



**REAL ESTATE COMMISSION**  
 STATE OF HAWAII  
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION  
 P. O. Box 3469  
 Honolulu, Hawaii 96801

**CONDOMINIUM PUBLIC REPORT**

on  
 4344 PUNEE ROAD  
 4344 Punee Road  
 Omao, Kauai, Hawaii

Registration No. 2442 (conversion)

Issued: October 15, 1991  
 Expires: November 15, 1992

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 2, 1991, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

**Type of Report:**

- PRELIMINARY:**  
*(yellow)* The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:**  
*(white)* The developer has legally created a condominium and has filed complete information with the Commission.  
 No prior reports have been issued  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- SUPPLEMENTARY:**  
*(pink)* Updates information contained in the  
 Prelim. Public Report dated \_\_\_\_\_  
 Final Public Report dated \_\_\_\_\_  
 Supp. Public Report dated \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_  
 This report reactivates the \_\_\_\_\_  
 public report(s) which expired on \_\_\_\_\_

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required       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.

[ X ] No prior reports have been issued by the Commission.

[ ] Changes made are as follows:

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* * * * *
* SPECIAL NOTICE:
*
*   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.
*
*   1.   This Public Report does not constitute an approval
*        of the project nor that all County Codes,
*        Ordinances and subdivision requirements have been
*        complied with.
*
*   2.   This project does not involve the sale of
*        individual subdivided lots.  The dotted lines on
*        the Condominium Map are for illustration purposes
*        only.
*
*   3.   Facilities and improvements normally associated
*        with County approved subdivisions may not
*        necessarily be provided.
*
*   4.   Read Exhibit "G" (County of Kauai Letter) and
*        additional information provided on Page 12.
*
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY
*   REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH
*   REGARD TO THE FOREGOING.
*
* * * * *

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## GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

### Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

## SUMMARY OF THE CONDOMINIUM PROJECT

**Interest to be Conveyed to Buyer:**

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

**Types of Project:**

- 1.  New Building(s)  Conversion  
 Both New Building(s) and Conversion
- 2.  Residential  Commercial  Ohana  
 Mixed Residential and Commercial  Agricultural  
 Other \_\_\_\_\_

- 3.  High Rise (5 stories or more)  Low Rise

- 4.  Single or  Multiple Buildings

**5. Apartment Description**

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>Apartment 1</u>	<u>1</u>	<u>3/2</u>	<u>1,254 sq. ft.</u>	<u>140 sq. ft. patio</u>
<u>Apartment 2</u>	<u>1</u>	<u>2/1</u>	<u>506 sq. ft.</u>	<u>276 sq. ft. deck</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

*\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

*Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.*

**6. Parking:**

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>2 each</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
<b>Total Parking Stalls</b>	<u>4</u>

- 7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: 1. James V. Macchi 1. Ph. (808) 742-2907
2. Elsa Blackburn 2. Phone: (213) 434-2992
Name 1. 4344 Punee Road, #A, Omao, HI 96756 (Business)
2. 2609 East First Street, Long Beach, CA 90803
Business Address

Names of officers or general partners of developers who are corporations or partnerships:

Four horizontal lines for listing names of officers or general partners.

Real Estate Broker: Pacific Ocean Properties, Inc. (Proposed) Phone: (808) 742-6428
Name (Business)
2253 Poipu Road
Business Address
Koloa, Hawaii 96756

Escrow: First American Title Co. of Hawaii, Inc. Phone: (808) 245-8877
Name (Business)
4374 Kukui Grove Street, Suite 201
Business Address
Lihue, Hawaii 96766

General Contractor: Name Phone: (Business)
Business Address

Condominium Managing Agent: Self-management by the Association of Name Apartment Owners Phone: (Business)
Business Address

Attorney for Developer: Hiroshi Sakai, Attorney at Law, A Law Corporation Phone: (808) 531-4171
Name (Business)
201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813

**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.

- 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. 91-43912  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

- 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 Conveyance Condo Map No. 1474  
 Filed - Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

- 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 way in which meetings will be conducted, 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. 91-43913  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. \_\_\_\_\_

Amendment date(s) and recording/filing information:







4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>2</u>	<u>Residential</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____				_____	_____

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

Yes                       No

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

Pets: \_\_\_\_\_

Number of Occupants: \_\_\_\_\_

Other: \_\_\_\_\_

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators None                      Stairways None                      Trash Chutes None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
Apartment 1	<u>1</u>	<u>3/2</u>	<u>1,254 sq. ft.</u>	<u>140 sq. ft. Patio</u>
Apartment 2	<u>1</u>	<u>2/1</u>	<u>506 sq. ft.</u>	<u>276 sq. ft. Deck</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

*\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

*Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.*

**Boundaries of Each Apartment:**

The exterior surface of the structure and the description of the limited common element for use by each of the units is as set forth in the Condominium Map and the Declaration.

**Permitted Alterations to Apartments:**

An apartment owner has the right to construct, restore or replace his/her apartment in the Project under Paragraph 15 of the Declaration and to amend the Declaration under Paragraph 16, including changes to the Condominium Map and the filing of the "as built" plans in accordance with the building code, zoning and subdivision ordinance. See Exhibit "G" attached.

**7. Parking Stalls:**

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>4</u>						<u>4</u>
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>4</u>						

Each apartment will have the exclusive use of at least two parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

**8. Recreational and Other Common Facilities:**

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: \_\_\_\_\_

\_\_\_\_\_

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Apartment 1 was completed approximately 11 years ago.

Apartment 2 was completed approximately 2 years ago.

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

Not Applicable

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	_____	_____
Structures	<u>X</u>	_____	_____
Lot	<u>X</u>	_____	_____

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit     A     describes the common elements.

As follows:

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 may use them are:

described in Exhibit \_\_\_\_\_

as follows:

The land area of each dwelling consisting of the land beneath is as shown and delineated on the Condominium Map is a limited common element for the use of the owner of each respective unit.

Apartment 1 - 8,075 square feet

Apartment 2 - 13,725 square feet

NOTE: The apartments are not situated on 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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit \_\_\_\_\_ describes the common interests for each apartment.

As follows:

Apartment 1: 37.04%

Apartment 2: 62.96%

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit  B  describes the encumbrances against the title contained in the title report dated  April 22, 1991  and issued by  First American Title Insurance Company .

**Blanket Liens:**

A blanket lien is a mortgage on a condominium project that secures a construction loan. It 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.

[X] 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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Mortgagee may terminate buyer's interest but latter is entitled to return of all deposits.

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

**Initial Managing Agent:** When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[ X ] self-managed by the Association of Apartment Owners.

[ ] other \_\_\_\_\_



J. Status of Construction and Estimated Completion Date:

K. Project Phases:

The developer  has  has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. 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     C     contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated \_\_\_\_\_

Exhibit     D     contains a summary of the pertinent provisions of the escrow contract.

Other \_\_\_\_\_

#### **IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

Each apartment is a free standing dwelling and each has direct access to a public street. Each apartment has its own meter for water hook up and services. The utilities and water services will be separately billed.

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

**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, Supplementary Report to a Final Report:** Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
  - a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;  
**AND**
  - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
  - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
  - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
  - c. 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:

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

**B. Rights Under the Sales Contract:**

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other \_\_\_\_\_

If these documents are not in final form, the buyer should ask to see the most recent draft.

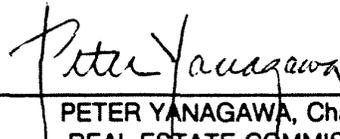
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2442 filed with the Real Estate Commission on May 14, 1991.

Reproduction of Report. When reproduced, this report must be on:

yellow paper stock                       white paper stock                       pink paper stock

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



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PETER YANAGAWA, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances

Department of Finance, County of Kauai

Planning Department, County of Kauai

Federal Housing Administration

EXHIBIT "A"

Common Elements. The common elements which the apartments have immediate access to include:

- a. The land in fee simple.
- b. The central and appurtenant installations for services such as power, light, telephone, cold water and like utilities.
- c. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes due and payable, check with Tax Assessor, County of Kauai.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. A setback (5 feet wide) for road widening purposes along Punee Road, as shown on the map prepared by Masao Kutaka, Registered Professional Land Surveyor, dated February 2, 1972, as disclosed by instrument recorded in the Bureau of Conveyances of the State of Hawaii in Liber 22286, Page 78.
4. Mortgage made by James V. Macchi, unmarried, and Elsa Blackburn, unmarried, as Mortgagor, and First Nationwide Bank, a federal savings bank, which is organized and existing under the laws of the United States of America, as Mortgagee, dated September 18, 1990, recorded in said Bureau as Document No. 90-155226 to secure \$215,000.00 and any other amounts and/or obligations secured thereby.
5. Condominium Map No. 1474, filed in said Bureau.
6. The restrictions, covenants, agreements, obligations, conditions, easements and other provisions set forth in Declaration of Condominium Property Regime dated February 28, 1991, recorded in said Bureau as Document No. 91-43912.
7. The restrictions, covenants, agreements, obligations, conditions and other provisions set forth in By-Laws of the Association of Apartment Owners of 4344 Punee Road dated February 28, 1991, recorded in said Bureau as Document No. 91-43913.

EXHIBIT "C"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) A buyer must obtain his own financing. Buyer acknowledges that this Sales Contract is contingent on any financing after the issuance of the final public report.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That interest on deposits shall belong to the buyer so long as said funds are held in escrow.

(d) That the unit will be subject to various other legal documents which the buyer certifies that he has examined.

(e) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT "D"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Escrow will let purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.
- (c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.
- (d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "E"

4344 PUNEE ROAD

REGISTRATION NO. 2442

DISCLOSURE STATEMENT AS OF February 28, 1991

1. Name and Address of Project: 4344 Punee Road, Omao, Kauai, Hawaii 96756.

2. Name, Address and Telephone Number of Developer: James V. Macchi, whose residence and post office address is 4344 Punee Road, #A, Omao, Kauai, Hawaii 96756, Ph. (808) 742-2907, and Elsa Blackburn, whose residence and post office address is 2609 East First Street, Long Beach, California 90803, Ph. (213) 434-2992.

3. Managing Agent of Project: Self Management by Owners.

4. Maintenance Fees: None at present. In the future for the common driveway to be shared equally.

5. Warranties: There are no warranties as to Apartments 1 and 2.

6. Use: The project consists of 2 units to be utilized for residential use.

Dated: Omao, Kauai, Hawaii, this 28th day of February, 1991.

James V. Macchi  
JAMES V. MACCHI

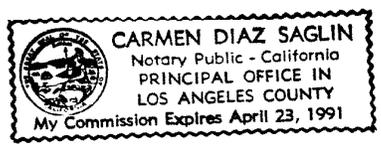
Subscribed and sworn to  
before me this 28th day of  
February, 1991.

Giuseppe M. Costa  
NOTARY PUBLIC,  
STATE OF HAWAII

My commission expires: 6/7/93

US

Elsa Blackburn  
ELSA BLACKBURN



Subscribed and sworn to  
before me this 26th day of  
February, 1991.

Carmen Diaz Saglin  
NOTARY PUBLIC,  
STATE OF CALIFORNIA, County of Los Angeles.

My commission expires: April 23, 1991  
Carmen Diaz Saglin

PR  
D STM

EXHIBIT "F"

BUILDING AND HOUSE RULES

4344 PUNEE ROAD

The purpose of these Building and House Rules ("Rules") is to protect all owners and occupants from annoyance and nuisance caused by improper conduct and improper use of the 4344 PUNEE ROAD condominium, hereinafter referred to as "Project", and to provide for the maximum enjoyment of the premises. All owners and occupants, their agents, employees and invitees shall be bound by these Rules and standards of reasonable conduct whether covered by these Rules or not.

1. Definitions. As used herein:

a. The "Area" refers to the land set aside for the use of each owner as a limited common element.

b. The "Apartment" refers to the existing buildings built on the land designated as the limited common element for the owner and any subsequent improvements built within the Area.

2. Building Permit. Any owner desiring to make an addition to the existing buildings and/or construct any new building will have to comply with the building and zoning ordinances as the same may be changed from time to time. The requirements of the County of Kauai Ordinance No. 317 approved on June 27, 1977 is required to be observed in the construction of a single family dwelling as well as the following:

a. No building shall exceed two stories in height.

b. No structure of a temporary character, trailer, quonset hut, tent, shack, garage and/or barn shall be used as a permanent residence.

c. No used or second-hand materials shall be used or incorporated into the construction or any improvements in the Unit.

d. In any grading and/or excavation of the Apartment the grade of the Apartment shall not be altered in such a manner as to affect the drainage of any adjoining Apartment.

e. All utility lines shall be underground.

3. Driveway. The driveway area as described in the Condominium Map is for the use of both apartments. Each owner of an apartment shall share equally in the maintenance of the driveway. Any driveway improvement beyond the common driveway shall be the responsibility of each apartment owner.

4. Vehicles and Equipment. The vehicles, equipment, boats and/or trailers of each apartment owner shall be kept, placed or maintained by each owner in their respective limited common element area. No construction, reconstruction or repairs of vehicles shall be permitted except within the garage.

5. Garbage and Trash. Each unit shall place his own garbage, trash and rubbish in covered receptacles or in plastic or fastened bags. Each owner shall exercise reasonable care to avoid exposure of waste materials to flies, roaches, rodents and other insects or materials.

6. General Appearance.

a. Clothes Drying. Outside clothes lines or other outside clothes drying or airing facilities should be screened from the street and the other apartment.

b. Signs. No signs of a combined total face area of one square foot for each apartment.

c. Storage. No open storage of furniture, fixtures, appliances and other goods not in use will be permitted if not screened from the street and the other apartment.

d. Antenna. No antenna or other device to receive or transmit any television, radio, C.B. or any electronic signal shall be erected, placed or maintained on any building or area that is visible from the other apartment without the prior written approval of the other apartment owner.

e. Mailboxes and Street Address. Mailboxes and street address shall be in an Area that is set aside for each apartment at the driveway entrance.

7. Water and Utilities. The water, electricity and telephone lines will be drawn from the street to each Apartment abutting the street at their own cost and expense.

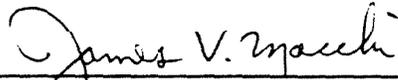
8. Sewage Disposal. There are no sewer lines and sanitary sewer system. Each owner will have to install his own septic tank and/or cavitette to be located within his own area. A cesspool will be permitted only if the State Board of Health and/or the County of Kauai permits it.

9. Setbacks. Any dwelling and/or structure placed in an Area by an owner will observe a minimum 5-foot setback from the perimeter boundaries of each Area except for the common element driveway area.

10. Upkeep of Area. Each owner will be responsible for the landscaping and upkeep of its own Area and shall not permit its area to be overgrown with weeds and/or place used vehicles and/or storage of materials to make the Area becomes unsightly like a junkyard. Each owner will provide for and maintain a minimum of landscaping of his Area.

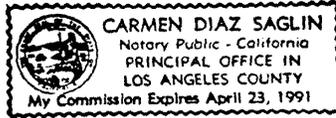
This Building and House Rules is dated as of February 28, 1991 and may be executed in counterparts and the signatures of all parties may be attached to a single Building and House Rules.

Adopted at Omao, Kauai, Hawaii, this 28<sup>TH</sup> day of FEBRUARY, 1991.

  
\_\_\_\_\_  
JAMES V. MACCHI

4344 PUNEE ROAD  
BUILDING AND HOUSE RULES

DATED: February 26, 1991.



Elsa Blackburn  
ELSA BLACKBURN

Carmen Diaz Saglin, A Notary for the State of  
California, County of Los Angeles.  
Expiration: April 23, 1991.

PR  
B H R

JOANN A. YUKIMURA  
MAYOR



COUNTY OF KAUAI  
PLANNING DEPARTMENT  
4280 RICE STREET  
LIHUE, KAUAI, HAWAII 96766

PETER A. NAKAMURA  
PLANNING DIRECTOR

ROLAND D. SAGUM, III  
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

RECEIVED

MAR 12 1991

LAW OFFICE OF SAKAI

March 8, 1991

Mr. Hiroshi Sakai  
Attorney at Law  
201 Merchant Street  
Honolulu, Hawaii 96813

Subject: Certification of Inspection of Existing Buildings for  
4344 Punee Road Condominium at Omao, Kauai  
TMK: 2-7-06:119

The developer of the above-mentioned condominium project ("project") has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai (Section 514A-39, HRS). Subject to the disclosures and waiver (item "c" below) specified herein, we certify the following:

- a. The developer has contracted an architect to certify that the project is in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the condition of waiver herein, the Planning Department adopts that certification as it pertains to our requirements.

As recognized in the report by the architect, the carport of Unit 1 and its conversion was reviewed and approved by the Planning Department and conforms to the applicable development standards of the zoning district. It should be noted that the property is zoned Residential District (R-2), not Residential District (R-6).

- b. We have no record of any zoning variances that have been granted on the subject property.

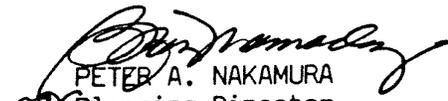
EXHIBIT "G"

Mr. Hiroshi Sakai  
Attorney at Law  
Page 2  
March 8, 1991

c. WAIVER

The foregoing certification is not a warranty as to any aforementioned compliance, nor a representation as to the condition of the property in question. No rights against the County of Kauai shall arise as a result of this certification. The sole reason for the execution hereof being to comply with statutory requirements relating to the regulation of condominiums under Subsection 514(A), HRS. This certification shall not be misconstrued to guarantee that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply to all applicable County Codes and Ordinances. It should also be noted that the Condominium Property Regime (CPR) does not mean that all County requirements pertaining to subdivision of lands have been met. Therefore, such facilities/improvements that are normally associated with County approved subdivisions such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., will not be provided. Further, such services as County street maintenance and trash collection will not be available for interior roads and driveways, if any.

Please note that the condominiumization of the property does not create separate lots with separate interests. Should you have any questions, please contact Keith Nitta or Bryan Mamaclay of my staff at 245-3919.

  
PETER A. NAKAMURA  
Planning Director