance thereof by the County ("County Permit Requirements"), unless such condition is waived by the County and Declarant or unless the Change is to be made within or to a Unit or its appurtenant Exclusive Area which is located on any of "Remnant Lots."

EXHIBIT L

ADDITIONAL DISCLOSURE STATEMENT

1. Standards for Future Development. Each Unit being offered for sale is a Unit within a condominium project, and such Unit is not a legally separate lot. The standards for improvements within the lots on which the Project is located (the "Land") are different and may be less onerous than the standards required if each Unit consisted of a subdivided lot.

The governing documents for the Project impose an additional set of restrictions and obligations, apart from those imposed by the land use and other requirements of the County of Kauai and the State.

Except as to those Units located on a Remnant Lot, all Units in the Project are also subject to a Master Declaration of Covenants, Conditions and Restrictions ("CCRs"). The CCRs impose additional restrictions, such as on the types of permitted uses and locations on an Exclusive Area on which residences and other improvements may be constructed.

The CCRs also include Guidelines for the design of improvements that must be met, and the establishment of a Design Review Committee, whose approval is required before improvements, including homes, can replace the initial sheds on an Owner's Unit.

Although the foregoing imposed restrictions are intended to benefit the Project, they do impose a set of restrictions of which a prospective Owner should be aware.

2. Agricultural and other uses. The Project is located principally within areas zoned for agricultural purposes, and to a lesser extent within an area zoned "Open". However, the CCRs imposed on all Units (other than those located on Remnant lots) require agricultural uses and activities.

An Owner is required as a condition of obtaining building approvals to promise to undertake and then to maintain Agricultural Activities in connection with his Unit. Such Agricultural Activities (which include cultivation of crops or breeding of animals, for example) are defined by the County, may change from time to time, and may be applied in different ways depending on the type of permit sought and the timing thereof.

The CCRs are not intended to restrict the kinds of Agricultural Activities by a Unit Owner. Prospective buyers should be aware that some permitted Agricultural Activities, such as the cultivation of certain crops or the breeding of certain animals, may involve the production of noises, odors or other occurrences that are offensive to some persons. Buyers should also be aware that the Hawaii Right to Farm Act (Chapter 165 of the Hawaii Revised Statutes, as amended) and Hawaii law limit the circumstances under which farming operations may be deemed to be a nuisance.

If the Unit is permitted to be used for residential purposes, such would be as a "Farm Dwelling" as defined under the County zoning code (CZO). This will require that the owner enter into an agreement with the County to undertake and later maintain Agricultural Activities in connection with his Unit.

After an Owner obtains a permit for a Farm Dwelling, the Owner may be obligated, without receiving any compensation, to join in and consent to applications to the County by other Unit owners for building and other permits, if the Unit belonging to such other Owner is located on the same legal lot as the original Owner's Unit.

3. Farm Dwellings. Subject to the terms of the Declaration, the Owner of a Unit other than those designated with the letter "x" or "y" is permitted to have a Farm Dwelling, subject to obtaining County permits and other approvals. Units designated with the letter "x" or "y" are not permitted to have a Farm Dwelling.

Each legal lot on which are located several Units (as opposed to a Unit itself or its appurtenant Exclusive Area) is also permitted a single "Guest House". Seller has reserved the right to assign such right to one Unit owner per legal lot, on such terms and conditions as Seller may impose. Any such Guest House is subject to County rules and may not be sold or owned separately from the Unit to which such right is appurtenant, except that the right to construct and own a Guest House may be transferred from one Unit to another located on the same legal lot.

4. Construction of Subdivision Improvements by Seller.

The Developer has completed the subdivision improvements as required by the County for final subdivision approval. Unit Owners may now apply for building permits pursuant to the provisions of the CZO.

Any warranties for the quality of the workmanship and materials of the Subdivision Improvements will be given by the contractor(s), not the Seller, and will be limited to one year after substantial completion of the Subdivision Improvements.

5. Construction Risks of Unit Owners. There are risks involved in an Owner's purchase of a Unit. Such risks include issuance of County permits, approvals by the Design Review Committee, the prior completion and acceptance by the County of Subdivision Improvements, the installation of adequate utility services and the cooperation of other Unit Owners.

Moreover, even after approvals are obtained, there may be shortages of materials or contractors, the availability of utility service may be limited, and the cost of making such improvements by an owner may exceed the Owner's ability to pay for them.

6. Reserved Rights of Seller. Exhibit D to the Public Report contains a list of rights that Seller has reserved and may exercise without the consent or joinder of a Unit Owner. A prospective buyer is urged to review that list of such reserved rights.

7. Financial information.

The cost of completion of the Subdivision Improvements required by the County has been paid, in part, by a "Subdivision Fee" assessed to Unit owners. A copy of the Resolution to Charge Subdivision Fee and any associated Amendments can be provided to buyer upon request. Upon completion of the Subdivision Improvements and Final Approval by the County, any remaining Subdivision Fee funds will be reimbursed to the owner of the unit at the time

Subdivision Fees for that unit were paid, regardless of who owns the unit at the time or reimbursement, in accordance with the Resolution to Charge Subdivision Fee. In addition, proceeds of the sales of Units owned by the Association will also be reimbursed to the owner of the unit at the time Subdivision Fees for that unit were paid, regardless of who owns the unit at the time or reimbursement, also in accordance with the Resolution to Charge Subdivision Fee.

The Association shares ownership and responsibility for the Twin Reservoir Dam, with several other owners (Dam Owners), which include the State of Hawaii and the County of Kauai. The Twin Reservoirs were created around 1920 by the construction of earthen filled dams intended to store water for irrigation of sugar cane. Two reservoirs were created by two dam segments and existing topography. The two dam segments form the foundations of Waipouli and Hauiki Roads. While Twin Reservoir is no longer used for irrigation purposes and neither of the reservoirs currently impounds water for other uses, until the dam segments are breached and decommissioned, significant cost may be incurred by the Dam Owners to maintain the dam in compliance with State dam safety requirements. Breaching and decommissioning the dam segments may also result in significant cost to the Dam Owners. The Association has not budgeted or set aside any funds for ongoing compliance, breaching, or decommissioning efforts. An engineering study performed by Masa Fujioka Associates in 2011 estimated total costs of between \$550,000 and \$650,000. However, given that this estimate was obtained many years ago, the amount would most likely be higher today. Alternate approaches as conceived by the governmental agencies may result in higher decommissioning costs. While there is no formal agreement for cost sharing between the Dam Owners, the Association has historically paid 9.8% of the annual fees. If the Association is required to contribute to any of these efforts, it will likely require a Special Assessment of the Unit Owners at the time the funds are needed.

The Subdivision contains an Agricultural Water System that is intended to be used for agricultural activities. The Agricultural Water System received water from the East Kauai Irrigation System (Offsite System), which is no longer delivering agricultural water to the project and may no longer be a viable source of water for the Agricultural Water System. Section 9.b.i of the Declaration of CC&Rs requires each Unit Owner to maintain those portions of the Ditches (as such capitalized term is defined in the Declaration of CC&Rs) upon his Lot or Unit, as necessary for the free flowage of storm water. In 2021, the Association commissioned Seymour Resources Hawaii to perform an evaluation of the Onsite Agricultural Water System (Onsite System), which identified approximately \$1,000,000 in estimated restoration work. This estimate includes approximately \$250,000 to repair the Lot 6 Reservoir's drain pipeline. The Association has not explored the feasibility or potential costs associated with decommissioning the Onsite System. Since the Onsite System conveys both storm water and agricultural water, decommissioning the Onsite System may not be feasible.

The Association has the right, but not the duty, to construct, reconstruct, install, replace, maintain, and repair the Agricultural Water System. The Association has not budgeted or set aside any funds for the Agricultural Water System and if it decides to undertake this work, it will likely require a Special Assessment of the Unit Owners at the time the funds are needed. Prior Agricultural Use. Prior to 1990, the Land was subject to long-term agricultural use. Also, lands in the general vicinity of the Project may be used for agricultural purposes now or in the future, and each buyer of a Unit will be required to acknowledge and accept the risks and consequences of prior, current and future agricultural activities in and near the Project. Title to

a condominium unit will be subject to disclosures relating to such prior use and a Unit Owner as a condition of receiving his deed to his Unit will acknowledge that he takes ownership to his Unit with full knowledge of potential residual effects of prior agricultural use in which Seller was not a participant, as well as possible current and future agricultural uses. The Project is subject further to reserved rights in favor of Lihue Plantation Company and its successors to continue various commercial agricultural uses near the Project. Each Owner of a Unit will be required to acknowledge and accept the risks and consequences of prior and future agricultural activities in and near the Project.

Armstrong Consulting, Inc. prepared the current reserve study for this Project. At the present time there are no plans to repair or replace the Twin Reservoir. To this extent its replacement has not been included within the reserve study. The general consensus is that the Twin Reservoirs will be decommissioned. Costs associated with the partial ownership of Twin Reservoir Dam are disclosed and discussed in Exhibit J.

8. Prior Agricultural Use. Prior to 1990, the Land was subject to long-term agricultural use. Also, lands in the general vicinity of the Project may be used for agricultural purposes now or in the future, and each buyer of a Unit will be required to acknowledge and accept the risks and consequences of prior, current and future agricultural activities in and near the Project. Title to a condominium unit will be subject to disclosures relating to such prior use and a Unit Owner as a condition of receiving his deed to his Unit will acknowledge that he takes ownership to his Unit with full knowledge of potential residual effects of prior agricultural use in which Seller was not a participant, as well as possible current and future agricultural uses. The Project is subject further to reserved rights in favor of Lihue Plantation Company and its successors to continue various commercial agricultural uses near the Project. Each Owner of a Unit will be required to acknowledge and accept the risks and consequences of prior and future agricultural activities in and near the Project.

9. Rights of Owner of Remnant 3. The Owner of Remnant 3, which was initially within the Project but subsequently removed, has the nonexclusive right to use certain access and utility easements and the common elements of the Project, but has the obligation to reimburse the Association for such use.

10. Remnant 7 and Units 30A and 30B. The Association recognizes 103 units in the Project and includes Units 30A and 30B as part of the Project. Therefore, the Association calculates the common interest of each unit and maintenance fees due based on there being 103 units in the Project. However, it should be noted that the owners of Units 30A and 30B attempted to remove their units and the land underlying their units (Remnant 7) from the Project by executing an amendment to the Declaration dated May 14, 2010, and recording this document in the Bureau of Conveyances of the State of Hawaii as Document No. 2010-070973. The Declaration provides procedures for the removal of certain parts of the Project (including Remnant 7 and Units 30A and 30B) and it appears that not all of the steps legally required to effect the removal of Remnant 7 and Units 30A and 30B have been completed. Accordingly, the Association believes (and the title company issuing the most recent title report concurs) that Units 30A and 30B and Remnant 7 remain a part of the Project. However, Units 30A and 30B have stopped paying maintenance fees.

11. Prohibited Uses. All of the Units in the project are to be used for agriculture activities and may (except for Units with an "X" or "Y" designation) be used for such "Farm Dwelling" residential uses as permitted by law and under the project's governing documents. No Units shall be used for hotel or timeshare or commercial purposes, except as permitted by law.

12. Real Property Tax Liens. Units 1G, 2X, 7B, 10A, 11D, 15D, 16E, 18E & 27A are subject to existing tax and mortgage liens in favor of the Real Property Division, Department of Finance, County of Kauai, institutional lenders and/or private lenders. The pay-off value of these liens currently exceeds the underlying market value of these units. The Association does not intend to market these units and currently awaits foreclosure actions by County of Kauai for failure to pay real property tax.

13. Reserve Study. The Association 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. The reserve study includes the subdivision improvements recently completed by the Association/Developer. Prior to the completion of the subdivision improvements, the Association has set aside approximately \$2,000.00 into its Capital Reserve account every month since approximately 2012. The Capital Reserve account balance was \$218,729.24 on October 31, 2022. The reserve study now projects that the Association will need to begin setting aside approximately \$12,100/month to fund the estimated cost of replacement of the depreciable common elements.

Repair and maintenance of the drainage system, which includes swales, Drainage Ways, the ditches (including the Ponds), the Stream, drainage inlets, culverts and outlets is pursuant to Article 5, Section 9.b of the Declaration of CC&Rs. Section 9.b.i makes each Owner responsible to maintain the portions of the Drainage System upon his Lot or Unit for the free flowage of storm water. The Reserve Study, therefore, does not incorporate capital repair and replacement costs within its evaluation.

The Association intends to dedicate Kulana Place, Hauiki Road and water system to the County of Kauai for future maintenance.

Should the Association determine to install additional depreciable common elements, a revised depreciation and replacement reserve schedule shall be prepared.

Prospective buyers are encouraged to become familiar with "Drainageway and Building Setback" line. Areas of the project which fall within these limits are subject to periodic flooding. These areas include some common element roadway areas. Periodic flooding may result in damage to common element improvements within these areas which would need to be repaired at the Association's cost.

14. Repair and Maintenance of Drainage System. Repair and maintenance of the drainage system, which includes swales, drainage ways, the ditches (including the ponds), the stream, drainage inlets, culverts and outlets is pursuant to Article 5, Section 9.b of the Declaration of CC&Rs. Section 9.b.i makes each Owner responsible to maintain the portions of the drainage system located on his or her Unit for the free flowage of storm water. The Association intends to dedicate Kulana Place, Hauiki Road and water system to the County of Kauai for future

maintenance. Should the Association decide to install additional depreciable common elements, a revised depreciation and replacement reserve schedule shall be prepared. Prospective buyers are encouraged to become familiar with "Drainageway and Building Setback" line. Areas of the project which fall within these limits are subject to periodic flooding. These areas include some roadway areas. Periodic flooding may result in damage to common element improvement within these areas which would need to be repaired at the Association's cost.

15. Completion of the Subdivision. The Subdivision has been completed and approved by the County of Kauai Planning Commission and associated governmental agencies. Unit Owners may apply for building permits and permits or other improvements with the County of Kauai. Each owner will likely incur significant costs to build on, or improve, their Unit. These costs could include, among other things, grading, driveway construction, electrical, communication, cable, water or septic. For example, if an owner intends to grade and or grub on their Unit, a permit is required or the access to the Unit may require the construction of a lengthy driveway. In addition, the utility companies (e.g., electrical and communications) may only provide basic installation up to a certain distance from their currently available infrastructure. Therefore, owners who have a longer distance from the currently available utility infrastructure to their Unit may incur certain additional costs. These costs are set by the utility or service provider and the Developer is not involved in any way with these negotiations. A buyer should consult with a consultant to determine whether and to what extent these costs will affect their construction.

16. Not a Residential Condominium. This is not a residential condominium since there are no residential structures in the condominium and none are planned by the Developer. There are however agricultural sheds that are being sold as part of this Project and these sheds are shown on the Condominium Map.

17. Purchaser is not purchasing a Subdivided Lot. While the Project is located within a subdivision, the Developer is selling purchasers a Unit in a condominium project and not a subdivided lot. A purchaser of a unit will be conveyed a unit together with an undivided percentage interest in the common elements of the Project. A purchaser will not be conveyed a separate, legal subdivided lot..

18. No Project Parking. The Project does not currently have any parking structures or parking areas planned. Each Unit Owner must provide its own parking within the boundaries of its Unit on its limited common element land area.

19. No Warranties. THIS UNIT IS BEING SOLD "AS IS". All rights and interests in the Units and the Condominium are sold by the Developer "as is" and "where is," with all defects and other conditions, whether visible or hidden, and whether known or not known. This means, among other things, that neither the Developer nor any of its affiliates have to correct or fix, or pay to have someone else correct or fix, any defect or other condition no matter what causes it or when it is discovered. Purchasers, and all of their respective licensees and invitees, will (1) give up (in legal terms, "waives and releases") any and all rights and claims such person (or such person's successors and assigns) may have, now or in the future, against the Developer and its affiliates, their respective representatives, and each of their respective successors and assigns, for (i) any defects and/or other conditions in the Units or the Condominium, or any

consumer products or anything else installed or contained in the Units or the Condominium, and (ii) for injury to persons or property arising from any such defects and/or other conditions, and (2) agree to indemnify and hold Developer harmless from all loss, damage and expense suffered or incurred as a result thereof.

THE DEVELOPER MAKES NO REPRESENTATIONS, WARRANTIES OR OTHER PROMISES, EXPRESS OR IMPLIED, ABOUT THE UNITS OR THE CONDOMINIUM, OR ANYTHING ELSE NOW OR HEREAFTER INSTALLED OR CONTAINED IN THE UNITS OR THE CONDOMINIUM. This includes, but is not limited to, representations, warranties or other promises with respect to:

- The suitability of the Unit for farming any particular product, for any use defined in Section 205-4.5 of the Hawaii Revised Statutes or anything at all;
- The merchantability, habitability, marketability, profitability, fitness for a particular purpose, workmanlike construction, or sufficiency of design of the Unit;
- Any archaeological sites, remains or artifacts on the Land;
- The Project's compliance with any applicable laws or regulations;
- The conformity of the Project to past, current or future applicable zoning or building requirements, permits or licenses;
- Whether flooding on the Project will occur or recur, whether any measures taken to limit future flooding will provide the flood protection that they are designed or intended to provide, or will be adequate to prevent or reduce any future flooding of the Units or the Project;
- The ability of the Property to withstand damage due to earthquake, wind, hurricane, tsunami, high surf, tornado, waterspout or other natural events;
- The existence or absence of pests, such as wild pigs, or damage from these pests; and
- The crops that may be grown on this Unit; how productive the crops grown on this Unit will be; or the amount of yield each crop may bring.

20. Farm Dwellings and Other Structures. While under certain circumstances, farm dwellings and other structures are allowed on land zoned for agriculture, the Developer CANNOT make any assurance that the Purchaser will be able to build a farm dwelling or any other structure or building within the Unit. Purchasers should consult with the appropriate County agencies to determine whether the Purchaser may build a farm dwelling (as defined in Chapter 205) or any other building or structure within the Unit. In addition to the restrictions set forth by statute, there are restrictions described in a number of encumbrances.

Even if farm dwellings are allowed, Purchasers should keep in mind that Hawaii law requires that the family occupying a residence on agricultural land derive income from farming activities conducted on the Project. Each Unit in the Project, whether now or subsequently entitled to construct a farm dwelling is required to engage in agricultural activity as a condition of obtaining a building permit and keeping residential improvements on the Project. The actual level of agricultural activity within the Project needed to qualify to construct farm dwellings is not determined by the Developer and such requirements change from time to time. Each Owner shall have an obligation to engage in bonafide agricultural activity so long as it is required by law.

21. Subdivision Electric and Communications Service. The Association has entered into service agreements with the Kauai Island Utility Cooperative (KIUC) and have paid all contracted fees required to extend backbone electric service into the Kulana project. KIUC is currently working to complete installation of conductor cable within the backbone conduit and energize the system. Owners will be required to enter into independent service agreements and pay associated fees required to extend service from the "stub-out" furnished to each Unit to their point of service.

22. Cable Service. The Association is currently working with Spectrum and Hawaiian Telcom to secure competitive proposals for the service agreements required to extend cable television and internet services to the Project. The Association has set aside funds to pay for the extension of service to each Unit's stub-out. Owners will be required to enter into independent service agreements and pay associated fees required to extend service from the "stub-out" furnished for their Unit to their point of service.

23. Sewer. Currently, the Project does not have any access or ability to connect to the County of Kauai sewer. Owners will need to obtain the proper permits and approval to install alternate means for sewage and wastewater disposal. Owners should consult current Hawaii law for guidance. The cost for the installation of a septic tank or an acceptable means for sewage and wastewater disposal will be the Owner's sole responsibility.

24. Water. Water for the project is provided by the Department of Water of the County of Kauai ("DOW").

25. Limitations of Fire Protection Provided by County. Fire protection is provided to portions of the Project by the DOW via a fire hydrant in the surveyed location shown on the as-built Improvement Plans. Current County and State requirements may require additional fire protection measures, such as home sprinkler systems or water tanks, if any dwellings are located more than 600 feet from a DOW fire hydrant. In addition, DOW's fire protection facilities and water supply may be inadequate to protect the buildings and other improvements within the Project in the event of fire. The Developer makes no warranties or representations as to the adequacy of DOW fire protection. BUYER SHOULD CONSULT AN ENGINEER AND BUYER'S INSURANCE CARRIER IN ORDER TO EVALUATE THE RISKS AFFECTING BUYER'S UNIT AND THE PROJECT.

26. Real Property Taxes/Rollback Taxes. If an owner obtains favorable tax status for his/ her unit and fails to comply with the requirements imposed in connection with this favorable tax status, then this may result in the loss of favorable tax status and a lump-sum payment of past tax savings (rollback taxes). Buyers should consult with the County of Kauai and its tax and legal advisors.

EXHIBIT M

COUNTY STATEMENT



DEPARTMENT OF PLANNING
 County of Kauai, State of Hawaii
 4444 Rice Street, Suite A-473
 Lihue, Hawaii 96766
 TEL (808) 241-4050 FAX (808) 241-6699

COUNTY USE ONLY	
Date Received:	
DECLARATION #	DATE

OWNER DECLARATION OF COMPLIANCE WITH ACT 49 (2014) HRS SECTION 205-4.6 COMPLIANCE RELATING TO AGRICULTURAL CONDOMINIUMS	
PROJECT/PROPERTY INFORMATION	
Project Name: Kulana Condominium (existing CPR)	
Address: c/o KW Kauai, 2970 Haleko Rd. #205, Lihue, HI 96766	
Tax Map Key: 4-3-011-001	
Property Area (acres): approximately 358.876 acres	
State Land Use Designation: Agricultural	
Comments (for Department use only):	
OWNER'S CERTIFICATION/DECLARATION	
<p>By signing this form, the owner(s), its beneficiaries, heirs, executors, administrators, representatives, successors, and assigns, and any person or entity acting for, under, or through them, certifies the following language has been recorded with the Declaration of Condominium Property Regime for the Project:</p> <p>"HRS Section 205-4.6 Compliance. This Declaration, the Bylaws and all others documents relating to this condominium do not include any restrictions limiting or prohibiting agricultural uses or activities in compliance with HRS Section 205-4.6. Any provision in this Declaration or the Bylaws or any other document that is contrary to the statement made in the preceding sentence or that could be construed or applied to contain a restriction limiting or prohibiting such agricultural uses shall be void or shall be interpreted and applied in a manner consistent with the preceding sentence."</p>	
<p>Pursuant to Act 49 (2014), this form shall constitute a verified statement signed that the Condominium Project as described and set forth in the Project's Declaration, Condominium Map, Bylaws, and House Rules does not include any restrictions limiting or prohibiting agricultural uses or activities, in compliance with section 205-4.6.</p>	
Property Owner: Association of Apartment Owners of Kulana	
Signature: <i>Brad W. Rockwell</i>	Printed Name: Brad W. Rockwell
Address: c/o KW Kauai, 2970 Haleko Rd. #205, Lihue, HI 96766	
Phone No.: (808) 635-4546	Email: bradrockwell@icloud.com
APPROVED: <i>[Signature]</i>	Director of Planning