

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
KAPAA SHORE
Kuhio Highway
Kapaa, Kauai, Hawaii

REGISTRATION NO. 679

This Report Is Not an Approval or Disapproval of This Condominium Project

It was prepared as a supplement to an earlier Report dated June 6, 1974 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: August 11, 1976
Expires: January 6, 1977

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 26, 1974 AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 10, 1976. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME, CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report of June 6, 1974 on KAPAA SHORE, Registration No. 679, the Developer reports that changes have been made in the plan or set-up as presented in the June 6, 1974 notice of intention to sell. The subsequent changes are determined to be a material revision to the information first disclosed.

This Supplementary Public Report amends the June 6, 1974 document becoming a part of the Preliminary Public Report on KAPAA SHORE.

The Developer is responsible for placing a true copy of this Supplementary Public Report (pink paper stock) in the hands of all purchasers and prospective purchasers, along with a true copy of the Preliminary Public Report (yellow paper stock). Securing a signed copy of the Receipt for both reports is also the responsibility of the Developer.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the project and updating the information disclosed therein.
3. The Developer has advised the Commission that the advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.
4. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regime.
5. This Supplementary Public Report automatically expires January 6, 1977 unless another Supplementary or Final Public Report issues or the Commission, upon review of the registration issues an order extending the period of this report.

The Developer has requested and the Commission has granted a second extension of the Preliminary Public Report of June 6, 1974 to January 6, 1977.

Only certain information under the topical headings: DEVELOPER, DESCRIPTION, OWNERSHIP OF TITLE, PURCHASE MONEY HANDLING, and STATUS OF PROJECT have been amended. Otherwise, the information recited in the Preliminary Public Report of June 6, 1974 have not been altered.

DEVELOPER: The new Developer is CALIFORNIA-HAWAII DEVELOPMENT, INC., a California corporation licensed to do business in Hawaii, located at Suite 301, 23 S. Vineyard Blvd., Honolulu, Hawaii 96813; telephone 537-4977. The officers are as follows:

Dewey O. Chapman, Jr. - President
Gary L. DiGirolamo - Vice-President
Betty J. Chapman - Secretary-Treasurer

DESCRIPTION: All information recited in the Preliminary Public Report of June 6, 1974 remains the same except that there will not be any paddle tennis court.

OWNERSHIP OF TITLE: The updated Title Report issued July 23, 1976, by Title Guaranty of Hawaii, Incorporated, a licensed abstractor, indicates that the owner of the fee simple title to the land is S. Otsuka Estate, Inc., a Hawaii corporation, who has entered into a master lease with Preston Leslie Moody, husband of Kathryn Elizabeth Moody, Peter Brown Nottage, husband of Lois Carpenter Nottage, and Wallace Allan Dyer, husband of Doris May Dyer, who in turn entered

into a sublease of the subject property with David Carroll Maddox and Dorothy Stautzenberger Maddox, husband and wife, which sublease was assigned to S & J Investments, Ltd., original Developer of this project, who on April 18, 1975 assigned said sublease to California-Hawaii Development, Inc.

PURCHASE MONEY HANDLING: A newly executed Escrow Agreement dated July 20, 1976 identifies Title Guaranty Escrow Services, Inc. as the Escrow Agent. Upon examination, the Escrow Agreement is found to be in consonance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-35 through 514-40.

Among other provisions the Escrow Agreement provides that Escrow Agent shall refund to Purchaser all of Purchaser's funds, without interest and less Escrow's cancellation fee if Purchaser shall in writing request refund of his funds and any one of the following have occurred:

- (1) Escrow receives a written request from Seller to return to purchaser the funds of such purchaser then held hereunder by Escrow; or
- (2) If a purchaser's funds were obtained prior to the issuance of a final public report and there is any change in the unit building plans, subsequent to the execution of purchaser's sales contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the purchaser has given written approval or acceptance of the specific change; or
- (3) If a purchaser's funds were obtained prior to the issuance of a final public report and the final public report differs in any material respect from the preliminary public report, unless the purchaser has given written approval or acceptance of the difference; or
- (4) If the final public report is not issued within one year from the date of issuance of the preliminary public report.

The specimen Sales Contract provides, in part, that (1) Buyer agrees that all of the rights of Buyer are and shall be subject and subordinate to the lien of any mortgage securing the repayment of the interim loan made to finance the cost of construction and other costs during construction and to any and all advances made thereon, and to any and all sums which may become a lien pursuant to the terms of such interim loan or any other agreement relating thereto; (2) Buyer agrees that until Developer has closed out the sale of all eighty-one (81) apartments of the project, or until September 1, 1978 whichever shall first occur, Buyer will not enter into an agreement with any owner of another apartment in the project and/or any third party under which Buyer agrees to share expenses and/or rentals of apartments in the project.

The Developer has submitted a statement of the estimated costs involved in completing the project and loan commitment letters from State Savings and Loan Association of Honolulu, Hawaii to provide both construction financing and long-term mortgage loans to individually qualified purchasers of the units.

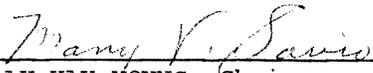
It is incumbent upon the Purchaser and prospective Purchaser to read and understand the Escrow Agreement before executing the Contract of Sale, since the Escrow Agreement prescribes the procedure for receiving and disbursing Purchaser's funds and the Contract of Sale specifically provides that the Purchaser approves said Escrow Agreement.

STATUS OF PROJECT: A Building Permit has been obtained and the Developer anticipates commencement of construction on or before August 31, 1976. Construction is expected to be completed on or before September 1, 1977.

The Purchaser or prospective Purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted April 26, 1974, and information subsequently filed as of August 10, 1976.

This SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 679, filed with the Commission on April 26, 1974.

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


for AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

DISTRIBUTION:

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

Registration No. 679
August 11, 1976