



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

SILVA CONDOMINIUM
 4421-A Lapuuna Place
 Kalaheo, Kauai, Hawaii 96741

Registration No. 2581 (Conversion)

Issued: February 18, 1992
 Expires: March 18, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 5, 19 92, 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.

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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>1</u>	<u>1</u>	<u>3BR/1-1/2BA</u>	<u>1,159 sq. ft.</u>	<u>-0-</u>
	<u>Cottage</u>	<u>2BR/1BA</u>	<u>614 sq. ft.</u>	<u>-0-</u>
<u>2</u>	<u>1</u>	<u>3BR/2-1/2BA</u>	<u>1,616 sq. ft.</u>	<u>86 sq. ft.</u>
	<u>Hot House</u>	<u>Loft Space</u>	<u>335 sq. ft.</u>	<u>-0-</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>6</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>6 in 4 carports</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

NICHOLAS G. SILVA, Trustee under Trust Agreement dated June 17, 1991 and BEATRICE S. SILVA, Trustee under Trust Agreement dated June 17, 1991

Developer:

Phone: (808) 232-8757

Name

(Business)

P. O. Box 238

Business Address

Kalaheo, Kauai, Hawaii 96741

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

Real Estate Broker:

None at present

Phone:

(Business)

Name

Business Address

Escrow:

First Hawaii Title Corp.

Phone: (808) 521-3411

Name

(Business)

City Financial Tower
20th Floor, 201 Merchant Street

Business Address

Honolulu, Hawaii 96813

General Contractor:

N/A

Phone:

(Business)

Name

Business Address

Condominium

Managing

Agent:

Self management by Association
of Apartment Owners

Phone:

(Business)

Name

Business Address

Attorney for Developer:

Hiroshi Sakai, Attorney at Law,
A Law Corporation

Phone: (808) 531-4171

Name

(Business)

City Financial Tower
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. 91-164662
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. 1582
 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. 91-164663
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>the 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 adopt 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: 4421-A Lapuuna Place Tax Map Key: (4) 2-3-04: 23
Kalaheo, Kauai, Hawaii 96741 (TMK)

Address TMK is expected to change because _____

Land Area: 72,202 square feet acre(s) Zoning: Residential

Fee Owner: NICHOLAS G. SILVA, Trustee under Trust Agreement dated June 17, 1991 and BEATRICE S. SILVA, Trustee under Trust Agreement dated June 17, 1991

Name
P. O. Box 238
Address
Kalaheo, Kauai, Hawaii 96741

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion Unit 1 - 1 Floor
2. Buildings: 4 Floors Per Building Unit 2 - 2 Floors

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>
[] Commercial	_____	_____	[] Industrial	_____	_____
[X] Residential	<u>2</u>	<u>Yes</u>	[] Agricultural	_____	_____
[] Timeshare/Hotel	_____	_____	[] Recreational	_____	_____
[] Other: _____	_____	_____		_____	_____

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

[X] 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: _____

[X] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators None Stairways _____ 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>
<u>1</u>	<u>1</u>	<u>3BR/1-1/2BA</u>	<u>1,159 sq. ft.</u>	<u>-0-</u>
_____	<u>Cottage</u>	<u>2BR/1BA</u>	<u>614 sq. ft.</u>	<u>-0-</u>
<u>2</u>	<u>1</u>	<u>3BR/2-1/2BA</u>	<u>1,616 sq. ft.</u>	<u>86 sq. ft.</u>
_____	<u>Hot House</u>	<u>Loft Space</u>	<u>335 sq. ft.</u>	<u>-0-</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 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: 6

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u>2</u>	<u> </u>	<u>6</u>
Guest	<u> </u>						
Unassigned	<u> </u>						
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>						
Total Covered & Open	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u>2</u>	<u> </u>	<u> </u>

Each apartment will have the exclusive use of at least 2 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 (dwelling) - 30 years, assuming normal maintenance sustained.
Apartment 2 (dwelling) - 30 years, assuming normal maintenance sustained.

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

By letter dated October 28, 1991, Architect Robert A. Booth stated that the above structures conform to current zoning, that they are built to current structural standards, and that their plumbing and electrical systems are in good working order.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted. See November 13, 1991 letter from Kauai Planning Department (Exhibit F).

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 appurtenant to each dwelling consisting of the land beneath and surrendering each dwelling as shown and delineated on the Condominium Map (site plan prepared by Wayne Wada dated July 25, 1991).

Apartment 1 - 45,908 square feet

Apartment 2 - 26,298 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 December 27, 1991 and issued by First Hawaii Title Corp.

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
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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 _____

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.

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 December, 1982; Cottage - Completed June, 1990;
Apartment 2 and Hot House - Completed July, 1977

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 November 12, 1991 with First Hawaii Title Corp.

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 Developer does not have any present plans to sell the condominium units. If Developer does sell the units, the Developer may make the sale themselves since they are not real estate licensees or may employ a real estate broker.
3. If Developer does employ a real estate broker, it will have the Broker Listing Agreement submitted to the Real Estate Commission.
4. The Developer has executed an Escrow Agreement and has submitted Sales Contract and Apartment Deed forms in the event Developer decides to sell the condominium units.

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.

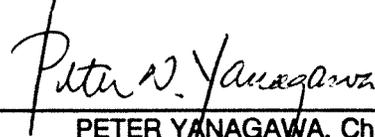
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) 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. 2581 filed with the Real Estate Commission on January 17, 1992.

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. Easement A for electrical purposes and Easement B for roadway 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: The title report dated December 27, 1991 reports that title to the land is subject to the following encumbrances:

1. Grant in favor of Citizens Utilities Company, a Delaware corporation, dated January 26, 1982, recorded February 11, 1982 in the Bureau of Conveyances, State of Hawaii, in Book 16158, Page 424, granting a utility easement over, under, across and through the land herein described.

2. The covenants, agreements, obligations, conditions, easements and other provisions as contained in Declaration of Condominium Property Regime Silva Condominium dated November 12, 1991, recorded in said Bureau as Document No. 91-164662 and Condominium Map No. 1582, to which reference is hereby made.

3. By-Laws of the Association of Apartment Owners of Silva Condominium dated November 12, 1991, recorded in said Bureau as Document No. 91-164663.

4. 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. 1582.

5. Tax Key: (4) 2-3-04-23 - area assessed: 72,202 square feet. Taxes for the fiscal year 1991-1992 are a lien; payable as follows:

1st Installment \$723.22 PAID
2nd Installment \$723.21 OPEN (Delinquent after 2/20/92).

EXHIBIT "C"

Summary of Sales Contract

The apartments are not presently for sale. However, should the Developer decide to offer the apartments for sale, a brief summary of the Sales Contract that will be used follows.

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 apartments are not presently for sale. However, should the Developer decide to offer the apartments for sale, a brief summary of the terms of the Escrow Agreement between the Developer and First Hawaii Title Corporation dated November 12, 1991 follows.

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

SILVA CONDOMINIUM

REGISTRATION NO. 2581

DISCLOSURE STATEMENT AS OF NOVEMBER 12, 1991

1. Name of Project: SILVA CONDOMINIUM
2. Address: 4421-A Lapuuna Place, Kalaheo, Kauai, Hawaii 96741
3. Names of Developer: Nicholas G. Silva, Trustee under Trust Agreement dated June 17, 1991 and Beatrice S. Silva, Trustee under Trust Agreement dated June 17, 1991
4. Address of Developer: P. O. Box 238, Kalaheo, Kauai, Hawaii 96741
5. Telephone Numbers: (808) 232-8757
6. Project Manager or Agent: Nicholas G. Silva
7. Address: P. O. Box 238, Kalaheo, Kauai, Hawaii 96741
8. Maintenance Fees: None at present. In the future as the need and necessity arises the maintenance fees 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.
11. Project: The Project consists of 2 condominium apartments, the land areas of which are to be utilized for residential and other uses permitted under the zoning ordinances for the County of Kauai.

DATED: Kalaheo, Kauai, Hawaii, November 12, 1991.

Nicholas G. Silva
NICHOLAS G. SILVA, Trustee as
aforesaid

Beatrice S. Silva
BEATRICE S. SILVA, Trustee as
aforesaid

Subscribed and sworn to before me
this 12th day of November, 1991.

Edna Z. Kauamara
NOTARY PUBLIC, STATE OF HAWAII

My commission expires: 8/3/92

C:\WP5\CONDO\SILVA.DS

JOANN A. YUKIMURA
MAYOR



PETER A. NAKAMURA
PLANNING DIRECTOR

ROLAND D. SAGUM, III
DEPUTY PLANNING DIRECTOR

TELEPHONE (808) 245-3918

COUNTY OF KAUAI
PLANNING DEPARTMENT
4280 RICE STREET
LIHUE, KAUAI, HAWAII 96786

RECEIVED

NOV 14 1991

November 13, 1991

LAW OFFICE OF SAKAI

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

Subject: Certification of Inspection of Existing Buildings for
Silva Condominium at Kalaheo, Kauai
TMK:2-3-04:23
LOTR:10/31/91

The developer of the above-mentioned condominium project ("project") has requested that this office, as an agency of the County of Kauai, review the the existing buildings on the proposed 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 existing buildings on the subject property referred to as Units 1 and 2 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

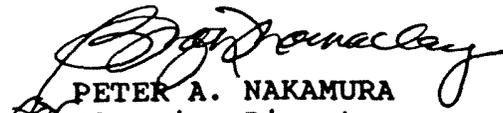
EXHIBIT "F"

Mr. Hiroshi Sakai
Page 2
November 13, 1991

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 is to comply with statutory requirements relating to the regulation of condominiums under Subsection 514(A), HRS. This certification shall not be construed 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 Public Report (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.

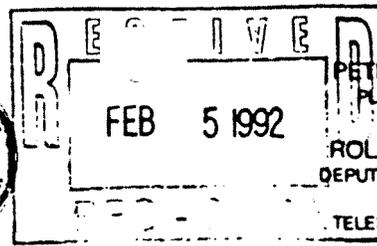
Please note that the intended condominium of the property does not create separate parcels of record. Furthermore, the number of limited common elements or CPR units proposed for this parcel should not exceed the number of dwelling units, including Additional Dwelling Units (ADU), permitted by the respective zoning district. It is recommended that developer resolve the allowable density with the Planning Department prior to the filing of the Notice of Intention for the proposed condominium with the Real Estate Commission.

If you have any questions, please contact Bryan Mamaclay of my staff at 245-3919.


PETER A. NAKAMURA
Planning Director

END OF EXHIBIT "F"

JOANN A. YUKIMURA
MAYOR



PETER A. NAKAMURA
PLANNING DIRECTOR
ROLAND D. SAGUM, III
DEPUTY PLANNING DIRECTOR
TELEPHONE (808) 245-3919

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

February 4, 1992

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Professional and Vocational Licensing Division
Department of Commerce and Consumer Affairs
828 Fort Street Mall, Suite 600
Honolulu, Hawaii 96813

Subject: Comments on Silva Condominium Report
Tax Map Key:2-3-04:23
Kalaheo, Kauai
LOTR:01/16/92

After reviewing the subject document, we have the following comments to offer:

The amount of limited common elements proposed is within the allowable unit density permitted by the CZO. The subject property is zoned Residential District (R-4) and qualifies for six (6) units. Based on the condominium map, the developer is proposing two (2) limited common elements.

The department's records currently recognize that there are a total of three (3) single family detached dwelling units on the subject property. The "cottage" in Unit 1 is noted to be the third residence on the property in accordance with the issuance of Class I Zoning Permit Z-1584-89 approved on June 7, 1989. The condominium map and page 5 of the report relating to the description of the apartments should be revised accordingly to reflect the specific use of this structure as a single family dwelling.

When applying for Zoning Permits with the Planning Department, the owners must be made aware that 75% of the owners or their assignee, are required to sign the permit form(s). Should an assignee be designated, such assignee shall present proof of

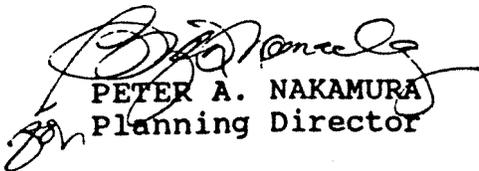
EXHIBIT "G"

Mr. Calvin Kimura, Executive Secretary
Real Estate Commission
Page 2
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authorization from the 75% of the owners at the time a permit is applied for. This is a requirement because the Planning Department does not recognize the Condominium Public Report to be a legal subdivision of land.

There should be a disclosure provision written into this and all ensuing condominium reports stating that the report should not mean that all County Codes and Ordinances have been complied with. Subsequent development and use shall comply with all applicable County Codes and Ordinances. It should also be made clear that the Condominium Public Report does not necessarily 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., may not necessarily be provided for. Further, such services as County street maintenance and trash collection will not be available for interior road/driveways.

Should you have any questions, please feel free to contact Bryan Mamaclay of my staff at 245-3919.


PETER A. NAKAMURA
Planning Director

xc: Hiroshi Sakai

A: SILVA.CPR

END OF EXHIBIT "G"