



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

6414 PUU PILO
 6414 Puu Pilo Road
 Kapaa, Kauai, Hawaii 96746

Registration No. 2508 (Partial Conversion)

Issued: NOV 4 1991
 Expires: DEC 4 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 16, 19 91, 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:** 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.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** Updates information contained in the
(pink)
- 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.

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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>
Apartment 1	1	3/3½	3,300 sq. ft.	261 sq. ft. lanais 426 sq. ft. decks
Apartment 2	1	None	84 sq. ft.	-0-
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>Open</u>	<u>Undesignated</u>
Total Parking Stalls	Open <u>and Undesignated</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Edward J. MacDowell (808) 822-0188 MacDowell/Yos
Gregory Kenneth Yost Linda A. Becker Phone: (808) 822-4362 Becker
Name
6414 Puu Pilo Road 1106 Kamalu Road
Business Address
Kapaa, Kauai, HI 96746 Kapaa, Kauai, Hi 96746

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

Real Estate Broker: None at present Name Phone: _____ (Business)
Business Address

Escrow: Security Title Corporation Name Phone: (808) 521-9511
12th Floor, Pacific Tower Business Address
1001 Bishop Street
Honolulu, Hawaii 96813

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

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

Attorney for Developer: Hiroshi Sakai, Attorney at Law, A Law Corporation Name Phone: (808) 531-4171
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. 91-077749
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

First Amendment to Declaration recorded as Document No. 91-134003.

- 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. 1516
 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. 91-077750
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

- D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Board of Directors</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

Developer has reserved the right to alter the units in the Project under Paragraph 15.0 and amend the Declaration under Paragraph 16.0, including changes to the Condominium Map and the filing of the "as built" plans, amend the By Laws under Article VI, Section 1 and adopts Building Rules under Article V, Section 4 of the By Laws.

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 - Cancelled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 6414 Puu Pilo Road Tax Map Key: (4) 4-2-2-165
Kapaa, Kauai, Hawaii 96746 (TMK)

Address TMK is expected to change because _____

Land Area: 43,628 square feet acre(s) Zoning: Agricultural

Fee Owner: Edward J. MacDowell Linda A. Becker
Gregory Kenneth Yost
 Name
6414 Puu Pilo Road 1106 Kamalu Road
 Address
Kapaa, Kauai, HI 96746 Kapaa, Kauai, HI 96746

Sublessor: _____
 Name

 Address

C Buildings and Other Improvements:

- 1. New Building(s) Conversion of Existing Building(s)
- Both New Building(s) and Conversion

2. Buildings: 2 Floors Per Building 1 Floor

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

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 type="checkbox"/> Residential	_____	_____	<input checked="" type="checkbox"/> Agricultural	2	Yes
<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	1	3/3½	3,300 sq. ft.	261 sq. ft. lanais 426 sq. ft. decks
Apartment 2	1	N/A	84 sq. ft.	N/A
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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 boundary of each apartment is the exterior surface of the apartment; each apartment also has appurtenant to it the limited common element land area as set forth in the Condominium Map for its own exclusive use.

Permitted Alterations to Apartments:

See paragraphs 15, 16 and 21 of the Declaration of Condominium Property Regime.

7. Parking Stalls:

Total Parking Stalls: Undesignated and open

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

Each apartment will have the exclusive use of at least _____ 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
- Recreation Area
- Tennis Court
- Storage Area
- Laundry Area
- 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

N/A

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

N/A

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	X		
Structures	X		
Lot	X		

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 as shown and delineated on the Condominium Map

Apartment 1 - 21,184 square feet

Apartment 2 - 17,666.05 square feet

NOTE: The limited common element land areas for each apartment 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 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: 50% appurtenant common interest

Apartment 2: 50% appurtenant common interest

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 August 15, 1991 and issued by Security Title Corporation .

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.
- 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.

Type of Lien

Mortgage in favor of Kekaha Investment Limited dated August 15, 1989, recorded in Book 23537, Page 622.

Mortgage in favor of Linda A. Becker, George Becker, and Helen Becker, dated August 15, 1989, recorded in Book 23537, Page 636.

Mortgage in favor of Safety Loan Company, Ltd. dated September 7, 1990, recorded as Document No. 91-040384.

**Effect on Buyer's Interest
If Developer Defaults**

The Mortgage to be released before the conveyance of an apartment.

The Buyer's deposit will be returned. The Buyer's contract may be cancelled and the Buyer may lose all rights to acquire the apartment.

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.
- self-managed by the Association of Apartment Owners.
- other _____

3. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit E contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other _____

I. 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

J. **Status of Construction and Estimated Completion Date:**

Apartment 1 - Completed on March 2, 1990
Apartment 2 - Completed on March 28, 1991

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 N/A per Section 514A-108, HRS

Specimen Sales Contract

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

Escrow Agreement dated May 22, 1991 with Security Title Corporation

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. Each apartment is a free standing dwelling and each has direct access to a vehicular easement having direct access to a public street. Each apartment has its own meter for water hookup and services. The utilities and water services will be separately billed.
2. The terms and provisions of that certain Farm Dwelling Agreement dated June 19, 1980 between Richard Lawrence and the County of Kauai Planning Department in which the Department requires that the dwelling be a "farm dwelling" as defined by Chapter 205, Hawaii Revised Statutes, and that the dwelling be used in connection with agricultural activities.
3. The Option Agreement between Gregory Kenneth Yost, Edward J. MacDowell, as Seller, and Linda A. Becker, as Buyer, dated August 14, 1989 grants Buyer, (i) the option to create a Condominium Property Regime; (ii) have a concrete driveway constructed to be shared equally to the upper boundary of the lower one-half acre of the property, (iii) height limit of 18 feet for the lower unit; and (iv) the parties may purchase a right-of-way to access Lot 3-B from Puupilo Road over and across Lot 3-C. Upon exercise of the Option the Buyer to pay the Seller \$50,000.00.
4. The Notice of Lease and Option to Buy between Edward MacDowell and Gregory Yost, as Lessor, and Ken Oki and Barbara Oki, as Buyer, dated June 1, 1991 provides as follows:
 - a. Lease from June 1, 1991 through June 1, 1992 for the monthly rent of \$1,500.00 per month.
 - b. For a nonrefundable option consideration the Okis will have the option to purchase the property for \$388,000.00 subject to the following:
 - (1) Mortgage dated August 15, 1989 of \$50,000.00 in favor of Linda A. Becker.
 - (2) Option dated August 14, 1989 of Linda A. Becker described in 3. above.
 - (3) Mortgage dated September 7, 1990 of \$50,000.00 in favor of Safety Loan Co., Ltd.

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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. 2508 filed with the Real Estate Commission on August 29, 1991.

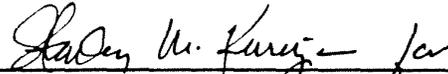
Reproduction of Report. When reproduced, this report must be on:

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.



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 units have immediate access to include:

- a. The land in fee simple.
- b. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.
- c. The access road from Puu Pilo Road to the apartments of 4,147.95 square feet, excluding the driveway portions leading to each apartment and their respective parking areas.
- d. 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: The title report dated August 15, 1991 reports that title to the land is subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. A 10-foot wide setback along Puupilo Road, as contained in Deed dated December 14, 1979, recorded in the Bureau of Conveyances, State of Hawaii, in Book 23537, Page 620, to which reference is hereby made.

3. The terms and provisions of that certain Farm Dwelling Agreement dated June 19, 1980, made by and between Richard Lawrence, "Applicant(s)" and the County of Kauai Planning Department, "Department", recorded in the Bureau of Conveyances of the State of Hawaii in Book 14807, Page 511, to which reference is hereby made.

4. Mortgage by and between Gregory Kenneth Yost, unmarried, and Edward J. MacDowell, unmarried, as Mortgagor, and Kekaha Investment, Limited, no corporate status shown, as Mortgagee, dated August 15, 1989, recorded in said Bureau in Book 23537, Page 622.

5. Mortgage by and between Gregory Kenneth Yost, unmarried, and Edward J. MacDowell, unmarried, as Mortgagor, and Linda A. Becker, unmarried, and George Becker and Helen Becker, husband and wife, no tenancy shown, as Mortgagee, dated August 15, 1989, recorded in said Bureau in Book 23537, Page 636.

6. The terms and provisions of that certain Option by and between Gregory Kenneth Yost, unmarried, and Edward J. MacDowell, unmarried, as Seller, and Linda A. Becker, unmarried, as Buyer, dated August 14, 1989, recorded in said Bureau in Book 23537, Page 651; Option in favor of the Buyer, for the purchase of the lower 1/2 acre of the land herein described shall extend until 12:00 noon on the second anniversary of the date of recordation of the Deed (August 17, 1992).

7. Mortgage by and between Gregory Kenneth Yost, unmarried, and Edward J. MacDowell, unmarried, as Mortgagor, and Safety Loan Company, Ltd., a Hawaii corporation, as Mortgagee, dated September 7, 1990, recorded in said Bureau as Document No. 91-040384.

8. The terms and provisions of that certain Notice of Lease and Option to Buy by and between Edward MacDowell, an unmarried man, and Gregory Yost, an unmarried man, as Lessor, and Ken Oki and Barbara Oki, husband and wife, as Tenants by the Entirety, as Buyer, dated June 1, 1991, recorded in said Bureau as Document No. 91-075381 to purchase the land herein described which term begins on June 1, 1991, and ends at 4:59 p.m. on June 1, 1992.

9. The covenants, agreements, obligations, conditions, easements and other provisions as contained in Declaration of Condominium Property Regime of "6414 PUU PILO" dated May 15, 1991, recorded in said Bureau as Document No. 91-077749 and Condominium Map No. 1516, to which reference is hereby made.

10. By-Laws of the Association of Apartment Owners of "6414 PUU PILO" dated May 15, 1991, recorded in said Bureau as Document No. 91-077750.

11. Any and all easements encumbering the apartments herein identified and described, and/or the common interests appurtenant thereto, as created by or mentioned in said Declaration and/or as shown on said Condominium Map No. 1516.

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 Seller 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) Developer 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"

6414 PUU PILO

REGISTRATION NO. 2508

DISCLOSURE STATEMENT AS OF MAY 14, 1991

1. Name of Project: 6414 PUU PILO
2. Address: 6414 Puu Pilo Road, Kapaa, Kauai, Hawaii 96746
3. Name of Developer: Edward J. MacDowell, Gregory Kenneth Yost and Linda A. Becker
4. Address of Developer: 6414 Puu Pilo Road, Kapaa, Kauai, Hawaii 96746
5. Telephone Number: (808) 822-4362 *or C.Y.*
6. Project Manager or Agent: ~~Linda A. Becker~~ *NONE, self managed*
7. Address: 6414 Puu Pilo Road, Kapaa, Kauai, Hawaii 96746
8. Maintenance Fees: None at present.
9. Commencement of Maintenance Fees: At such time that the Association decides to assess maintenance fees.
10. Warranties: The Project is a fee simple condominium project. There are no warranties as to the apartments.
11. Project: The Project consists of 2 condominium apartments in an agricultural zone.

DATED: Kapaa, Kauai, Hawaii, May 14, 1991.

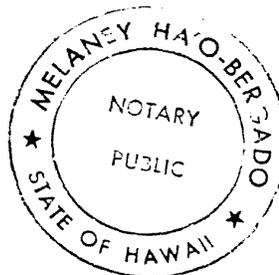
Linda A. Becker

 LINDA A. BECKER

Subscribed and sworn to before me
 this _____ day of MAY 14 1991, 1991.

Melaney Ha'o-Bergado

 NOTARY PUBLIC, STATE OF HAWAII



My commission expires:

MELANEY HA'O-BERGADO
 Notary Public, State of Hawaii
 My commission expires January 20, 1992

Edward MacDowell
EDWARD MacDOWELL

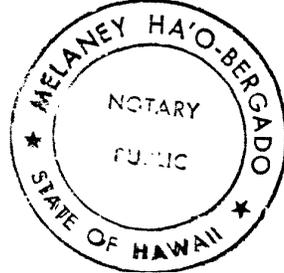
Subscribed and sworn to before me
this 15 day of May, 1991.

Sally Patten
NOTARY PUBLIC, STATE OF HAWAII
County of Kauai
My commission expires:
MY COMMISSION EXPIRES 1/10/95

Gregory Kenneth Yost
GREGORY KENNETH YOST

Subscribed and sworn to before me
this _____ day of MAY 17 1991, 1991.

Melaney Hoo Bergado
NOTARY PUBLIC, STATE OF HAWAII



My commission expires:

MELANEY HA'O-BERGADO
Notary Public, State of Hawaii
My commission expires January 20, 1994

EXHIBIT "F"

JOANN A. YUKIMURA
MAYOR



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

TOM H. SHIGEMOTO
PLANNING DIRECTOR

ROLAND D. SAGUM, III
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3919

RECEIVED
APR 9 1990

April 4, 1990

LAW OFFICE OF SAKAI

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

Subject: Certification of Inspection of Existing Buildings For
6414 Puu Pilo Condominium at Wailua Homesteads, Kauai

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 (HRS Section 514A-39). Subject to the disclosures and waiver (item "c" below) specified herein, we certify the following:

- a. The developer has contracted a private engineer, contractor/architect, or other qualified individual 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.
- b. We have no record of any zoning variances that have been granted on the subject property.
- 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

Mr. Hiroshi Sasaki
Attorney at Law
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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 H.R.S. 514(A). 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.


TOM H. SHIGEMOTO
Planning Director