

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer MARTIN C.S. INN and VANESSA A. INN
Address 143 Ripley Street, San Francisco
California 94110

Project Name(*): LANI NA KAI
Address: Lot 15, Waipake Subdivision, Unit II
Waipake, Hanalei, Kauai, Hawaii

Registration No. 2880 Effective date: April 18, 1997
Expiration date: May 18, 1998

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

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 by the developer 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.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
 - SUPPLEMENTARY: (pink) This report updates information contained in the:
 - Preliminary Public Report dated: _____
 - Final Public Report dated: July 28, 1993
 - Supplementary Public Report dated: _____
- And Supersedes all prior public reports.
 Must be read together with the Final Public Report
 This report reactivates the Final Public Report
 public report(s) which expired on September 28, 1995

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to the Final Public Report as Exhibit "G".

[] 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.

[] No prior reports have been issued by the developer.

[X] Changes made are as follows: A residence and garage have been constructed on Unit B of the project.

* * * * *

* 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 *
 * ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN *
 * EXISTING NON-RESIDENTIAL STRUCTURE TO 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, or any other government *
 * agency, nor that all County Codes, Ordinances and subdivision *
 * requirements have been complied with. *

* 2. This project does not involve the sale of individual subdivided *
 * lots. The land area beneath and immediately adjacent to each *
 * unit as shown on the Condominium Map is designated as a limited *
 * common element for that unit and does not represent a legally *
 * subdivided lot. The dotted lines on the Condominium Map merely *
 * represent the approximate location of the limited common element *
 * assigned to each unit. *

* 3. The Owners have executed a Waiver and Release which indemnifies *
 * the County of Kauai against any claims arising out of the fact *
 * that no water or water service is provided by the County Water *
 * Department. It also acknowledges that issuance of building *
 * permits for the property shall not be construed as a promise or *
 * warranty that such water service will be provided in the future. *

* 4. Facilities and improvements 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 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. *

* * * * *

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

- 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. 92-199565
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment dated May 18, 1993, recorded as Document No. 93-085624; Second Amendment dated January 28, 1997, recorded as Document No. 97-024186.

- 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 Conveyances Condo Map No. 1781
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment dated May 18, 1993, recorded as Document No. 93-085624; Second Amendment dated January 28, 1997, recorded as Document No. 97-024186.

- 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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. 92-199566
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

(4) 5-1-6-29 Unit A
-58 Unit B
-59 Unit C
-60 Unit D

B. Underlying Land:

Unit B:
Address: 7463-B Kapuna Road Tax Map Key: _____
Waipake, Kauai, Hawaii (TMK)

[X] Address [] TMK is expected to change because each unit is entitled to receive its own street address from the Department of Public Works, County of Kauai.

Land Area: 11.617 [] square feet [X] acre(s) Zoning: Agricultural

5. Special Use Restrictions:

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

- Pets: _____
- Number of Occupants: _____
- Other: Special use restrictions for this Project are contained in the Declaration of Covenants, Conditions and Restrictions for the Waipake Subdivision, Unit II, as amended.
- 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)*	Net Other Area (sf)	(Identify)
A	1	0/0	0	20	shed
B	1	3/3	2681	597	lanai
				1077	garage
				448	porch
C	1	0/0	0	20	shed
D	1	0/0	0	20	shed
Total Number of Apartments:		4			

*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: Per Article II of the Declaration of Condominium Property Regime, the boundaries of each apartment shall be the outer surface of the entire building. Wires or conduits, pipes or any utility lines running over, under or through any apartment which are utilized for or serve more than one unit shall not be deemed a part of the apartment, the same being deemed common elements.

Permitted Alterations to Apartments: Permitted alterations to apartments are as allowed by County of Kauai zoning ordinances and recorded restrictions on the project, if any. Upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime will be required to disclose actual improvements as a matter of public record.

G. Status of Construction and Estimated Completion Date:

The storage sheds on Units A, C and D were fully constructed as of March 29, 1993. The residence and garage on Unit B were completed in 1994.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other Declaration of Covenants, Conditions and Restrictions for the Waipake Subdivision, Unit II, as amended.

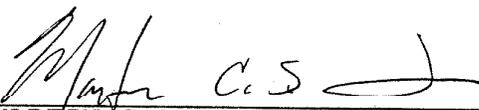
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2880 filed with the Real Estate Commission on May 25, 1993.

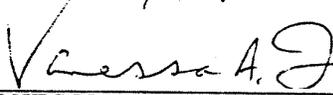
Reproduction of Report. When reproduced, this report must be on:

- yellow paper stock white paper stock pink paper stock

D. The developers hereby certify that all the information contained in this Report, the Exhibits attached to this Report and all documents to be furnished by the developers to buyers concerning the project have been reviewed by the developers and are, to the best of developers' knowledge, information and belief, true, correct and complete.


MARTIN C.S. INN

Date: 11/26/96


VANESSA A. INN

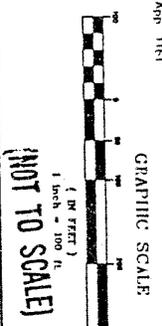
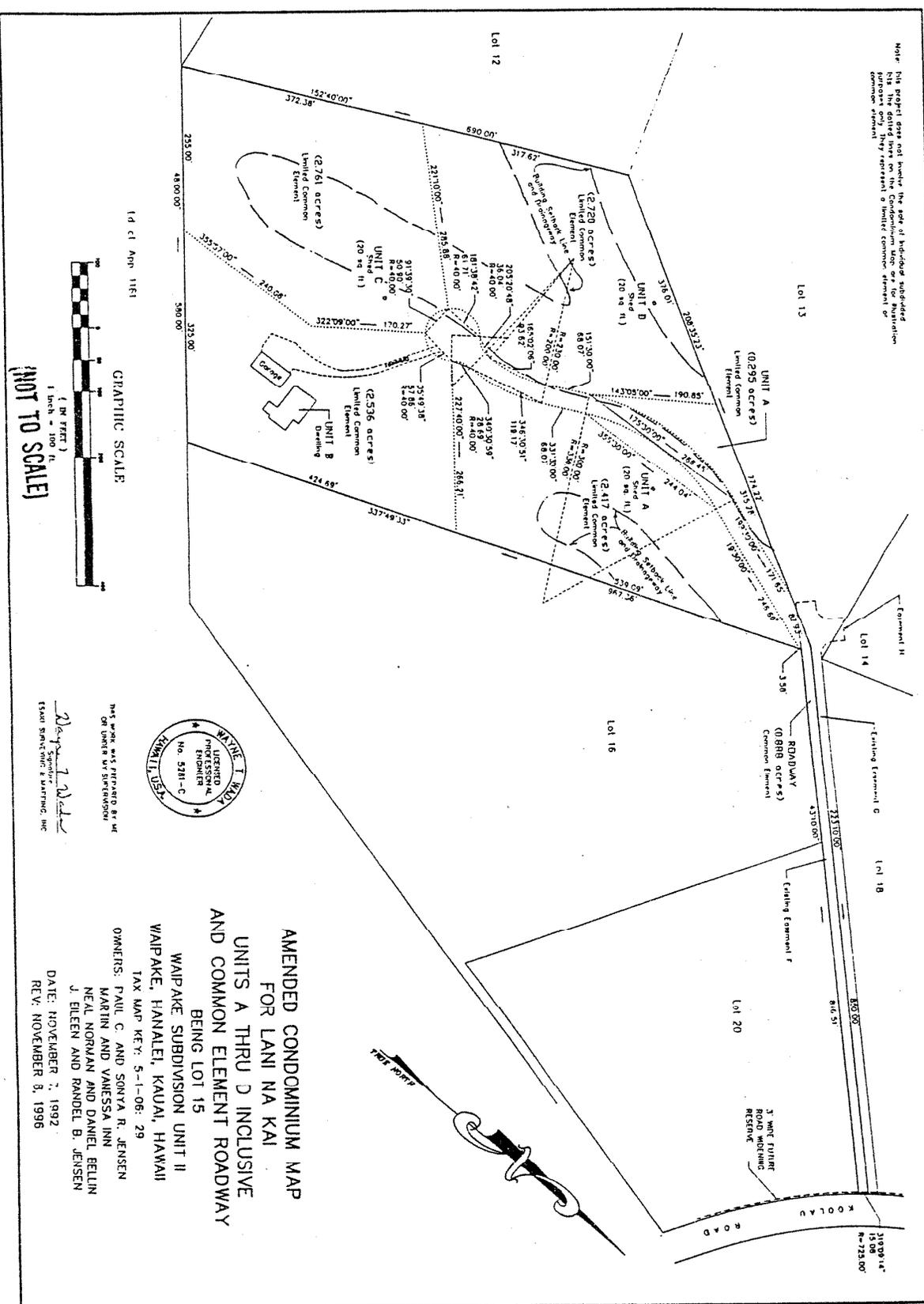
Date: 1/28/97

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

EXHIBIT A

CONDOMINIUM MAP AND LIMITED COMMON ELEMENT LOCATIONS

Note: This project does not include the right of limited common element or limited common element for the purpose of this map. The limited common element or limited common element for the purpose of this map is shown only if they represent a limited common element of common element.



14 Oct Appr 1181

92-114A GS



THIS WORK WAS PREPARED BY ME OR UNDER MY SUPERVISION
 Wayne T. Brady
 Engineer
 State of Hawaii, Inc.

AMENDED CONDOMINIUM MAP
 FOR LANI NA KAI
 UNITS A THRU D INCLUSIVE
 AND COMMON ELEMENT ROADWAY
 BEING LOT 15

WAIPAKE SUBDIVISION UNIT II
 WAIPAKE, HANAIEI, KAUAI, HAWAII
 TAX MAP KEY: 5-1--06: 29
 OWNERS: PAUL C. AND SONTA R. JENSEN
 MARTIN AND VALESSA INN
 NEAL NORMAN AND DANIEL BELLIN
 J. EILEEN AND RANDEL B. JENSEN
 DATE: NOVEMBER 7, 1992
 REV: NOVEMBER 8, 1996

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS
FOR LANI NA KAI CONDOMINIUM

Qty.	Unit No.	Area of Limited Common Element* (Acres)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	% of Common Int.
1	A	2.712	0/0	0	20-shed	25%
1	B	2.536	3/3	2681	597-lanai 1077-garage 448-porch	25%
1	C	2.761	0/0	0	20	25%
1	D	2.720	0/0	0	20	25%

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration of Condominium Property Regime, each unit owner may use his unit, alter or add to it in any manner he deems desirable, so long as it is permitted by law and the Declaration of Protective Covenants and Building Rules. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration of Condominium Property Regime together with their respective signatures.

*Note: Land areas referenced herein are not legally subdivided lots.

END OF EXHIBIT C

