



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
 NONOU RISE ESTATES NO. 6
 Wailua, Kawaihau, Kauai, Hawaii

Registration No. 2541

Issued: November 26, 1991
 Expires: December 26, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 28, 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:

* * * * *

* 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. THERE ARE PRESENTLY NO RESIDENTIAL STRUCTURES ON *
* THE PROPERTY. THE ONLY BUILDINGS ON THE PROPERTY *
* ARE TWO (2) STORAGE SHEDS, EACH OF WHICH IS *
* DEFINED AS AN APARTMENT UNDER THE CONDOMINIUM *
* PROPERTY ACT. *

* *

* 2. This Public Report does not constitute an approval *
* of the project nor that all County Codes, *
* Ordinances and subdivision requirements have been *
* complied with. *

* *

* 3. This project does not involve the sale of *
* individual subdivided lots. The dotted lines on *
* the Condominium Map are for illustration purposes *
* only. *

* *

* 4. Facilities and improvements normally associated *
* with County approved subdivision, such as fire *
* protection devices, County street lighting, *
* electricity, upgraded water facilities, improved *
* access for owner and emergency traffic, drainage *
* facilities, etc., may not necessarily be provided *
* for, and services such as County street maintenance *
* and trash collection will not be available for *
* interior roads and driveways. *

* *

* 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 CONDO. UNITS

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>
A	1	N/A	85 sq. ft.	N/A
B	1	N/A	85 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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	<u>Not designated</u>
Total Parking Stalls	<u>Not designated</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Charles Gevoian and Victoria Gevoian
3021 Via Breve, Montebello, California 90640 Phone: (212) 721-1743
Name Leonid Rawoew (Business)
6039 Altmark, Whittier, California 90606
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: Donna Preitauer, dba Ohana Properties Phone: (808) 822-1969
Name (Business)
6058 Lokomaikai Place
Business Address
Kapaa, Kauai, Hawaii 96746

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor: Owner/Builder Phone: (Business)
Name
Business Address

Condominium Managing Agent: Self Management by Association of Phone: 822-1969
Name (Business)
Apartment Owners
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. 91-090051
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. 1526
 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. 91-090052
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	--	Majority vote of <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 under Paragraph 15.0 of the Declaration to alter the units in the Project which it owns without the approval of the Association or the other apartment owners and to amend the Condominium Map to note changes resulting from the exercise of the Developer's reserved rights under Paragraph 15.0. Developer has also reserved the right under Paragraph 16.0 to record any "as built" statements as required by law.

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: Nonou Rise Estates Subdivision, Wailua, Kauai, Hawaii Tax Map Key: (4) 4-2-03-015
(TMK)

Address TMK is expected to change because _____

Land Area: 5.0 square feet acre(s) Zoning: Agriculture

Fee Owner: Charles Gevoian and Victoria Gevoian
3021 Via Breve, Montebello, California 90640

Name
Leonid Rawoew
6039 Altmark, Whittier, California 90606
Address

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

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other ribbed metal storage building

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:

- There will be no pets without prior written approval
- Pets: by the Board of Directors.
- Number of Occupants: _____
- Other: See Building and House Rules
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators N/A Stairways N/A Trash Chutes N/A

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Lanai/Patio (sf)</u>
A	1	N/A	85 sq. ft.	N/A
B	1	N/A	85 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 exterior surfaces of the structures and the description of the limited common element for each of the units as set forth in the Condominium Map.

Permitted Alterations to Apartments:

Either apartment owner can increase the total square footage of his structure, add additional structures, alter the location of his structures and/or subdivide in accordance with the building code, zoning and subdivision ordinances.

7. Parking Stalls:

Total Parking Stalls: Not Designated

	<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	_____	_____	_____	_____	_____	_____	_____

Each apartment will have the exclusive use of at least Not Designated 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
- Other: _____
- Storage Area
- Laundry Area
- Trash Chute

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	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </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 apartment consisting of the land beneath it as shown and delineated on the Condominium Map, is a limited common element for the use of the owner of each respective apartment.

Apartment A - 2.5 acres

Apartment B - 2.5 acres

NOTE: These are not legally subdivided lots and under County Ordinances, they may not be subdivided.

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 A - 50% appurtenant common interest

Apartment B - 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 September 25, 1991 and issued by Title Guaranty of Hawaii, Inc.

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.

Type of Lien

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

Mortgage dated June 25, 1990 in favor of HONFED BANK filed as Document No. 90-100620.

The Mortgage will be released or partially released when a sale is made to a buyer.

If release cannot be obtained, the Buyer may lose all right to purchase the unit, but in such event shall be entitled to a 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 _____

G. 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.

NOTE: No maintenance fees are immediately contemplated. Paragraph 13.0 of the Declaration provides that the Association to allow each apartment owner to maintain his own insurance and name the Association as an additional insured.

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

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. Purchasers should examine Exhibit "F", Building and House Rules, carefully. Each purchaser must obtain a building permit should he desire to construct a dwelling on the premises, pull purchaser's own utility lines and install purchaser's own cesspool. The moving on to the project of used homes and quonset huts is prohibited.
2. Purchasers should be aware that the land is subject to the pursuit of agricultural activities as required by Chapter 205, Hawaii Revised Statutes, as amended.
3. Purchasers should be aware of the County of Kauai's requirements for obtaining building permits, the availability of utilities, the size and location of utility connections, and possible restrictions on the construction of improvements, as well as the Declaration of Condominium Property Regime, the By-Laws, and the Building and House Rules (Exhibit "F" of this public report), and all other matters relating to the cost, use and enjoyment of the condominium units prior to their entering into a contract to purchase. THE REAL ESTATE COMMISSION, BY ISSUING THIS REPORT, IS NOT APPROVING OR DISAPPROVING THE PROJECT, NOR IS IT WARRANTING THE CORRECTNESS OR COMPLETENESS OF INFORMATION SUPPLIED TO IT BY ANY PARTY OR PARTIES.
4. A Declaration of Covenants and Restrictions for Nonou Rise Estates dated June 28, 1991, recorded as Document No. 91-090301 has been executed by the owner of Lots 1, 2, 4, 5, and 9. A Joinder to this Declaration has been likewise executed by the owner of Lot 8 on October 7, 1991 and by the remaining lot owners and filed as Document No. 91-159455 in the Bureau of Conveyances, State of Hawaii.
5. There is an Easement Declaration affecting the upkeep and maintenance of Easements A through F in the Nonou Rise Estates Subdivision. The owner of Lot 6 has executed this Easement Declaration on October 7, 1991. All of the other lot owners, i.e., Lots 1 through 5 inclusive and Lots 7 through 9 inclusive have executed this Easement Declaration which sets forth the lots that the various easements affect and the method of sharing of the cost and expense of maintaining the various easements among the various lot owners affected. This Declaration has been filed as Document No. 91-159456 in the Bureau of Conveyances, State of Hawaii.
6. Any conveyance of an apartment in this project shall be made subject to the foregoing Declaration of Covenants and Restrictions dated June 28, 1991 and the Easement Declaration dated October 7, 1991.

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 Declaration of Covenants and Restrictions for Nonou Rise Estates, Easement Declaration

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. 2541 filed with the Real Estate Commission on October 28, 1991.

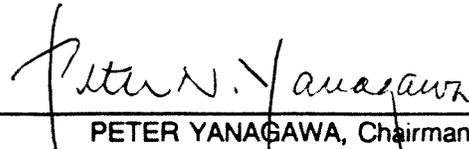
Reproduction of Report. When reproduced, this report must be on:

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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 apartments have immediate access to include:

- a. The land in fee simple.
- b. Easement "E" for roadway and utility purposes.
- c. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities.
- 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

1. Real Property Taxes have been fully paid up to and including June 30, 1992. Contact Tax Assessor, County of Kauai, for current status of taxes.

Note: Attention is invited to the fact that the premises covered herein are classified and used for agriculture. Information regarding the possibility of roll-back taxes is pending.

2. Reservation as set forth in Land Patent Grant No. 8620, to-wit:

"Also, excepting and reserving the waters and all riparian and other rights in or to the stream aforesaid and in or to the streams passing over and across said lot."

3. Easement "D" for access and utility purposes, as shown on the map prepared by Wayne T. Wada, Registered Professional Surveyor, dated December 18, 1989.

4. Mortgage and Financing Statement by and between Leonid Rawoew, single, Charles Gevoian and Victoria Gevoian, husband and wife, and Ralph Chakalian, single, as Mortgagor, and HONFED BANK, a Federal Savings Bank, dated June 25, 1990, recorded as Document No. 90-100620 in the amount of \$256,000.00.

5. Reservation set forth in DEED dated June 25, 1990, recorded as Document No. 90-100619, and in QUITCLAIM DEED dated September 7, 1990, recorded as Document No. 90-185985, to-wit:

"RESERVING unto the Grantor, the right to grant any further and other easements as may be deemed necessary to the appropriate public utility or utilities or government agency or agencies for the purpose of providing access or utility services over, under, across and through the above-described lot."

6. Right-of-Entry in favor of Citizens Utilities Company, dated February 22, 1991, recorded as Document No. 91-042805; granting a right-of-entry and easement over and across land described herein, for the purpose of building, constructing, repairing, maintaining and operating pole and wire lines, and/or underground lines, etc., for the transmission and distribution of electricity.

7. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated March 8, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-090051, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1526).

8. By-Laws of the Association of Apartment Owners of the Condominium Project known as "NONOU RISE ESTATES NO. 6" dated May 30, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-090052, as the same may hereafter be amended.

9. Covenants, conditions and restrictions set forth in DECLARATION dated June 28, 1991, recorded as Document No. 91-090301.

10. -As to Easement "E":- Attention is invited to the fact that Dennis M. Esaki, Grantor in Deed recorded as Document No. 90-100619, failed to reserve the right to grant Easement E. Title Guaranty of Hawaii, Incorporated is unable to locate of record a grant of easement by the owners of any interest in Lot 7, the servient tenement.

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) Upon receipt of notice in writing from Seller that payments are due under any sales contract, Escrow shall give notice in writing to each purchaser 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"

NONOU RISE ESTATES NO. 6

REGISTRATION NO. 2541

DISCLOSURE STATEMENT AS OF MARCH 8, 1991

1. Name of Project: NONOU RISE ESTATES NO. 6
2. Address: Wailua, Kawaihau, Kauai, Hawaii
3. Name of Developer: Charles Gevoian, Victoria Gevoian,
and Leonid Rawoew
4. Address of Developer: 3021 Via Breve, Montebello,
California 90640
5. Telephone Numbers: (213) 721-1743
6. Project Manager or Agent: Charles Gevoian in care of
Donna Preitauer
7. Address: 6058 Lokomaikai Place, Kapaa, Kauai, Hawaii
96746
8. Maintenance Fees: None at present. In the future any
maintenance fees and costs estimated by Developer shall
be based upon generally accepted accounting principles.
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 and there are no warranties except that with
respect to the storage building whatever manufacturers'
warranties exist shall be transferred to the Buyer.
11. Project: The Project consists of 2 condominium
apartments with an 85 square foot ribbed metal storage
building that is within the limited common element of a
unit. The units shall be occupied for agricultural
and/or any other uses now existing or hereafter
permitted under the Kauai County zoning ordinances.
12. Non-Residential Development: The Project is located in
an agricultural zone and agricultural activities shall
exist in the Project.

DATED: Los Angeles, California, March 8, _____,
1991.

Charles Gevoian
CHARLES GEVOIAN

Victoria Gevoian
VICTORIA GEVOIAN

Leonid Rawoew
LEONID RAWOEW

Subscribed and sworn to before me
this 8th day of March,
1991.

Tahai Hernandez
NOTARY PUBLIC, STATE OF CALIFORNIA

My commission expires: 12-25-93

NO
D S

EXHIBIT "F"

BUILDING AND HOUSE RULES
NONOU RISE ESTATES NO. 6

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 NONOU RISE ESTATES NO. 6 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 (2) 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. 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.

3. 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.

4. General Appearance.

a. 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.

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

5. 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.

6. Sewage Disposal. There are no sewer lines and sanitary sewer system. Each owner shall 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.

7. 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.

8. Building Permit and Construction. The following shall be observed to secure the Association's approval to obtain the building permit, the construction of the improvements and the amendment of the Declaration of Condominium Property Regime.

a. The owner shall have plans for the dwelling prepared by a licensed architect or engineer and submitted to the Association for its approval under Section 21, A (2) of the Declaration. The submission shall state the name of the contractor and the method by which the improvements will be financed.

b. The plans shall conform to the Building Code of the County of Kauai.

c. After approval by the Association, the plans are to be submitted to the County of Kauai for the issuance of the building permit.

d. The owner should provide a construction contract and a 100% bond against mechanic's and materialmen's lien to the Association with the Association as an additional obligee.

e. Upon the completion of the dwelling a Notice of Completion shall be published in the Garden Isle for two (2) successive weeks at least seven (7) days apart and the Notice of Completion filed with the Clerk of the Fifth Circuit Court.

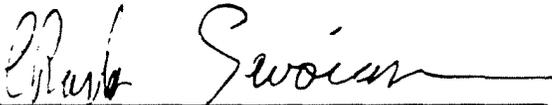
f. The plans as drawn should meet the requirements of a Condominium Map. The plan should show a site plan indicating where the dwelling will be located in the unit's limited common element land area. There should be a floor plan indicating the living/dining room, bedrooms, kitchen, bathrooms, lanai, etc. and the total net living area. The plans should show the elevations of the dwelling. The project and the architect's or engineer's stamp should be stamped on the plans.

g. An architect or engineer's certificate should be executed reflecting the "as built" condition of the dwelling.

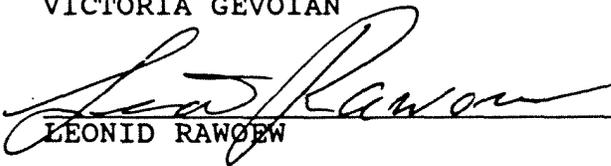
h. The owner should have prepared at his own cost the amendment to the Declaration reflecting the change in description of the apartment and the amendment to the Condominium Map.

i. The amendment to the Declaration should then be filed for record in the Registrar of Conveyances, State of Hawaii.

Adopted at Los Angeles, California, this 30 day of MAY, 1991.


CHARLES GEVOIAN


VICTORIA GEVOIAN


LEONID RAWOEW