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

6601 KOOLAU ROAD CONDOMINIUM
Anahola, Kauai, Hawaii

Registration No. 2638 (Partial Conversion)

Issued: July 16, 1992
Expires: August 16, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 26, 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.

X **FINAL:** *(white)* The developer has legally created a condominium and has filed complete information with the Commission.
- [X] 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 [X] Not Required - disclosures covered in this report.

Summary of Changes from Ear. 'ublic Reports:

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

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

[ ] Changes made are as follows:

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SPECIAL NOTICE:

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

1. This Public Report does not constitute an approval of the Project by the Real Estate Commission, nor does it ensure that all County codes, ordinances and subdivision requirements have been complied with.

2. This is a condominium project not a subdivision. The dotted lines on the Condominium Map are for illustration purposes only and do not represent the boundaries of legally subdivided lots.

3. Facilities and improvements normally associated with County-approved subdivisions may not necessarily be provided or available.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE DOCUMENTS FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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;ENERAL INFORMATION ON CO. ›MINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements 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 improveme are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lesse (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usu. requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including a improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for indivic apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including a 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 y 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 owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Y 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 certain apartments. These common elements are called limited common elements and may include parking sta patios, lanais, trash chutes, and the like.

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

Your apartment will, however, be part of the group of apartments that comprise the condominium project. St the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupa 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 reg to the administration, management, and operation of the condominium project. Each apartment owner is automatical member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or officer, or are on a committee appointed by the board, your participation in the administration and operation of condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Direc and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact 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, likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the devel to do so during the early stages of development and the developer may reserve certain special rights to do so in Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners 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:

[X] 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
   [X] Both New Building(s) and Conversion

2. [ ] Residential [ ] Commercial [ ] Ohana
   [ ] Mixed Residential and Commercial [X] Agricultural
   [ ] Other _____

3. [ ] High Rise (5 stories or more) [X] Low Rise

4. [ ] Single or [X] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
1	1	0/0	64	None
2	1	2/2	1065	None

Total Apartments: 2

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

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

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	4
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: _____	
Total Parking Stalls	4

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: JOSEPH H. ROGER
Name
1203 Third Street
Business Address
San Rafael, California 94901

Phone: 415-457-4030 (Business)

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

N/A

Real Estate Broker: HANALEI NORTHSHORE PROPERTIES
James G. Pycha
Name
P. O. Box 607
Business Address
Hanalei, HI 96714

Phone: 826-9675 (Business)

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
4414 Kukui Grove Street, #104
Business Address
Lihue, HI 96766

Phone: 245-3381 (Business)

General Contractor: None
Name

Business Address

Phone: N/A (Business)

Condominium Managing Agent: Self-managed by the Association of Apartment Owners
Name

Business Address

Phone: N/A (Business)

Attorney for Developer: PATRICK J. CHILDS
Name
4365 Kukui Grove Street, #104
Business Address
Lihue, Kauai, Hawaii 96766

Phone: 245-2863 (Business)

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
[X] Recorded - Bureau of Conveyances - Document No. 91-073629
Book _____ Page _____
[ ] Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

First Amendment is dated January 13, 1992 and was recorded on February 13, 1992 as document no. 92-021812.

Second Amendment is dated June 1, 1992 and was recorded on June 12, 1992 as document no. 92-093549.

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
[X] Recorded - Bureau of Conveyance Condo Map No. 1509
[ ] 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
[X] Recorded - Bureau of Conveyances - Document No. 91-073629
Book _____ Page _____
[ ] Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Cha. 514A, HRS), the Declaration, Bylaw . and House Rules control the rights an obligations of the apartment owners with respect to the common elements, to each other, and to their respectiv apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court c law.

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the commo elements and individual apartments. House rules may cover matters such as parking regulations, hours c 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 b effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [X] 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 an 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 t changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	---	N/A

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 House Rules.

[X] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws House Rules

The Developer reserves the right to amend the Declaration and Condominium Map to reflect any corrections submitted by the Architect or Engineer, to correct any deficiencies in the description of the premises and layout so long as the same are minor in scope or are to redescribe any easement, and to grant the same for utilities and access.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements which includes the underlying land will be fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlyir land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the er of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which tr renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[ ] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessee (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the lar and that they either (1) remove or dispose of the building(s) and other improvements; or (convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which tl renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[ ] Month [ ] Year.

[ ] Other:

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 sam terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 6601 Koolau Road
Anahola, Kauai, Hawaii

Tax Map Key: (TMK) 4/4-9-09-31

[ ] Address [ ] TMK is expected to change because _____

Land Area: 3.023 [ ] square feet [X] acre(s) Zoning: Agricultural/Ope

Fee Owner: JOSEPH H. ROGER
Name

1203 Third Street
Address

San Rafael, CA 94901

Sublessor: _____
Name

_____
Address

_____

C Buildings and Other Improvements:

1. [ ] New Building(s) [ ] Conversion of Existing Building(s)
[X] Both New Building(s) and Conversion

2. Buildings: two Floors Per Building one

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [X] Wood

[ ] Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Determined By Zoning		No. of Apts.	Use Determined By Zoning
[ ] Commercial			[ ] Industrial		
[X] Residential	1	Yes	[X] Agricultural	1	Yes
[ ] 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:

[X] Pets: No chickens, pigs or hunting dogs permitted, including pit bulls. Restrictions further defined in the Declaration.

[ ] Number of Occupants:

[X] Other: Agricultural uses as provided by County ordinance.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 0 Trash Chutes 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
1	1	0/0	64	None
2	1	2/2	1065	None

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 outer surfaces of the perimeter walls and roof and the under-surface of its floors, foundations and/or support posts.

Permitted Alterations to Apartments: The property is subject to the Kauai County "Ohana" ordinance, which may restrict the number and size of dwelling units. Subject to any restrictions imposed thereby, any owner may, at his sole cost and expense, make any improvement permitted by law, the Declaration and By-Laws, to his apartment and within his apputenant limited common element, provided further that no owner may construct a residence, or otherwise jeopardize the soundness or safety of the property, reduce its value, detract from its appearance, or interfere with or deprive another owner of the use or enjoyment of any part of the propert

7. Parking Stalls:

Total Parking Stalls: 4

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

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

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit B contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] 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

Based upon an inspection report of a registered professional engineer, the Developer represents that Apartment 2 is structurally sound, that electrical and plumbing installations are in good order, and that Apartment 2 has an expected life of twenty-five years or more.

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

Apartment 2 was built in compliance with applicable codes at the time of its construction.

10. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
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.

   [X] 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.

   [X] The limited common elements and the apartments which may use them are:

   [X] described in Exhibit A

   [ ] as follows:

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.

   [X] As follows:

Apartment 1	50%	Common interest is determined on a
Apartment 2	50%	per capita basis, e.g., each unit has
TOTAL	100%	an equal interest in common elements.

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

Exhibit C describes the encumbrances against the title contained in the title report date March 23, 1992 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 usual released on an apartment-by-apartment basis upon payment of specified sums so that individual apartmen 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 th developer conveys the apartment to a buyer. Buyer's interest will be affected only if the develop defaults prior to conveying the apartment to buyer.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage	Buyer shall lose his right to a condominium unit. Any money on deposit shall be returned.

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

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, t management contract must have a term of one year or less and the parties must be able to terminate the contr 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 a maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment m be liened and sold through a foreclosure proceeding.

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

Exhibit D 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 the maintenance fees:

[X] Not applicable

[ ] Electricity

[ ] Gas

[ ] Television Cable

[ ] Water & Sewer

[ ] Other _____

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for ea 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 January 22, 1992
Apartment 2 - Existing Unit

K. **Project Phases:**

The developer [ ] has [X] has not reserved the right to add to, merge, or phase this condominiu

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

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated January 28, 1992

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

[ ] Other _____

IV ADDITIONAL INFORMATION NOT COVERED ABOVE

IMPORTANT:

THIS IS NOT A SUBDIVISION. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element area are for illustrative purposes only and do not represent the boundaries of legally subdivided lots. The condominium interest to be conveyed is zoned agricultural and, as such, is subject to those rules, laws, ordinances and regulations governing the usage of agriculturally zoned lands as may be promulgated by both the County of Kauai and State of Hawaii authorities

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

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 tl Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sal are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid. le 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 Fir Public Report;
   AND
   b. Any other public report issued by the Commission prior to the date of delivery, if the report was r 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 t 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 u or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buye 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 tc 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 relat 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 16-1 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 revi through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawa Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is part of Registration No. 2638 filed with the Real Estate Commission on May 1, 1992.

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Stanley M. Kuniyasu for
MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai
Federal Housing Administration

EXHIBIT A

DESCRIPTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS:

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

(i) All of the Land, in fee simple, subject to the division of the same as limited common elements.

(ii) The limited common elements described below.

(iii) All pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures retaining walls (if any) and yard fences, which are located outside the buildings and which are utilized for or serve more than one apartment.

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

(i) That portion of the Land which is designated as Parcel 1, consisting of 1.184 acres, on the Condominium Map, is reserved for the exclusive use of Apartment 1 for the support of the building and other improvements comprising Apartment 1 and for yard, driveway purposes and parking.

(ii) That portion of the Land which is designated as Parcel 2, consisting of 1.839 acres, on the Condominium Map, is reserved for the exclusive use of Apartment 2 for the support of the building and other improvements comprising Apartment 2 and for yard, driveway purposes, and parking.

EXHIBIT B

PARKING PLAN:

As provided for in the Declaration, the Limited Common Element area appurtenant to Apartment 1 is reserved and assigned to said Apartment for, among other uses, parking. Each of the two stalls are uncovered and can accommodate both compact and regular sized vehicles. Stalls are unimproved and location of the same within the aforesaid Limited Common Element shall be at the discretion of the Owner. Apartment 2 has a two car garage which suffices for residential parking needs.

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1 For real property taxes as may be due and owing, reference is made to the Director of Finance, County of Kauai.

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

3. MORTGAGE

MORTGAGOR: JOSEPH H. ROGER, unmarried

MORTGAGEE: PIONEER FEDERAL SAVINGS BANK, a federal savings bank

DATED: January 2, 1986
RECORDED: Liber 19212 Page 443
AMOUNT: $93,800.00

4. ROAD WIDENING RESERVE AGREEMENT dated April 19, 1990, recorded as Document No. 90-064108, made by and between JOSEPH H. ROGER and the COUNTY OF KAUAI Planning Department.

5. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in the Declaration of Condominium Property Regime dated May 14, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 91-073629, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1509.) Said Declaration was amended by instrument dated January 13, 1992, recorded as Document No. 92-021812.

6. By-Laws of the Association of Apartment Owners of the Condominium Project known as "6601 KOOLAU ROAD CONDOMINIUM" dated May 31, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as document No. 91-073630, as the same may hereafter be amended.

7. WAIVER AND RELEASE dated April 20, 1990, recorded as Document No. 91-089284, made by JOSEPH H. ROGER.

EXHIBIT D

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months	= Yearly Total
1	$ 20.83	$ 250.00
2	$ 20.83	$ 250.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

	Mon	months = Yearly Total
Utilities and Services		
Air Conditioning		
Electricity		
[ ] common elements only		
[ ] common elements and apartments		
Gas		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies		
Building		
Grounds		
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	$ 41.66	$ 500.00
Reserves		
Taxes and Government Assessments		
Audit Fees		
Other		
TOTAL	$ 41.66	$ 500.00

I/~~We~~, JOSEPH H. ROGER, as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Joseph H Roger

Date: 1-26-92

EXHIBIT E

SUMMARY OF SALES CONTRACT:

A Sales Contract sets forth the terms and price of the purchase of a Condominium Apartment. Among other things the Sales Contract for this project states:

1. The purchase price.

2. That the Seller shall convey a marketable fee simple condominium interest in the property. The property is sold "as is".

3. That the Buyer has access to the Declaration of Condominium Property Regime and the Bylaws.

4. That the purchase is for full cash value, with no Seller financing.

5. That the cash shall be placed in escrow, at no interest. The Buyer shall be responsible for one-half of all escrow fees.

6. That Seller reserves the right to make changes to the property.

7. That time is of the essence.

EXHIBIT F

SUMMARY OF ESCROW AGREEMENT:

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

1. That Title Guaranty Escrow Services, Inc. is the Escrow Agent.

2. That upon execution of a Sales Contract, the Developer shall deliver all money received over to the Escrow Agent.

3. That no money shall be released from escrow until the Real Estate Commission shall issue a final report.

4. That the Buyer shall receive all public documents relating to the project.

5. That a Buyer's money shall be returned to him if he exercises certain rights he may have to cancel his Sales Contract as provided by law, if that is his wish, or if the Seller is unable to provide title to the Condominium.

6. That upon the Seller providing good title to the Condominium, the Buyer's money shall be turned over to the Seller.

7. That the Escrow Agent will record with the State of Hawaii all documents requiring such.

8. That if the Buyer is unable to peform and has money on deposit in escrow, these monies will be turned over to the Seller.

9. That if escrow is cancelled for any reason there may be a cancellation fee of not less than $25.00 payable by the Buyer.