REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

HAENA POINT BEACH COTTAGES: NAUPAKA
Alealea Road, Wainiha Subdivision
Wainiha, Halelea, Kauai

REGISTRATION NO. 1471

IMPORTANT — Read This Report Before Buying

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

It reflects information obtained by the Real Estate Commission in its investigation of the 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 but may only take reservations therefore after

(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: May 11, 1982

EXPIRED: June 11, 1983

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 27, 1981 AND INFORMATION SUBSEQUENTLY FILED AS OF MAY 6, 1982. DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND IN SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. HAENA POINT BEACH COTTAGE: NAUPAKA is a proposed fee simple condominium consisting of two (2) apartment units in one (1) building and 3 parking spaces, one of which is for common use.

2. The Developer of the project has submitted to the commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.

3. The Developer reports that the Declaration of Horizontal Property Regime, the By-Laws of the Association of Apartment Owners and the Condominium Map will be recorded in the Bureau of Conveyances of the State of Hawaii immediately prior to the application for a Final Public Report.

4. No advertising or promotional material has been submitted to the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself or herself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

6. This Preliminary Public Report expires thirteen (13) months after issuance, unless a Final or Supplementary Public Report issues, May 11, 1982, or the Commission upon review of the registration, issues an order extending the effective date of this report.

7. This Preliminary Public Report is part of the registration of HAENA POINT BEACH COTTAGES: NAUPAKA Condominium Project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and the Disclosure Abstract attached hereto in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

NAME OF PROJECT: HAENA POINT BEACH COTTAGES: NAUPAKA

LOCATION: The Project is located at Wainiha Subdivision, Wainiha, Halelea, Kauai, State of Hawaii and has a land area of approximately 35,289 square feet.

TAX KEY: 5-8-9-:26 (5), 4th Division

ZONING: R-4

DEVELOPER: Alex Ferreira, M.D., [redacted]

ATTORNEY REPRESENTING DEVELOPER: Boyce R. Brown, Jr. and Mary Blaine Durant, 222 Merchant Street, Second Floor, Honolulu, Hawaii 96813; telephone: 521-5337.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a fee simple project consisting of two (2) apartment units, contained in one (2) single-story building without basements. The principal materials used in the construction of the building will be wood, masonry and concrete.

Each apartment contains the number of rooms and the approximate net floor area according to the proposed Declaration and

Condominium File Plan submitted by the Developer as follows:

Each apartment has two (2) bedrooms, two (2) bathrooms, one (1) kitchen, one (1) living room area with attached dining area containing a total of approximately 920 square fee net living area and two (2) lanais partially covered containing an area of approximately 280 square feet. Each apartment has immediate access to the grounds of the project.

The respective apartments shall be deemed to include the perimeter walls and roofs, the floor slabs, footings and foundation, and the pipes, wires conduits or other utility or service lines which run through and within such apartment, except that any such facilities or equipment which serve more than one apartment for services such as wires, light, gas water, sewer etc. shall be deemed to be common elements.

The apartments shall also be deemed to include the adjacent lanais and verandas and all the walls and partitions ithin their perimeter, all fixtures and all appliances contained therein.

COMMON ELEMENTS: One freehold estate is designated in all of the remaining portions of the project, herein called "common elements", including specifically but not limited to:

1. The land in fee simple;

2. All ramps, driveways and parking areas;

3, All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any.

4. Any and all portions of the project not deemed to be included as an apartment space shall be included as common elements.

5. One parking spaces for the use of units of A & B designated on the site plan as Space 3.

6. All covered walkways and refuse facilities and all walls which are not part of or incorporated into the foundation of any apartment.

LIMITED COMMON ELEMENTS: Certain parts of the common elements herein called the "limited common elements", are designated and set aside for the exclusive use of certain apartments and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

1. The land upon which the respective apartment is built shall be appurtenant to and for the exclusive use of such apartment, together with the entryways, landings, stairs and driveways leading exclusively to and from each apartment.

2. One parking stall designated on the Site Plan for

the exclusive use of each apartment as follows:

Space 1 -- Unit A

Space 2 -- Unit B

INTEREST TO BE CONVEYED TO PURCHASERS: The proposed Declaration indicates that the purchasers securing an apartment deed will obtain an apartment together with an undivided fifty percent (50%) interest in the common elements of the project. This same percentage interest of each apartment shall be used in determining each purchaser's proportionate share of all common profits and expenses of the project and shall be used for all other purposes including determining the proportionate representation for voting purposes in the Association of Apartment Owners of the project. In addition appurtenant to each unit shall be a 1/21 undivided interest in Lot 10 of the Wainiha Subdivision, being Lot 10 of the Subdivision File Plan No. 1727, and a 1/21 undivided interest in Lot 11 of the Wainiha Subdivision being Lot 11 of Subdivision File Plan No. 1727. Recreational facilities may be built on Lot 10 at the expense of each purchaser, and maintenance fees assessed and collected therefor will be held in escrow until such improvements are in place.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration provides that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests, including any annually recurring period on a fixed or floating basis. The By-Laws of the Association of Apartment Owners provide, in part, that no livestock, poultry, rabbits, or other animals shall be allowed or kept in any part of the project. The apartments may not be used for any other purpose unless consent of the Board of Directors is secured. The owners of the respective apartments shall have the absolute right to lease the same subject to the limitations, restrictions, covenants and conditions of the Declaration.

OWNERSHIP OF TITLE: A Preliminary Title Report dated September 25, 1981 issued by Long & Melone, Ltd., and updated by a Report of March 22, 1982 from Title Guaranty of Hawaii, shows fee simple title vested in P.E. Goodwin, General Partner of Haena Point Associates, a Washington Limited Partnership. The Developer has indicated that the Agreement of Sale mentioned in Item #1 below will be satisfied before the recordation of any Declaration and By-Laws.

ENCUMBRANCES. Said Preliminary Title Reports designate the following encumbrances to said subject property:

1. Agreement of Sale between Haena Point Associates to Alex Ferreira dated October 23, 1978, recorded in the Bureau of Conveyances, State of Hawaii, Book 13354, Page 306.

2. Proceedings filed June 16, 1981 in the United States District Court, State of Hawaii, Civil No. 81-0223; (suit for cancellation or foreclosure of Agreement of Sale) Notice of Pendency of Action of this suit was filed at the Bureau of conveyances, Book 15682, Page 57.

3. Title to all mineral and metallic mines reserved to the State of Hawaii.

4. Real property taxes as may be due and owing. For further information, check with the Tax Office of the District in which the property is located.

5. Real property taxes as may be due and owing. For further information, check with the Tax Office of the District in which the property is located.

6. Easement B (5.00 feet wide) for access purposes along the northwesterly boundary of Lot 8 as shown on Map of Wainiha Subdivision, File Plan 1727.

7. Petition in bankruptcy, dated January 15, 1982, Case No. 582-00179A, was recorded in said Bureau in Book 16177, Page 180.

In addition to the foregoing, the Developer has executed a Waiver & indemnity Agreement in favor of the County of Kauai regarding tsunami, storm waveflooding and other matters. Said document dated September 2, 1980 is recorded in the Bureau at Book 15345, Page 596.

NOTE: Exhibit C to the proposed Declaration is a Declaration of Restrictions, Covenants and Conditions which will later be filed at the Bureau of Conveyances, State of Hawaii. The purpose of this document to which all apartments herein will be subject is to create and maintain the Community Area in an attractive manner. The Community Area will consist of the land of this project and other adjoining condominium projects. Each purchaser will deposit $2,000 with the Developer, to be held in trust in an interest bearing escrow account, to secure purchaser's compliance with the Declaration.

PURCHASE MONEY HANDLING. A copy of an executed Escrow Agreement dated November 24, 1981 between Developer and TI of Hawaii, as escrow, has been filed with the Commission. On examination, the executed Escrow Agreement is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Section 514A-37, 514A-39, 514A-40 and 514A-63 through 514A-66. Among other provisions, the executed Escrow Agreement states that a Purchaser shall deposit in trust all monies under said escrow arrangements with instructions that no disbursement shall be made from such trust funds on behalf of the Developer until the contract has become effective and the Final Public Report has been issued.

A purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, less cancellation fee, if any one of the following occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract

pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; 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, subsequent to the execution of purchaser's sales contract, requiring approval of a county officer having jurisdiction over the issuance of building permits, unless such change is specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the sales contract or unless a purchaser's written approval or acceptance of the specific change is obtained or ninety days have elapsed since the purchaser has accepted in writing the unit or the purchaser has first occupied the unit; or

(d) The Final Report differs in a material respect from the Preliminary 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 and the purchaser has not waived or has not been deemed to have waived his right to a refund.

Among other provisions, the specimen Sales Agreement provides that Buyer's rights under the Sale Contract shall be subordinate to the lien of any construction mortgage loan and that the Developer makes no representations or references to either purchasers or prospective purchasers concerning rental of the apartment, income from the apartment or any other economic benefit to be derived from the rental of the apartment, including but not limited to, any reference or representation to the effect the Developer or the Managing Agent of the project will provide, directly or indirectly, any services relating to the rental or sale of the apartment, or as to possible advantages from the rental of any apartment under federal or state tax laws. Rental of the apartments and the provision of management services in connection therewith is and shall be the sole responsibility of the purchaser.

It is incumbent on the Purchaser and prospective Purchaser to read and understand the Escrow Agreement before signing any Sales Agreement. Purchasers and prospective purchasers are advised to read with care the provisions of the Escrow Agreement as the Escrow Agreement establishes how the proceeds from the sales are held in trust, as well as the retention and disbursement of said funds.

MEMBERSHIP IN COMMUNITY ASSOCIATION. All apartment owners must be members of the Haena Beach Cottages Community Association and be liable for constructing and maintaining the recreational amenities on Lot 10.

MANAGEMENT OF THE PROJECT. The proposed By-laws provide that the operation of the project may be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible managing agent. The Developer proposes as initial managing agent: HAENA BEACH COTTAGES COMMUNITY ASSOCIATION, a non-profit corporation whose address is 222 Merchant Street, Second Floor, Honolulu, Hawaii 96813, Telephone:

521-5337. A copy of the proposed management agreement has been submitted to the Commission.

STATUS OF PROJECT: The Developer has indicated that construction of the Project is scheduled to commence in June, 1982 and should be completed in June, 1983.

The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted November 27, 1981 and information subsequently filed as of May 6, 1982.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM PUBLIC REPORT) is made a part of REGISTRATION NO. 1472 filed with the Commission on November 27, 1981.

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

G.A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution:

Department of Finance
Bureau of Conveyance
Planning Commission
County of Kauai
Federal Housing Administration
Escrow Agent

Registration No. 1472

May 11, 1982