

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer ALAN ROBERT TUNKEL
Address P O Box 1899, Koloa, HI 96756

Project Name(*): LAWAI LOA ESTATES
Address: Lot 60, Lawai Homesteads, Lawai, Kauai, Hawaii

Registration No. 2165 Effective date: August 29, 2000
Expiration date: September 29, 2001

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

 PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real
(yellow) Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

 FINAL: The developer has legally created a condominium and has filed complete information
(white) with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with _____

X SUPPLEMENTARY: This report updates information contained in the:
(pink) [] Preliminary Public Report dated:
[X] Final Public Report dated: May 24, 1990
[] Supplementary Public Report dated: _____

And [] Supersedes all prior public reports.
[X] Must be read together with Final Public Report
[X] This report reactivates the Final Public Report
public report(s) which expired on July 25, 1992.

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

This Supplementary Public Report is to reactivate the Final Public Report which expired on July 25, 1992, for the sale of Unit 2 of the Project. Units 1, 3, 4 and 5 have already been sold by the Developer. Changes from the prior Public Report are:

1. A Second Amendment to the Declaration of Condominium Property Regime and Condominium Map have been recorded. The Amendment and Amended Map describe the results of a boundary adjustment between the units which resulted in changes to the sizes of the Limited Common Elements. Easements for access and utility purposes are also described in the Amendment and Amended Map.
2. The Real Estate Broker has changed.
3. The Escrow agent has changed.
4. There are no longer any blanket liens against the project.

The format of the public report has been revised since issuance of the Final Public Report and this Supplementary Public Report. Prospective purchasers are encouraged to refer to the table of contents in the Final Report to assist in determining the location of such changes.

SPECIAL ATTENTION

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL DWELLING UNITS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

IMPORTANT

THIS IS NOT A SUBDIVISION. The condominium interest to be conveyed is zoned agriculture and as such it is subject to those rules, laws, ordinances and regulations governing the usage of agriculturally zoned lands as may be promulgated by both County of Kauai and State of Hawaii authorities.

Among other rules, prior to the construction of a residence, an apartment owner must file with the County of Kauai an Agriculture Farm Dwelling Agreement or similar agreement that obligates the owner to engage in agriculture activity. In that County of Kauai rules now state that 75% of all equitable owners in a project must sign such an agreement, the owners are and shall be required to cooperate in the execution of this document. Further, it is understood that the number of dwelling units that may be placed upon agriculturally zoned property may change because of a change in County ordinance. Any such change will effect the number of residential dwelling units allowed within the project. The Buyer assumes such risk. The Developer assumes no risk for changes inn ordinance, law or statute nor makes any representations as to the likelihood of such change.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: ALAN ROBERT TUNKEL Phone: (808) 742-8753
Name* (Business)
P O BOX 1899
Business Address
KOLOA HI 96756

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership(LLP); or manager and members of a Limited Liability Company(LLC)(attach separate sheet if necessary):

N/A

Real Estate Broker*: SHELL DEVELOPMENT CORPORATION - Phone: (808) 742-1148
Name LAWAI (Business)
P O BOX 147
Business Address
KOLOA HI 96756

Escrow: SECURITY TITLE CORPORATION Phone: (808) 245-6975
Name (Business)
4370 KUKUI GROVE ST #207
Business Address
LIHUE HI 96766

General Contractor*: N/A Phone: _____
Name (Business)

Business Address

Condominium Managing Agent*: SELF-MANAGED BY THE ASSOCIATION OF APARTMENT OWNERS Phone: _____
Name (Business)

Business Address

Attorney for Developer: PATRICK J. CHILDS Phone: (808) 245-2863
Name (Business)
4365 KUKUI GROVE ST #104
Business Address
LIHUE HI 96766

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 23215 Page 31
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment dated 9/20/89, recorded in Liber 23763 at Page 92, and Second Amendment dated 1/3/95, recorded as Document No. 95-004737.

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. 1211
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment dated 9/20/89, recorded in Liber 23763 at Page 92, and Second Amendment dated 1/3/95, recorded as Document No. 95-004737.

C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 23215 Page 43
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit A*.

as follows:

*Note: Land areas referenced herein are not legally subdivided lots.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit _____.

as follows:

Apartment 1	14.72%
Apartment 2	28.26%
Apartment 3	14.44%
Apartment 4	22.96%
Apartment 5	19.62%

Note: The percentage of common interest is arbitrary.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit C describes the encumbrances against the title contained in the title report dated July 20, 2000 and issued by Security Title Corporation.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

Type of Lien

Effect on Buyer's Interest and Deposit if Developer Defaults
_____ or Lien is Foreclosed Prior to Conveyance _____

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: None .

2. Appliances: None .

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit E contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated May 16, 2000

Exhibit F contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, FRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

- 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; AND
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other Farm Dwelling Agreement as Document No. 91-131333; Grant of Easement as Document No. 95-066029 and 97-028586.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2165 filed with the Real Estate Commission on December 8, 1989

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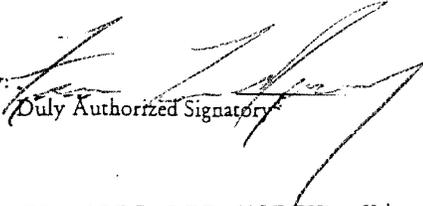
C. Additional Information Not Covered Above

Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that the Attorney in Fact" for the Developer/Owner(s), Frances L. Morey, RB15886, is a current and active Hawaii-licensed real estate broker. Furthermore, that Frances L. Morey is the Principal Broker for SHELL DEVELOPMENT CORPORATION-LAWAI, the project broker. Pursuant to section 16--99-11(c) HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Exchange by Owner'."

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

ALAN ROBERT TUNKEL

Printed Name of Developer

By: 
Duly Authorized Signatory

4-18-2000

Date

FRANCES LEE MOREY, His Attorney-in-Fact

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, COUNTY OF KAUAI
Planning Department, COUNTY OF KAUAI

**Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.*

EXHIBIT "A"

Common and Limited Common Elements

I. Common Elements. The common elements of the Project consist only of the following:

- (i) All the land in fee simple.
- (ii) That portion of the land and driveway on the land which is designated as Easement A on the Condominium Map.
- (iii) All pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures, retaining walls (if any) and yard fences, which are located outside the apartments and which are utilized for or serve more than one apartment.

II. Limited Common Elements. The limited common elements of the Project consist only of the following:

- (i) That portion of the Land which is designated as Unit 1, area 4.751 acres, on the Condominium Map, is reserved for the exclusive use of Apartment 1 for the support of the building and other improvements comprising Apartment 1, or attendant thereto, and for parking, yard and driveway purposes.
- (ii) That portion of the Land which is designated as Unit 2, area 10.950 acres, on the Condominium Map, is reserved for the exclusive use of Apartment 2 for the support of the building and other improvements comprising Apartment 2, or attendant thereto, and for parking, yard and driveway purposes.
- (iii) That portion of the Land which is designated as Unit 3, area 4.498 acres, on the Condominium Map, is reserved for the exclusive use of Apartment 3 for the support of the building and other improvements comprising Apartment 3, or attendant thereto, and for parking, yard and driveway purposes.
- (iv) That portion of the Land which is designated as Unit 4, area 6.588 acres, on the Condominium Map, is reserved for the exclusive use of Apartment 4 for the support of the building and other improvements comprising Apartment 4, or attendant thereto, and for parking, yard and driveway purposes.

(v) That portion of the Land which is designated as Unit 5, area 5.459 acres, on the Condominium Map, is reserved for the exclusive use of Apartment 5 for the support of the building and other improvements comprising Apartment 5, or attendant thereto, and for parking, yard and driveway purposes.

III. Determination of Element Interest. The determination of each individual apartment's percentage interest in the common elements, as well as an apartment owner's voting interest as a member of the Apartment Owners Association, is determined by dividing the land area appurtenant to a particular apartment as its exclusive limited common element by the total area of land making up the project.

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1. For Real property taxes that may be due and owing reference is made to the Director of Finance, County of Kauai.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines
3. Terms and provisions and conditions as contained in that certain instrument dated February 18, 1987, recorded in the Bureau of Conveyances of the State of Hawaii in Book 20444 Page 5, to which reference is hereby made.
4. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "LAWAI LOA ESTATES"

Dated : May 1, 1989
Book : 23215
Page : 31

Condominium Map No. 1211, as amended, to which reference is hereby made.

The foregoing Declaration of Condominium Property Regime was amended by the following:

<u>Dated</u>	<u>Document No.</u>	<u>Book</u>	<u>Page</u>
September 29, 1989		23763	92
January 3, 1995	95-004737		

5. BY-LAWS OF LAWAI LOAA ESTATES CONDOMINIUM ASSOCIATION

Dated : May 1, 1989
Book : 23215
Page : 42
to which reference is hereby made

6. The terms and provisions of that certain Farm Dwelling Agreement dated July 1, 1991, made by and between Alan R. Tunkel, "Applicant", and the County of Kauai Planning Department, "Department", recorded in said Bureau of Conveyances as Document No. 91-131333, to which reference is hereby made.
7. Any facts which a correct survey and inspection of the land referred to herein would disclose.
8. The covenants, agreements, obligations, conditions, easements and other provisions as contained in that certain (original) Apartment Deed dated May 17, 1994, recorded in said Bureau of Conveyances as Document No. 94-193295, to which reference is hereby made.

9. Any and all easements encumbering the apartment herein identified and described, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as amended, and/or said Apartment Deed and/or as shown on said Condominium Map No. 1211, as amended.

10. GRANT OF EASEMENT

In favor of : Citizens Utilities Company, a Delaware corporation, and GTE Hawaiian Telephone Company, Incorporated, a Hawaii corporation
Dated : March 9, 1995
Document No.: 95-066029
Purpose : Easement for utility purposes over, under, across and through a portion of the property referred to herein.

The foregoing Grant of Easement was amended and restated by the following:

<u>Dated</u>	<u>Document No.</u>
October 11, 1995	97-028586

11. GRANT OF EASEMENT

In favor of : Citizens Utilities Company, a Delaware corporation, and GTE Hawaiian Telephone Company, Incorporated, a Hawaii corporation
Dated : October 17, 1995
Document No.: 97-028586
Purpose : Easement for utility purposes over, under, across and through a portion of the property referred to herein.

12. AGREEMENT OF SALE

Seller : Alan Robert Tunkel, unmarried, also known as Alan R. Tunkel
Purchaser : Michael Anthony Ceurvorst and Lucille Barale Ceurvorst, husband and wife, as Tenants by the Entirety
Dated : April 24, 2000
Document No.: 2000-058183
Sales Price : \$410,000.00

EXHIBIT "F"

SUMMARY OF ESCROW AGREEMENT

An Escrow Agreement allows the Condominium Buyer's money to be held by a neutral party, the Escrow Agent, until the Seller can deliver good and marketable title to the Condominium. The Escrow Agreement for this Project, provides for, among other things:

1. That Security Title Corporation is the Escrow Agent.
2. That upon execution of a Sales Contract, the Developer shall deliver all money received over to the Escrow Agent.
3. That no money shall be released from escrow until the Real Estate Commission shall issue a final report.
4. That the Buyer shall receive all public documents relating to the Project.
5. That a Buyer's money shall be returned to him if he exercises certain rights he may have to cancel his Sales Contract as provided by law, if that is his wish, or if the Seller is unable to provide title to the Condominium.
6. That upon the Seller providing good title to the Condominium, the Buyer's money shall be turned over to the Seller.
7. That the Escrow Agent will record with the State of Hawaii all documents requiring such.
8. That if the Buyer is unable to perform and has money on deposit in escrow, these monies will be turned over to the Seller.
9. That if escrow is cancelled for any reason there may be a cancellation fee of not less than \$25.00 payable by the Buyer.