

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

SANDPIPER VILLAGE I

Princeville, Hanalei, Kauai, Hawaii

REGISTRATION NO. 1166

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

It was prepared as a supplement to an earlier Report dated August 30, 1979 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 25, 1980

EXPIRES: October 28, 1980

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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 30, 1979, AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 23, 1980. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND REPORTING CHANGES IN THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report of September 28, 1979 on SANDPIPER VILLAGE I, Registration No. 1166, the Developer reports that changes have been made in the plan or set-up as represented in the August 30, 1979 Notice of Intention.

The changes substantially made are determined to be a material revision to the information disclosed earlier. This Supplementary Public Report (pink paper stock) amends the Preliminary Public Report (yellow paper stock), becoming a part of Registration No. 1166. The Developer is responsible for placing a true copy of this Supplementary Public Report in the hands of all purchasers or prospective purchasers, along with copies of the Preliminary Public Report and Disclosure Abstract, and obtaining the required receipts therefor.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for registration of the Project and the updating of information disclosed therein.

3. The basic documents (Declaration, By Laws, and Floor Plans) have not yet been recorded. An unrecorded Option Agreement dated January 7, 1980 has been executed in favor of Capsync, Inc., a Hawaii corporation. Said Option Agreement contemplates the purchase of the Project and the underlying fee by Capsync, Inc. and gives Capsync, Inc. the right to enter into sales contracts with apartment purchasers during the period covered by the Option Agreement (to February 5, 1980) subject to four 30-day extension periods, the last expiring on June 5, 1980. Pursuant to the rights granted thereunder, Capsync, Inc. intends to enter into non-binding Reservation Agreements with prospective apartment purchasers. Capsync, Inc. has informed the Commission that if Capsync exercises its option to acquire the Project, the Project will be a fee simple rather than a leasehold condominium project.

4. No advertising or promotional material has been filed pursuant to the rules and regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the rules and regulations promulgated thereunder which relate to horizontal property regimes.

6. This Supplementary Public Report amends the expiration date of the Preliminary Public Report to cause both reports to expire on October 28, 1980, unless the Commission, upon review of the registration, issues an order extending the effective period of the reports.

Except for the topical headings which follow, the information contained in the Preliminary Public Report of September 28, 1979 has not been disturbed.

DEVELOPER: The Commission has been informed that Capsync, Inc., a Hawaii corporation having its principal place of business at 745 Fort Street, Suite 2118, Honolulu, Hawaii 96813 Telephone No.: (808) 524-0900, will be the new developer for the project.

The officers and directors of Capsync, Inc., are as follows:

Arthur B. Wall President-Treasurer and Director
A. Doris R. Yago Vice President-Secretary and Director

ATTORNEY REPRESENTING CAPSYNC, INC.: Capsync, Inc. has informed the Commission that the firm of Mukaï, Ichiki, Raffetto & MacMillan (Attention: Wesley Y.S. Chang), 345 Queen Street, Suite 800, Honolulu, Hawaii 96813 Telephone No.: (808) 531-6277 is representing it in connection with the Project.

ENCUMBRANCES AGAINST TITLE: A Preliminary Title Report dated January 15, 1980 issued by Title Guaranty of Hawaii, reports that title to the land is subject to the following:

1. Real property taxes that might be due and owing. For additional information, check with the Tax Assessor, Fourth Division.
2. Declaration of Restrictions, Covenants and Conditions by Eagle County Development Corporation, dated March 1, 1971, recorded in the Bureau of Conveyances in Liber 7444 at Page 93, as amended by instrument recorded in Liber 13167 at Page 37.
3. Easement D-8 (10 feet wide) for drainage purposes as shown on File Plan 1360 along the Northerly and Westerly boundary of Lot 15.
4. Easement E-18 (10 feet wide) for electrical purposes as shown on File Plan 1360 along the Easterly boundary of said Lot 15.
5. The above easement was granted in favor of Kauai Electric Division of Citizens Utilities Company and Hawaiian Telephone Company, dated December 26, 1974, recorded in Bureau of Conveyances in Liber 10462 at Page 312.
6. "Reserving, however, unto Consolidated Oil & Gas, Inc., its successors and assigns, the following:
 1. Easements for electrical, telephone, communication, gas sewer, water and drainage facilities over, under, across, along and through any easement area shown on said File Plan No. 1360, together with the right to enter the lot herein conveyed for the maintenance, repair and replacement of the facilities, together also with the right to grant to the State of Hawaii, County of Kauai, or any other appropriate governmental authority, or to any public utility corporation, Princeville at Hanalei Community Association, Kauai County Public Improvement Corporation, or to any person, persons, or corporation, easements for such purposes under such terms and conditions required by the grantee or grantees of such easements.
 2. Easement for ingress and egress over and across the above described lot for the maintenance, repair, and replacement of any drainage, water, sewer and utility facilities, over, under, across along, and through any easement area shown on File Plan No. 1360 and affecting the above described lot, together with the right to grant to the State of Hawaii, County of Kauai, or any other appropriate governmental authority, or to any public utility corporation, Princeville at Hanalei Community Association, Kauai County Public Improvement Corporation, or to any person, persons, or corporation, easements for such purposes under such terms and conditions required by the grantee or grantees of such easements.

3. Right to grant roadway easements over and across any and all roadway lots shown on File Plan Nos. 1350, 1360 & 1179 to the purchaser, purchasers, lessee, lessees, owner or owners of each of the lots within Princeville at Hanalei and to any purchaser, purchasers, lessee, lessees, owner or owners of lots hereinafter created within Princeville at Hanalei."; as reserved in that certain deed dated September 28, 1978 and recorded in Liber 13167 at Page 40.

7. Mortgage

Mortgagor: Diamond West Development of Hawaii, Inc., a Hawaii corporation.

Mortgagee: Consolidated Oil & Gas, Inc., a Colorado corporation authorized to do business in the State of Hawaii.

Dated: September 28, 1978

Recorded: Liber 13167

Amount: \$592,000.00

8. That certain Master Lease dated August 1, 1979 and recorded in Liber 13904 at Page 657, entered into by and between Hanalei Estates, a Hawaii general partnership, as Lessor, and Diamond West Development of Hawaii, Inc., a Hawaii corporation, as Lessee; leasing and demising the premises described in Schedule C for a term of sixty-five (65) years and eight (8) months, commencing August 1, 1979 and terminating at midnight on March 31, 2045.

9. That certain unrecorded Option Agreement to Purchase Real Property dated January 7, 1980, by and between Hanalei Estates, a Hawaii general partnership, Diamond West Development of Hawaii, Inc., a Hawaii corporation, and Sandpiper I Joint Venture, a general partnership, by Diamond West Development of Hawaii, Inc., a Hawaii corporation, Mark VII Enterprises, a California corporation, Bob Cohen, individually, and Iran Investment Advisors, Inc., a California corporation, "Optionor," and Capsync, Inc., a Hawaii corporation, "Optionee." (NOTE: Reference is made to said instrument for full particulars. The Developer has submitted a copy thereof to the Commission for examination.)

10. Instrument: Judgment

Plaintiff: Simon Enterprises Corporation, a Hawaii corporation.

Defendant: Diamond West Development of Hawaii, a Hawaii corporation.

Dated: December 21, 1979.

Amount: \$39,739.93

Filed: In the Circuit Court of the First Circuit, State of Hawaii, Civil No. 59089 on December 21, 1979.

Recorded: Liber 14346 Page 607 in the Office of the Registrar of Conveyances on December 21, 1979.

In addition to the foregoing encumbrances, the Developer has advised the Commission that title to the land is also subject to the following:

A. Terms and conditions contained in Master Lease dated August 1, 1979, made by and between Hanalei Estates, as lessor, and Diamond West Development of Hawaii, Inc., as lessee, recorded in the Bureau of Conveyances in Liber 13904 at Page 657.

B. Terms and conditions of that certain unrecorded Option Agreement to purchase real property dated January 7, 1980, by and between Hanalei Estates, a Hawaii general partnership, Diamond West Development of Hawaii, Inc., a Hawaii corporation, Sandpiper I Joint Venture, a general partnership, Mark VII Enterprises, a California corporation, Bob Cohen, individually, and Iran Investment Advisors, Inc., a California corporation.

PURCHASE MONEY HANDLING: Capsync, Inc., has submitted to the Commission a specimen non-binding Reservation Agreement to be executed by Capsync, Inc. and individuals who express an interest in the Project, together with an Escrow Agreement executed by Capsync, Inc. and State Savings & Loan Association, a Utah corporation, on January 23, 1980. Capsync, Inc. has informed the Commission that it intends to exercise its right to cancel under the Reservation Agreement in the event that Capsync, Inc. fails to timely exercise the option granted it under the Option Agreement or the option terminates for any reason. Capsync, Inc. has also submitted to the Commission a copy of the revised specimen Sales Contract to be executed by Capsync, Inc. and prospective purchasers in the event that Capsync, Inc. and prospective purchasers wish to enter into binding sales contracts.

Upon examination, the Reservation Agreement, Escrow Agreement and revised specimen Sales Contract are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

The Escrow Agreement with State Savings & Loan Association provides that Escrow will collect and receive all funds under the non-binding Reservation Agreements or under Sales Contracts made by the Developer, and that a purchaser will be entitled to a refund of his funds without interest and less Escrow's cancellation fee, after the purchaser has requested such return if Escrow shall have received from Developer a written notice that any of the following has occurred:

(a) Developer or purchaser has exercised the right of cancellation provided for in the Reservation Agreement prior to the execution by both parties of a binding sales contract.

(b) Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held hereunder by Escrow; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or to which said purchaser has otherwise consented in writing, or ninety (90) days have elapsed since the purchaser has accepted in writing the apartment or he has first occupied the apartment; or

(d) The Final Report differs in a material respect from any previous Public Report, and the purchaser's written approval of such change shall not have been obtained; or

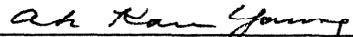
(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report.

STATUS OF PROJECT: The Commission has been informed that it is now estimated that the Project will commence on or about March 1, 1980, and be completed about a year later.

The Purchaser or prospective purchaser should be cognizant of the fact that this published Report represents information disclosed by the Developer in the Notice of Intention submitted August 30, 1979, and additional information subsequently filed as of January 23, 1980.

This Supplementary Horizontal Property Regime (Condominium) Public Report is made a part of Registration No. 1166 filed with the Commission September 28, 1979.

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, Chairmah
Real Estate Commission
State of Hawaii

Distribution: Department of Taxation
Bureau of Conveyances
Planning Commission, City and County of Honolulu
Federal Building Administration
Escrow Agent

Registration No. 1166

January 25, 1980.