

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

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

FOURTH SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
SANDPIPER VILLAGE I

(Registration for Apartments Nos. 112, 129, 131, 132 and 133 only)

Princeville, Hanalei, Kauai
State of 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 (see * below) 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.

* September 28, 1979; January 25, 1980; October 27, 1980;
April 21, 1983; and August 18, 1983.

Issued: December 27, 1985

Expires: May 27, 1986

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 AUGUST 30, 1979, AND INFORMATION SUBSEQUENTLY FILED AS OF DECEMBER 23, 1985. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Preliminary Public Report dated September 28, 1979, the first Supplementary Public Report dated January 25, 1980, the Final Public Report dated October 27, 1980, the second Supplementary Public Report dated April 23, 1983 and third Supplementary Public Report dated August 18, 1983, on the SANDPIPER VILLAGE I, certain material changes have been made in the Project.
2. S.P.P., Inc. proposes to acquire title to five (5) of the 74 apartments of the Project from the Federal Savings and Loan Insurance Corporation ("FSLIC"), the receiver for State Savings and Loan Association ("State Savings"). State Savings had acquired title to such units from the original developer as the result of conveyances in lieu of foreclosure subsequent to the issuance of the Final Public Report for the Project. THIS FOURTH SUPPLEMENTARY PUBLIC REPORT IS ISSUED ONLY WITH RESPECT TO THE FIVE (5) APARTMENTS LISTED ON THE FIRST PAGE HEREOF. NOTE THAT THE THIRD SUPPLEMENTARY REPORT COVERED FOUR OF THE FIVE APARTMENTS (UNIT 133 WAS NOT INCLUDED).
3. The Developer of the Project has filed all documents and materials deemed necessary by the Commission for the registration of this condominium Project and the issuance of this fourth Supplementary Public Report.

The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners) were executed on July 3, 1980 and recorded in the Bureau of Conveyances, State of Hawaii in Liber 14936, Page 84. A copy of the floor plans has been filed as Condominium Map No. 744 in said Bureau. Said Declaration was amended by instrument dated October 21, 1980 and recorded in Liber 15083 at Page 386, by instrument dated April 15, 1981 and recorded in Liber 15490 at Page 666, and by instrument dated July 25, 1983 and recorded in Liber 17230 at Page 263.

4. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the condominium rules and regulations which relate to Horizontal Property Regimes.
5. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.
6. This fourth Supplementary Public Report amends the Preliminary, first Supplementary, Final, and the second and third Supplementary Public Reports, becoming a part of the SANDPIPER VILLAGE I registration. The Developer is responsible for placing a true copy of this fourth Supplementary Public Report (pink paper stock) and attached updated Disclosure Abstract dated December 23, 1985 in the hands of all purchasers and prospective purchasers along with a copy of the Preliminary Public

Report (yellow paper stock), the Final Public Report (white paper stock), and all prior Supplementary Public Reports (pink paper stock), and securing a receipt therefor.

7. This fourth Supplementary Public Report automatically expires on May 27, 1986, unless a fifth Supplementary Public Report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information contained in all prior Public Reports under the topical headings DEVELOPER, ATTORNEY REPRESENTING SPVI LIMITED PARTNERS, PURPOSES AND RESTRICTIONS, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, MANAGEMENT AND OPERATIONS, and STATUS OF PROJECT, has been changed. In case of conflicting information, that contained in later reports supersedes that shown on earlier reports.

DEVELOPER: S.P.P., Inc., a Hawaii corporation, whose principal place of business and mailing address is 1188 Bishop Street, Suite 1808, Honolulu, Hawaii 96813. Telephone: (808) 524-0900. The officers of S.P.P., Inc. are:

President/Treasurer : Jerry A. Ruthruff
Vice-President/Secretary : Richard S. Wall

ATTORNEY FOR DEVELOPER: James A. Stubenberg, Attorney-at-Law, A Law Corporation, 1188 Bishop Street, Suite 2108, Honolulu, Hawaii 96813. Telephone: (808) 526-0892.

PURPOSES AND RESTRICTIONS: The Third Amendment to Sandpiper Village I Declaration of Horizontal Property Regime dated July 25, 1983 and recorded in the Bureau of Conveyances in Liber 17230 at Page 263 provides that apartments may be used as private dwellings in interval ownership plans for a period of sixty days or more per year, but not in any timeshare plans, as such plans are defined in said amendment. Owners who participate in interval ownership plans are subject to the Supplemental Declaration of Rules for Interval Ownership Programs attached to said Third Amendment and incorporated therein by reference.

OWNERSHIP OF TITLE: Commitments for Title Insurance issued by First Hawaii Title Corporation dated December 13, 1985 indicate that the current owner of the five units subject herein is the Federal Savings and Loan Insurance Corporation. The Developer, S.P.P., Inc., proposes to acquire fee simple title to five units from the FSLIC, receiver for State Savings and Loan Association, by virtue of a DROA dated October 15, 1985. A copy of said DROA has been submitted to the Real Estate Commission. The DROA is subject to certain conditions and is available for inspection. S.P.P., Inc. contemplates acquiring title from FSLIC immediately prior to conveying title to third party purchasers.

NOTATION: To assist purchasers and prospective purchasers in understanding the chronology of conveyances in this Project, the Developer has submitted to the Commission a Verified Statement of ownership status. The following six sections summarize what has occurred. Sections 1 and 2 cover units involved in this report.

1. UNITS 104, 106, 110, 203, 221, 133 and 233 were conveyed to Syncap, Incorporated by the following Deeds:

<u>Apt. No.</u>	<u>Date</u>	<u>Recorded</u>	
		<u>Liber</u>	<u>Page</u>
104	August 27, 1981	15785	199
106	August 27, 1981	15785	559
110	June 15, 1981	15715	208
203	September 23, 1981	15855	258
221	June 15, 1981	15725	40
133	September 23, 1981	16004	498
233	September 23, 1981	16004	565

These apartments were conveyed by Syncap, Incorporated to the FSLIC as sole receiver for State Savings and Loan Association by Apartment Deed dated May 22, 1985 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18678 at Page 210.

2. UNITS 105, 107, 108, 112, 113, 117, 122, 123, 124, 127, 128, 129, 131, 132, 134, 135, 136, 137, 215, 216, 217, 218, 224, 229, 232 and 234 were conveyed to Syncap, Incorporated.

Subsequently, Syncap, Incorporated conveyed such units to State Savings and Loan Association, in lieu of foreclosure of the individual mortgages on each of the units, by Deed dated October 12, 1982 and recorded in Liber 16665 at Page 748. State Savings and Loan Association immediately thereafter conveyed those units plus UNIT 115 to Sandpiper Properties, Inc. by Deed dated October 29, 1982 and recorded in Liber 16665 at Page 766. These apartments were conveyed by Sandpiper Properties, Inc. back to State Savings and Loan Association by Deed dated December 20, 1984 and recorded in Liber 18535 at Page 104.

NOTE: Federal Savings and Loan Insurance Corporation was appointed sole receiver for State Savings and Loan Association by the Federal Home Loan Bank Board in Resolution No. 85-256, dated April 11, 1985, a copy of which is filed with the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Order No. 73492, filed April 24, 1985.

3. UNITS 101, 102, 103, 119, 120, 121, 125, 205, 208, 210, 212, 220, 225, 226 and 230 were conveyed to bona fide third-party purchasers.
4. UNITS 109, 111, 114, 116, 118, 126, 130, 201, 202, 207, 209, 211, 213, 214, 219, 222, 223, 227, 228, 231, 235, 236, and 237 were conveyed to Seafirst Mortgage Corporation by Warranty Deed dated September 28, 1982 recorded in Liber 16629, Page 73.
5. UNIT 228 was conveyed to Seafirst Mortgage Corporation, as to an undivided 10% interest, and to State Savings and Loan Association, as to an undivided 90% interest, together as tenants in common, by Warranty Deed dated September 28, 1982, recorded in Liber 16629 at Page 89. The interest of State Savings and Loan Association was acquired by the FSLIC as receiver.

NOTE: Federal Savings and Loan Insurance Corporation was appointed sole receiver for State Savings and Loan Association by the Federal Home Loan Bank Board in Resolution No. 85-256, dated April 11, 1985, a copy of which is filed with the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Order No. 73492, filed April 24, 1985.

6. UNITS 115, 204 and 206 were conveyed to State Savings and Loan Association in lieu of foreclosure by Deed dated September 28, 1982 and recorded in the Bureau of Conveyances in Liber 16629 at Page 81.

NOTE: Federal Savings and Loan Insurance Corporation was appointed sole receiver for State Savings and Loan Association by the Federal Home Loan Bank Board in Resolution No. 85-256, dated April 11, 1985, a copy which is filed with the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Order No. 73492, filed April 24, 1985.

ENCUMBRANCES AGAINST TITLE: Said commitments for title insurance issued by First Hawaii Title Corporation effective December 13, 1985, reflect the following encumbrances against the five apartments owned by the Developer:

1. AS TO ALL FIVE APARTMENTS:

- (a) Lien of real property taxes due and payable August 20, 1985 and other taxes which may be or become due and owing. Reference is made to the Director of Finance, County of Kauai.
- (b) Covenants, conditions, restrictions, reservations, easements and liens for assessments, options, power of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Horizontal Property Regime, dated July 3, 1980, and recorded

in the Bureau of Conveyances of the State of Hawaii in Liber 14936, Page 84, and Condominium Map No. 744, as amended on October 21, 1980, April 15, 1981 and July 25, 1983 as detailed in paragraph 3, page 2 of this Public Report.

- (c) Declaration of Restrictions, Covenants and Conditions by Eagle County Development Corporation dated March 1, 1971, and recorded in said Bureau in Book 7444, Page 93, as amended by instrument recorded in said Bureau in Book 13167, Page 37.
- (d) Easement D-8 (10 feet wide) as shown on File Plan No. 1360 for drainage purposes along the northerly and westerly boundaries of Lot 15.
- (e) Easement E-18 (10 feet wide) as shown on File Plan No. 1360 for electrical purposes along the easterly boundary of said Lot 15.
- (f) Grant of Easement in favor of Kauai Electric Division of Citizens Utilities Company and Hawaiian Telephone Company for utility purposes over and across said Easements D-8 and E-18, granted in instrument dated December 26, 1974, recorded in said Bureau in Liber 10462, Page 312.
- (g) Reservations in favor of Consolidated Oil and Gas, Inc., a Colorado corporation, as contained in Deed dated September 28, 1978, recorded in said Bureau in Book 13167, Page 40.

2. AS TO APARTMENTS 112, 129, 131 and 132 ONLY:

- (a) First Mortgage, Security Agreement and Financing Statement dated and recorded on October 29, 1982 in said Bureau of Conveyances in Book 16665 Page 773, made by SANDPIPER PROPERTIES, INC., a Hawaii corporation, to STATE SAVINGS AND LOAN ASSOCIATION, a Utah corporation, which states that it secures a debt in the principal sum of \$4,414,500.00. The present amount due should be determined by contacting the owner of the debt. (Also affects other units).

NOTE: Federal Savings and Loan Insurance Corporation was appointed sole receiver for State Savings and Loan Association by the Federal Home Loan Bank Board in Resolution No. 85-256, dated April 11, 1985, a copy of which is filed with the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Order No. 73492, filed April 24, 1985.

- (b) The terms, provisions, covenants, easements and reservations of that certain Apartment Deed dated December 20, 1984, recorded on March 29, 1985 in

said Bureau of Conveyances in Book 18535 Page 104, made by and between SANDPIPER PROPERTIES, INC., a Hawaii corporation, as "Grantor", and STATE SAVINGS AND LOAN ASSOCIATION, a Utah corporation, as "Grantee".

3. AS TO APARTMENT 133 ONLY:

- (a) The terms, provisions, covenants, easements and reservations of that certain Apartment Deed dated May 22, 1985, recorded on May 31, 1985 in said Bureau of Conveyances in Book 18678 Page 210, made by and between ALLEN W. KAPALI, as Commissioner, as "Grantor", and FEDERAL SAVINGS AND LOAN INSURANCE CORPORATION, appointed sole receiver for State Savings and Loan Association, by the Federal Home Bank Board in Resolution No. 85-256, dated April 11, 1985, as "Grantee".

PURCHASE MONEY HANDLING: The Developer has entered into an Escrow Agreement dated December 16, 1985 with First Hawaii Title Corporation, 733 Bishop Street, Suite 1190, Honolulu, Hawaii for the five units subject herein. The Escrow Agreement and Deposit, Receipt, Offer and Acceptance contract ("DROA") to be used by Developer have been submitted to the Commission and have been found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. The provisions of the DROA should be carefully read by the purchasers.

Among other provisions, the proposed DROA provides that a purchaser shall be entitled to a refund of his funds (without interest), if the purchaser requires financing and is unable to obtain a mortgage loan within 30 days from the date he submits his application to the lender.

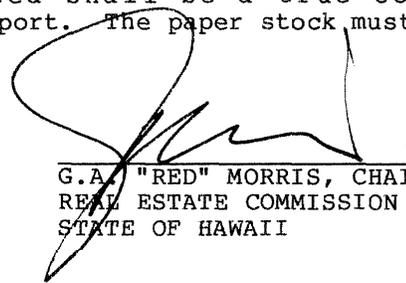
The Escrow Agreement also provides that Escrow shall deposit all funds received in a bank or savings and loan institution selected by Owner and that any interest earned thereon shall accrue to Owner.

MANAGEMENT AND OPERATION. The Association of Apartment Owners has entered into a Management Agreement dated February 15, 1983 with Crozier Management Corporation, a Hawaii corporation, which is renewable automatically from year to year subject to concurrence by Agent and the Board or the Association. A copy of the Management Agreement has been filed with the Commission.

STATUS OF PROJECT: Construction of the Project was completed in 1981 as evidenced by the Certificates of Occupancy dated March 30, 1981, March 31, 1981, April 6, 1981, April 9, 1981, April 10, 1981, April 14, 1981, and April 24, 1981 submitted to the Commission.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed in the Notice of Intention submitted August 30, 1979, and additional information filed by Developer as of December 23, 1985.

THIS FOURTH SUPPLEMENTAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1166 filed with the Commission August 30, 1979. This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock must be pink in color.



G.A. "RED" MORRIS, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF FINANCE, COUNTY OF KAUAI
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, COUNTY OF KAUAI
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 1166

December 27, 1985

DISCLOSURE ABSTRACT
(Pursuant to HRS §514A-61)

Sandpiper Village I

Revised as of December 23, 1985

1. Name and address of the project.

Sandpiper Village I
Princeville, Hanalei
Island of Kauai, Hawaii
2. Name, address and telephone number of the Developer or his agent.

S.P.P., Inc.
1188 Bishop St., Ste. 1808
Honolulu, Hawaii 96813 Phone: 524-0900
3. Name, address and telephone number of the Project Manager or his agent.

Crozier Management Corporation
4334 Rice Street, Room 203-C
Lihue, Kauai, Hawaii 96766 Phone: 245-3668
4. Breakdown of annual maintenance fees and monthly estimated costs for each apartment, and one-time "start-up" fee, certified to have been based on generally accepted accounting principles.

See attached Exhibit "A".
5. Description of all warranties for the apartments and the common elements.

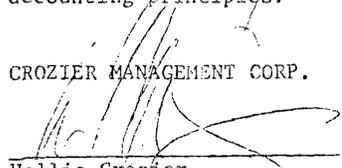
DEVELOPER DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE APARTMENTS, THE COMMON ELEMENTS, OR ANY FURNITURE, FIXTURES AND APPURTENANCES THERETO. The Developer disclaims any and all responsibility or liability for any water infiltration, any malfunction of electrical or mechanical components, appliances or equipment located within the project or an apartment, any construction or design defects, and any soil conditions. The purchaser of any apartment sold under this Fourth Supplementary Report takes the apartment in an "as is" condition without any warranties whatsoever on the part of Developer for the apartment or the common elements of the Project.
6. All apartments in the Project are to be used for residential purposes only; provided that owners may rent their units on a long-term or transitory basis (interval use of 60 days or more) excluding time-share arrangements. No commercial uses of the Project are allowed.

THE CROZIER MANAGEMENT CORP.
SANDPIPER VILLAGE
1986 ASSOCIATION BUDGET

	1986 YEARLY BUDGET	1986 MONTHLY BUDGET
-----INCOME-----		
OWNER ASSESSMENTS	156672.00	13056.00
MISCELLANEOUS INCOME	0	0
LATE CHARGE INCOME	0	0
TOTAL INCOME	156672.00	13056.00
-----EXPENSES-----		
---PAYROLL---		
MANAGER	12000.00	1000.00
FRONT DESK	4620.00	385.00
GROUND	24000.00	2000.00
SECURITY	0	0
TOTAL LABOR	40620.00	3385.00
EMPLOYER TAXES	40620.00	677.00
INSURANCE H.M.S.A.	3000.00	250.00
TOTAL PAYROLL	84240.00	4312.00
---PROPERTY OPERATIONS---		
ACCT'S, C.P.A. AUDIT	2400.00	200.00
ACCOUNTING	2664.00	222.00
AUTO	600.00	50.00
BANK CHARGES	240.00	20.00
BUILDING MAINTENANCE	1200.00	100.00
CABLE T.V.	0	0
DEPRECIATION EXPENSE	1800.00	150.00
EMPLOYEE RELATIONS	180.00	15.00
EQUIPMENT MAINTENANCE	1200.00	100.00
GROUNDS & LANDSCAPING	3000.00	250.00
INSURANCE GENERAL	15000.00	1250.00
LEGAL	1600.00	150.00
LICENSES & TAXES	0	0
MANAGEMENT FEE	8880.00	740.00
OPERATING SUPPLIES	348.00	29.00
OTHER OPERATING EXPENSE	300.00	25.00
PEST CONTROL	1200.00	100.00
POOL SUPPLIES	3000.00	250.00
POSTAGE & FREIGHT	300.00	25.00
PRINCEVILLE DUES	2976.00	248.00
PRINTING & STATIONERY	300.00	25.00
RENTAL EXPENSE	14400.00	1200.00
TELEPHONE	900.00	75.00
TREE MAINTENANCE	0	0
UNIFORMS	360.00	30.00
	2520.00	210.00
TOTAL PROPERTY OPERATION	65568.00	5464.00
---UTILITIES---		
ELECTRICITY	14400.00	1200.00
SEWAGE	11280.00	940.00
WATER	11280.00	940.00
TOTAL UTILITIES	36960.00	3080.00
TOTAL EXPENSES	186768.00	12856.00
SPECIAL ASSESSMENTS	12000.00	1000.00
SPECIAL RESERVE	14400.00	1200.00
TOTAL OWNER ASSESSMENTS	213168.00	15056.00
ASSESSMENTS BY APARTMENT TYPE		
A & AA		189.73
E & 5B		217.19
APT. 137		167.69

We certify that the monthly maintenance fees and the monthly cash operating costs have been based on generally accepted accounting principles.

CROZIER MANAGEMENT CORP.


Hollis Crozier
Its President