

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII  
1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## SECOND SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

of  
PRINCEVILLE MAUNA KAI NO. 1-A  
Princeville, Kauai, Hawaii  
Registration No. 493

**This Report Is Not an Approval or Disapproval of This Condominium Project**  
It was prepared as a supplement to an earlier Report dated January 29, 1973, February 1, 1974 and March 9, 1976 issued by the Real Estate Commission on the above project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: January 10, 1977

Expires: January 10, 1978

### SPECIAL ATTENTION

Particular attention of the purchaser and prospective purchasers are directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 9, 1972, AND INFORMATION SUBSEQUENTLY FILED AS OF DECEMBER 17, 1976. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, OF THE HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Report on January 29, 1973, the Final Public Report dated February 1, 1974 and the Supplementary Public Report dated March 9, 1976 on the Princeville Mauna Kai No. 1-A, Registration 493, the Developer reports that certain material changes have been made in the project.

This Supplementary Public Report (pink paper stock) supersedes in its entirety the Preliminary Public Report (yellow paper stock) the Final Public Report (white paper stock) and the first Supplementary Public Report (pink paper stock) becoming a part of the Princeville Mauna Kai No. 1-A registration. The Developer is responsible for placing a true copy of the Second Supplementary Public Report in the hands of all purchasers and prospective purchasers. Securing from each purchaser or prospective purchaser a signed receipt for the report is also the responsibility of the Developer.

2. Princeville Mauna Kai No. 1-A is a 26 fee simple apartment condominium project which consists of 11 apartment buildings consisting of five different types of structures. There are 26 parking stalls; each assigned to the individual apartment units.
3. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Second Supplementary Public Report.
4. The Developer advises that the Declaration of Horizontal Property Regime and By-Laws for the Princeville Mauna Kai No. 1-A dated December 11, 1975 have been filed in the Bureau of Conveyances, State of Hawaii, in Liber 11190, Page 80, and the "as built" Condominium Map has been filed as Condominium Map No. 445 with the Bureau of Conveyances; as amended on October 10, 1976 and filed in said Bureau in Liber 11798, Page 385.
5. Advertising and promotional materials have been submitted pursuant to the rules and regulations promulgated by the Commission.
6. The project is divided into two increments of 11 apartment buildings and 26 apartments in the first increment designated as Princeville Mauna Kai No. 1-A in this Public Report. The second increment No. 1-B, if and when undertaken, will consist of 6 apartment buildings and 21 apartments.
7. No apartments have been sold under the prior public reports.
8. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime.
9. This Supplementary Public Report expires January 10, 1978 unless another supplementary public report issues or the Commission upon review of this registration issues an order extending the effective period of this report.

THIS SECOND SUPPLEMENTARY PUBLIC REPORT SUPERSEDES IN ITS ENTIRETY ALL EARLIER PUBLIC REPORTS ISSUED FOR THE PRINCEVILLE MAUNA KAI NO. 1-A CONDOMINIUM PROJECT AND THEREFORE THIS REPORT IS DEEMED COMPLETE IN ITSELF.

NAME OF PROJECT: PRINCEVILLE MAUNA KAI NO. 1-A.

LOCATION: The 2.988 acres of property to be committed to the regime as a fee simple condominium project is situated 4,020 feet northeast from the intersection of Kuhio Highway and Honu Road, Princeville, Hanalei, Island and County of Kauai, State of Hawaii.

TAX KEY: Fourth Division 5-4-05-030.

ZONING: V-72-18 Variance-apartment use.

DEVELOPER: Princeville Corporation, a Colorado corporation, is the developer whose address is 1860 Lincoln Street, Denver, Colorado 80203, and whose address in the State of Hawaii is P. O. Box 121, Hanalei, Kauai, State of Hawaii, Telephone: (808) 826-6561, Hanalei, Kauai.

The names of the officers and directors of the Princeville Corporation are:

<u>Name</u>	<u>Office Held</u>
Harry A. Trueblood, Jr.	Chairman of the Board, Chief Executive Officer and Director
Henry A. Perry	President and Director
Don A. Carswell	Executive Vice President and Director
William H. Trumbore	Vice President
Harold T. Yamada	Vice President
Ned W. High	Vice President
H. Bradley Wolff, Jr.	Director

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Attorney at Law, a Law Corporation, Suite 602, City Bank Building, 810 Richards Street, Honolulu, Hawaii 96813, Telephone: (808) 531-4171.

DESCRIPTION: The Declaration reflects that the project consists of 2.988 acres of land, located at Princeville, Hanalei, Kauai, consisting of eleven (11) apartment buildings with five (5) different types of structures designated as Buildings 1 through 5 inclusive, and partial rights to a swimming pool and pavilion designated within Plot A constructed thereon in accordance with Plans and Specifications prepared by Hewitt Clark Associates, Architect, and certified by Robert G. Krull, Registered Professional Engineer, "as built". There are twenty-six (26) separately designated and described apartment units together with twenty-six (26) parking stalls being limited common elements assigned to the apartment units. There are additional grassed parking stalls which are unassigned and are subject to the control and use as is determined by the Association of Apartment Owners of the project. The Grantor in the Declaration and as described herein is the Princeville Corporation. Garrett-Bromfield & Company by Deed dated November 17, 1975 conveyed all of its right, title and interest in and to the land to the Princeville Corporation, the developer of this project.

APARTMENTS, LOCATION AND NUMBERING: The apartments as designated on the Condominium Map are described as follows:

Building 1, Fourplex-1478 F and 1280 F.

There are four fourplex structures within the project, each covering a ground space of 3,084 square feet, with no basement. The fourplex structures are constructed with standard wood framing and plywood walls, and have galvanized steel with tar and granular substance roofs. Each fourplex structure is two floors in height and contains four apartments. Two of the apartments in each fourplex contain 1,478 square feet and the other two apartments contain 1,280 square feet. The 1,478 square feet apartments consist of three bedrooms, a living-dining area, two bathrooms, closets, kitchen, deck and entry area. The 1,280 square foot apartments consist of two bedrooms, a living-dining room, two bathrooms, closets, kitchen, deck and entry area. The apartments in the fourplex structures are numbered F-1 through F-8 inclusive for the two bedroom apartments and F-19 through F-26 inclusive for the three bedroom apartments and are located on the project as depicted on the Condominium Map. Each fourplex apartment has immediate access to the outdoor common element by way of entrance doors located at ground level and second floor level.

Building 2, Duplex-1576 D. There is one Duplex-1576 D structure within the project covering a ground space of 2,368 square feet, with no basement. The Duplex structure is constructed with standard wood framing and plywood walls, and has a galvanized steel with tar and granular substance roof. The Duplex structure is one and half stories in height, and contains two apartments. Each apartment contains 1,576 square feet of living area consisting of a living-dining area, three bedrooms, three bathrooms, closets, kitchen, deck, entry and stairway area. The apartments in the Duplex structure are numbered D-201 and D-202, and are located in the project as depicted on the Condominium Map. Each Duplex apartment has immediate access to the outdoor common element by way of entrance doors located at ground level.

Building 3, Duplex-1488 D. There is one Duplex-1488 D structure within the project covering a ground space of 1,968 square feet, with no basement. The Duplex structure is constructed with standard wood framing and plywood walls, and has galvanized steel with tar & granular substance roof. The Duplex structure is two stories in height, and contains two apartments. Each apartment contains 1,488 square feet of living area, consisting of three bedrooms, a living-dining area, two bathrooms, closets, kitchen, deck, entry, stairway and hall areas. The apartments in the Duplex structure are numbered D-301 and D-302, and are located on the project as depicted on the Condominium Map. Each Duplex apartment has immediate access to the outdoor common element by way of entrance doors located at ground level.

Building 4, Duplex-1164 D. There is one Duplex-1164 D structure within the project covering

a ground space of 2,048 square feet, with no basement. The Duplex structure is constructed with standard wood framing and plywood walls and has a galvanized steel with tar & granular substance roof. The Duplex structure is one floor in height, and contains two apartments. Each apartment contains 1,164 square feet of living area, consisting of two bedrooms, a living-dining room, two bathrooms, closets, kitchen, deck and entry area. The apartments in the Duplex structure are numbered D-101 and D-102 and are located on the project as depicted on the Condominium Map. Each Duplex apartment has immediate access to the outdoor common element by way of entrance doors located at ground level.

Building 5, Tower 1512 T. There are four Tower 1512 T Structures within the project, each covering a ground space of 504 square feet, with no basement. The Tower structures are constructed with standard wood framing and plywood walls and galvanized steel with tar & granular substance roofs. Each Tower structure is three (3) stories in height and contains one (1) apartment. Each floor contains 504 square feet of living area, resulting in a total apartment size of 1,512 square feet. One or two bedrooms, bath, closet, deck and stairway are located on each of the first two floors. A living-dining area, kitchen, small hallway, stairway area and deck are contained on the top floor of each Tower structure. The apartments in the Tower structures are numbered T-1, T-2, T-3, and T-4, and are located on the project as depicted on the Condominium Map. Each Tower apartment has immediate access to the outdoor common element by way of an entrance door located at ground level.

LIMITS OF APARTMENTS: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the roofs or any pipes, wire, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein, including range and vent-a-hood, water heater and garbage disposal, refrigerator, compacter, dishwasher, stacked washer and dryer.

COMMON ELEMENTS: One freehold estate is hereby designated in all remaining portions of the project (except for the swimming pool and pavilion, the ownership of which are provided for hereafter), herein called the "common elements", including but not limited to:

- a. The land in fee simple.
- b. All foundations, floor slabs, columns, girders, beams, supports, bearing walls, roofs and entries of said buildings.

- c. All yards, grounds, landscaping, refuse facilities, walkways, parking areas, driveways and streets.
- d. All ducts, electrical equipment, wiring and other central appurtenant installations, including power, light, water, sewer and telephone.
- e. All other parts of the project existing for the common use or necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS: The Declaration reflects that the limited common elements are as follows:

- a. One parking space, designated on said plans by the number corresponding to that of each apartment shall be appurtenant to and for the exclusive use of such apartment. There are 21 unassigned parking spaces which are for the general use of the owners temporarily, and may be used as determined by the Association of Apartment Owners of the Project. At such time as Phase 1-B becomes a part of the Horizontal Property Regime then all 21 unassigned stalls shall be assigned to the 21 units in Phase 1-B.
- b. The entries of each apartment shall be appurtenant to and for the exclusive use of each apartment.
- c. The swimming pool and pavilion, depicted as Plot A, Lot 4-A, Princeville at Hanalei, as shown on the Condominium Map (hereinafter referred to as Plot A), are to be owned by all of the apartment owners in this project and the owners of any apartment constructed by the Developer in or on the balance of the land within Lot 4, Princeville at Hanalei. It is contemplated in addition to the 26 units herein provided for, Developer may construct 21 units in Phase 1-B of the development of Lot 4, Princeville at Hanalei. Accordingly, each of the apartments in this project shall have appurtenant thereto a 1/26th fractional interest in and to Plot A, and upon the addition of Phase 1-B a 1/47th fractional interest in and to Plot A.

PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS: The percentage of undivided interest in the common elements appertaining to each apartment and appurtenances thereto is as follows:

<u>Apartment</u>	<u>Units</u>	<u>Percentgage Interest of Each Unit</u>	<u>Totals</u>
Tower	4	4.3831	17.5324
Duplex-1164 D	2	2.9684	5.9368
Duplex-1576 D	2	3.4322	6.8644
Duplex-1488 D	2	2.8524	5.7048

Fourplex (1,478 sq. ft.)	8	4.2846	34.2768
Fourplex (1,280 sq. ft.)	8	3.7106	<u>29.6848</u>
			100.0000

Such interests are hereinafter called the "common interest" and each apartment shall have the same proportionate share in all common profits and expenses of the project, and for all other purposes including voting except for ownership of Plot A.

NOTE: The cost of operation and maintenance of the swimming pool and pavilion shall be separately determined, and each apartment owner shall be assessed 1/26th of the cost so determined and as the number of apartments increases the fractional interest of the apartment owners for the cost of operation and maintenance shall be decreased to the extent of the pro-rata fractional interest based on the total number of apartments.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used only as private apartments or resort dwellings for permanent or transient occupancy and may be leased or rented from time to time on a daily, weekly or monthly period by the respective owners thereof, their tenants, families, domestic servants and social guests. The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration. Seller is not offering to provide services relating to the sale or rental of apartments.

NOTE: The House Rules provide in part that (1) no more than seven (7) persons shall be allowed to occupy a two-bedroom apartment and no more than nine (9) persons shall be allowed to occupy a three-bedroom apartment and no more than ten (10) persons shall be allowed to occupy a Tower apartment; (2) no dogs, cats, or other domestic pets are allowed in the demised premises.

OWNERSHIP OF TITLE: Princeville Corporation, a Colorado corporation, is the fee owner of the subject property. The Preliminary Report dated August 27, 1976 (and updated on November 15, 1976), issued by Long & Melone, Ltd., confirms such ownership.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report as updated on November 15, 1976 reports that title to the land is subject to the following encumbrances:

1. Easement "S-2" for sanitary sewer purposes over and across said Lot 4-A, more particularly described in the Exhibit "A" of the Declaration.
2. Declaration of restrictions, covenants and conditions by Princeville Corporation dated March 1, 1971, recorded in the Bureau of Conveyances of the State of Hawaii in Book 7444, Page 93, as amended.

3. Water and Sanitation Assessment and Lien by Kauai County Public Improvement Corporation and Princeville Corporation dated April 7, 1971, recorded in said Bureau of Conveyances in Book 7486, Page 292, as supplemented and amended.

NOTE: The assessment lien has been converted to individual liens on each apartment unit and its appurtenant common interest and therefore the responsibility of paying the assessments of each apartment unit will be assumed by the respective individual owner of each apartment.

4. AS TO ROADWAY LOTS: Reservation unto Princeville Corporation, its successors and assigns, of the right to grant roadway easements over and across any and all roadway lots hereinabove set forth, to the purchaser, purchasers, lessee, lessees, owner or owners of each of the lots within Princeville at Hanalei and to any other purchaser, purchasers, lessee, lessees, owner or owners of lots hereinafter created within Princeville at Hanalei.
5. MORTGAGE: Garrett-Bromfield & Company, a Colorado corporation, to The Trustees of Mortgage Trust of America, dated October 1, 1973, recorded in the Bureau of Conveyances in Book 9530, Page 358, and First Modification thereto dated March 14, 1974, recorded in Book 10737, Page 11, and Second Modification thereto dated August 24, 1976, recorded in Book 11633, Page 62. TO SECURE: \$2,000,000.00.
6. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, limitations on title, and all other provisions, created by the Hawaii Horizontal Property Act, or set forth in the Declaration of Horizontal Property Regime and By-Laws attached thereto dated December 11, 1975, recorded in the Bureau of Conveyances of the State of Hawaii in Book 11190, Page 80, submitting said premises to the condominium project known as PRINCEVILLE MAUNA KAI NO. 1-A, Condominium Map No. 445; any instrument creating the estate or interest herein set forth; and in any other allied instrument referred to in any of the instruments aforesaid. The First Amendment to the Declaration and By-Laws dated October 20, 1976, recorded in said Bureau in Book 11798, Page 385.
7. U. S. District Court Judgment against Princeville Corporation, Civil No. 75-0306, filed on August 26, 1976, and recorded in the Bureau of Conveyances in the amount of \$21,534.59 in Book 11643, Page 84.
8. For any taxes that may be due and owing reference is hereby made to the Office of the Tax Assessor, Fourth Division.



ALTERATION OF PROJECT:

- a. Restoration or Replacement. Restoration or replacement of the project or any building thereof or construction of any additional building or structural alteration or addition to any building, different in any material respect from said condominium file plan of the project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment to the Declaration, duly executed by or pursuant to the affirmative vote of all the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction the Association shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified as built by a registered architect or professional engineer. Provided, however, that notwithstanding any provision in the Declaration to the contrary any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall require only the written approval thereof, including the apartment owner's plans therefor, by the holders of liens affecting such apartment (if the lienholders require such approval), the Board, all other apartment owners thereby directly affected (as determined by said Board), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the project as so altered.
- b. Common Managing Agent. Anything to the contrary notwithstanding, the Developer reserves the right at its sole option and as the attorney-in-fact of the Association to appoint a common managing agent for this project and Phase 1-B and to provide the method and means by which the selection of the common managing agent will be made for all phases and the allocation of the common interests as the additional phases are added.
- c. Addition to Project. The Grantor shall have the right at its sole option to amend the Declaration at any time up to but not later than July 1, 1980 by the construction and addition to the project of 21 additional apartments together with common elements, limited common elements and the land described in Exhibit "A-1" of the Declaration.
- d. Additional Land. The annexation by the Developer of the land described in Exhibit "A-1" of the Declaration to the land described in Exhibit A will then create a Horizontal Property Regime consisting of apartments in Phases 1-A and 1-B.
- e. Recordation of Amendment. Recordation in the Bureau of Conveyances of an amendment to the Declaration and

By-Laws together with the Condominium Map which incorporates the following and such other amendments which in the sole discretion of the Developer shall be beneficial for the project with the addition of the additional phase.

- f. Common Elements Used by Both Phases. The apartments after the amended Declaration and By-Laws and Condominium Map are filed shall have the right to use the common elements of all phases to the same extent and subject to the same limitations as are imposed upon an apartment in each phase just as though all of the phases have been developed as one project.
- g. Percentage of Interest in the Common Elements. If and when the Second Increment is developed, the common interest of the apartments in Phase 1-A and Phase 1-B shall be as follows:

<u>Apartment</u>	<u>Unit</u>	<u>Percentage of Interest of Each Unit</u>	<u>Totals</u>
Tower	5	2.3300	11.650
Duplex-1164 D	2	1.7900	3.580
Duplex-1576 D	2	2.4300	4.860
Duplex-1488 D	2	2.2900	4.580
Fourplex (1,478 sq. ft.)	18	2.2825	41.085
Fourplex (1,280 sq. ft.)	18	1.9025	<u>34.245</u>
			100.000

In the event that the type and number of apartments are required to be changed by the Developer for any reason whatsoever the percentages stated above will be adjusted by the Developer to bring about as close an allocation of percentage interest so as to arrive at the total 100% interest.

- h. Board of Directors. The Board of Directors immediately prior to the addition of any additional phase shall govern until the next annual meeting at which time the Board shall be increased as provided in the amendment to the Declaration.
- i. Power of Attorney for Phase 1. The Developer as the attorney-in-fact of the respective owners from time to time of the apartments of the project as constituted for Phase 1-A shall have the right to execute, acknowledge and deliver any and all instruments necessary or appropriate for the purpose of carrying out the provisions and exercising rights, powers and privileges granted in the addition to the project described above in its entirety. In the event that

any one or more of the provisions for the addition to the project shall be declared to be contrary to law such provision or provisions as shall be null and void shall be severable from any other provisions and shall in no way affect the enforceability of any other provisions thereof.

AMENDMENT OF DECLARATION: Except as otherwise provided in the Declaration, the Declaration may be amended by vote of the owners of interest in the common elements totaling in the aggregate of not less than seventy-five percent (75%), provided, however, that upon completion of the buildings and improvements as set forth in the Condominium Map and Maps for Phases 1-A and 1-B the Developer is authorized to file the "as built" certification of the architect or engineer as the attorney-in-fact of the Association.

"AS BUILT" CERTIFICATION: The "as built" floor plans and elevations of the condominium project heretofore filed as Condominium Map No. 445 in the Bureau of Conveyances is incorporated by reference in the amended Declaration and the Developer reserves the right to further amend said Condominium Map at any time or times without the consent or joinder of any other person in order to record such further changes or amendments as may be necessary for the "as built" certification by the architect or engineer as provided in the paragraph relating to the amendment of Declaration.

PURCHASE MONEY HANDLING: A copy of the Condominium Deposit, Receipt and Sales Contract (hereinafter called "Sales Contract" and a newly executed Escrow Agreement dated September 1, 1976 between the Bank of Hawaii, as Escrow, and Developer, as Seller, have been submitted to the Commission as a part of this registration. Upon examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Sections 514-36 through 514-40, H.R.S.

The improvements in the project have been completed and therefore the buyer's funds will not be used toward the payment of construction costs of the project.

It is incumbent upon the purchaser and prospective purchasers that he read with care the Escrow Agreement and the Deposit, Receipt and Sales Contract. The latter provides among other things, that the developer's warranties are limited to those it receives from the contractor and that such warranties expire on December 15, 1976.

MANAGEMENT OF THE PROJECT: The Declaration provides that the management of the project shall be conducted for the Association by a responsible corporate managing agent and that the initial managing agent shall be Princeville Management Company, a Division of Princeville Corporation, whose address is Hanalei, Kauai.

STATUS OF PROJECT: The Developer advises that construction of all improvements has been completed as indicated by the Affidavit of Publication of the Notice of Completion filed with the Fifth Circuit Court on December 22, 1975.

RELEASE FROM CONSTRUCTION LOAN: The developer has advised the Commission that The Trustees of Mortgage Trust of America, a

California Trust, pursuant to the Second Modification of Mortgage dated August 24, 1976, has changed the release provision which now provides in substance as follows:

The gross sales price shall be equal or greater than the gross sales price attached as Schedule "A" to the Second Modification of Mortgage and there is first paid to Mortgage Trust of America the release price for the unit a sum equal to the net sales proceeds as defined hereafter. "The term 'net sales proceeds' shall be defined as the gross sales price for the unit to be released less normal and customary closing expenses not to exceed 2% of the sales price and sales commission not to exceed 6% of the sales price and less permanent loan discount points approved by Mortgagee but in no event greater than 8% of the sales price. The net sales proceeds shall consist of all cash plus an assignment from Mortgagor to Mortgagee of any second mortgage accepted by Mortgagor from the purchasers of the condominium unit together with an assignment of the note secured thereby. In no event, however, shall the note secured by any such second mortgage exceed 10% of the gross sales price of the condominium unit. Of the remaining 90% of the gross sales price, up to 80% of the gross sales price may be represented by the principal balance of a permanent loan made by the Mortgagee pursuant to Paragraph 5 of the Second Amendment to the Construction Loan Agreement."

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The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the developer in the required Notice of Intention submitted November 9, 1972 and information subsequently filed as of December 17, 1976.

This SECOND SUPPLEMENTARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 493 filed with the Commission on November 9, 1972.

This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be pink in color.

*Ah Kau Young*  
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AH KAU YOUNG, CHAIRMAN  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Department of Taxation  
Bureau of Conveyances  
Planning Commission  
County of Kauai  
Federal Housing Administration  
Escrow Agent

Registration No. 493

January 10, 1977