

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer: GREGORY KERSTEN RAND

Address: 3669 Kawelolani Place, Honolulu, Hawaii 96816

Project Name(*): CROZIER DRIVE BEACH AND FARM LOTS

Address: 68-700 Crozier Drive, Mokuleia, Oahu, Hawaii 96791, Units 1, 2, 11, 13 and 14

Registration No. 2883

Effective date: May 21, 2002

Expiration date: June 21, 2003

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 governmental 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: 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.
(yellow)

FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 No prior reports have been issued.
 This report supersedes all prior public reports.
 This report must be read together with _____

SUPPLEMENTARY: This report updates information contained in the:
(pink)
 Preliminary Public Report dated: _____
 Final Public Report dated: August 2, 1993
 Supplementary Public Report dated: _____

And

Supersedes all prior public reports
 Must be read together with Final Public Report
 This report reactivates the Final Public Report
public report(s) which expired on September 2, 1994

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosure 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.

Changes made are as follows:

1. Declaration Amendments. The initial Declaration of Condominium Property Regime was amended three times. A summary of each amendment is as follows:

(A) First Amendment. This served to correct some information in the original Declaration and to clarify that Unit 1 is subject to an access easement; that only Unit 2 may construct a residential structure and that any proposed change regarding that provision requires the written consent of the owner of Unit 2; and by amending the Condominium Map.

(B) Second Amendment. This served to revise the condemnation provisions contained in Paragraph 14.0 of the Declaration by providing that a condemnation of an entire unit will result in the percentage common interest being reallocated to the remaining units on an equal percentage basis.

(C) Third Amendment. This served to reflect that Unit 10 (the shed) and its appurtenant limited common element land area was condemned by the City and County of Honolulu; that the total number of units in the Project was reduced from 14 to 13 units; a two-story dwelling was constructed on the limited common element land area of Unit 2 and the storage structure was removed; and the common interest of each unit was changed to 1/13th.

2. Reduction in Number of Units. As described in the Third Amendment to Declaration of Condominium Property Regime, the City and County of Honolulu condemned Unit 10. Accordingly, the total number of units in the Project was reduced from 14 to 13 units. See Third Amendment which has the Judgment entered in the City's condemnation action. The total number of storage sheds was also reduced by the Third Amendment from 14 to 12 due to the deletions of sheds for Units 2 and 10.

3. Developer/Fee Simple Owner. The original developer of the project was Richard Rand and Gregory Rand. They had ownership to 9 of the original 14 units in the Project. This Supplementary Public Report only covers 5 units, all of which are now owned solely by Gregory Rand (the 5 units are Units 1, 2, 11, 13, and 14).

4. Construction of Dwelling. One residential structure has been constructed within the limited common element area of Unit 2. Construction was completed around August, 1994. Unit 2 now contains one two-story residential structure which previously had a utility storage structure. See Exhibit I for a more detailed description of the unit 2.

5. Unit 2 Restrictions. There are several restrictions which are only applicable to the owner of Unit 2. Because only the owner of Unit 2 has a dwelling, only this Unit is subject to the restrictions relating to "farm dwellings" as described in Section 205-4.5(a), Hawaii Revised Statutes, and that certain Declaration of Restrictive Covenants establishes and permits various agricultural uses which affects the easement that Unit 2 has over the adjoining Lot 9. The Declaration of Restrictive Covenants is dated September 9, 1997 and is further described in item 23 of Exhibit "E".

6. Real Estate Broker. The Real Estate Agent for the Owner of Unit 2 is Gina Heidler, dba Eaves Realty (RB-16799). The other units are not presently for sale. If the Developer wishes to sell Units 1, 11, 13 and 14, the Developer will obtain a Supplementary Public Report or Disclosure Abstract that permits such sale to occur prior to marketing it. The Escrow Agent for the Project is now Fidelity National Title Insurance Company, Inc.

7. Units Affected. This Supplementary Public Report is made to reflect the addition of a dwelling to Unit 2. However, because Units 1, 11, 13 and 14 are also owned by the Developer, this Supplementary Public Report covers Units 1, 2, 11, 13 and 14. **HOWEVER, ONLY UNIT 2 IS PRESENTLY FOR SALE.** This Supplementary Public Report only serves to change and update the following pages of the Supplementary Pubic Report dated AUGUST 2, 1993:

1, 2, 3, 5, 6, 10, 11, 12, 14, 15, 16, 18, 19, 20, 21, Exhibits "E", "G", "I", and "J"

8. Special Notice. The Developer's Final Public Report expired on September 2, 1994. Pursuant to Section 16-107-19, Hawaii Administrative Rules, sales contracts executed during the period that the Public Report was not in effect may be rescinded at the option of the purchaser and all monies refunded to the purchaser. The purchaser's right to rescind under this rule shall be void thirty (30) calendar days after receipt of written notification of these rights from the Developer or his real estate agent.

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 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 or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.

2. This Project does not involve the sale of individual subdivided lots. The land area beneath and immediate adjacent to each unit as shown on the condominium map is designated as a limited common element 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. Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION REGARDING THE FORGOING.

TABLE OF CONTENTS

	page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer Attorney for Developer General Contractor	
Real Estate Broker Escrow Company Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A:	
EXHIBIT B:	
EXHIBIT C:	
EXHIBIT D:	
EXHIBIT E: Encumbrances Against Title	
EXHIBIT F:	
EXHIBIT G: Summary of Escrow Agreement	
EXHIBIT H:	
EXHIBIT I: Description of Unit 2	
EXHIBIT J: Inspection Report of Thomas E. Hackett on Unit 2	

I. PERSONS CONNECTED WITH THE PROJECT

Developer: GREGORY KERSTEN RAND Phone: (808) 732-9200
Name (Business)
3669 Kawelolani Place
Business Address
Honolulu, Hawaii 96816

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

Not Applicable

Real Estate Broker: Gina Heidler, dba Eaves Realty Phone: (808) 637-9009
Name (Business)
68-151 Au Street, #308
Business Address
Waiialua, Hawaii 96791

Escrow: Fidelity National Title Insurance Company, Inc. Phone: (808) 536-0404
Name (Business)
201 Merchant Street, Suite 2100
Business Address
Honolulu, Hawaii 96813

General Contractor: Not Applicable Phone: _____
Name (Business)

Business Address

Condominium Managing Agent: self managed by Association of Unit Owners Phone: _____
Name (Business)

Business Address

Attorney for Developer: Michael H. Sakai, Esq. Phone: (808) 531-4171
Name (Business)
201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. 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. 92-165100
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 to Declaration of Condominium Property Regime, dated April 15, 1993, recorded as Document No., 93-073861; Second Amendment to Declaration of Condominium Property Regime, dated April 4, 1995, recorded as Document No. 95-057853; Third Amendment to Declaration of Condominium Property Regime, dated April 4, 1995, recorded as Document No. 95-086834.

- 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. 1748
 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]:

Amended by First Amendment to Declaration dated April 15, 1993, and Third Amendment to Declaration dated April 4, 1995.

- 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 manners which affect how the condominium project will be governed.

The Bylaws for this condominium re:

Proposed
 Recorded - Bureau of Conveyances: Document No. 92-165101
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]:

Fee Owner : Gregory Kersten Rand (Units 1, 2, 11, 13 and 14)

Name
3669 Kawelolani Place
Address
Honolulu, Hawaii 96816

Sublessor: N/A
Name
Address

C. Buildings and Other Improvements:

1. New Building(s) (At time of Final Public Report) Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Number of Buildings: 13 Floors Per Building two - Unit 2 / one-all other units

Exhibit I contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other wood siding, asphalt shingle roofing, and other allied building materials

4. Permitted Uses by Zoning:

	No of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
<input type="checkbox"/> Residential	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Agricultural (storage)	<u>12</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Other: Farm Dwelling	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

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: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 (Unit 2) Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Net Other Area (sf)</u>	<u>Identify carport storage</u>
<u>Unit 2</u>	<u>1</u>	<u>4/3.5</u>	<u>2,960</u>	<u>555</u>	
<u>All Others</u>	<u>12</u>	<u>0/0</u>	<u>144</u>	<u>0</u>	
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Apartments: 13

*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 boundaries of each unit is the exterior finished surfaces of the units perimeter walls, roofs, foundations, windows and frames, doors, beams and post.

Permitted Alterations to Apartments:

Any unit may be altered provided such alteration meets all of the applicable building codes and zoning ordinances. However, only Unit 2 may be altered by placing or constructing a residential type structure. See Exhibit "B" of Final Public Report.

Apartments Designated for Owner-Occupants Only: Not Applicable

Fifty percent (50%) of residential apartments must be so designated; Developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has N/A elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: Not Designated*

*NOTE: There is sufficient space within each unit's limited common land area for parking of at least two motor vehicles

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>2</u>	_____	_____	_____	_____	_____	<u>2</u>
Guest Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>2</u>	_____	<u>0</u>	_____	<u>0</u>	_____	<u>2</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 _____ contain additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational facilities

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

9. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

There are no violations.

Violations will not be cured.

Violations and cost to cure are listed below.

Violations will be cured by _____

10. Conditions and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

(For conversions of residential apartments in existence for at least five years):

See Inspection Report of Thomas E. Hackett dated April 8, 2002 attached hereto as Exhibit "J".

2. Limited Common Elements: 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 use them, as described in the Declaration, are:

described in Exhibit C.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit D.

as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated March 5, 2002 and issued by Fidelity National Title Insurance Company, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specific sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	If the Developer defaults under the mortgage, the lender may foreclose on the project. A purchaser would be returned its deposit.

F. 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. There are no warranties, express or implied.
2. Appliances:
None. There are no warranties, express or implied.

G. Status of Construction and Estimated Completion Date:

The 12 storage structures were constructed in 1993. Unit 2's structure was constructed 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):

V. MISCELLANEOUS

A. 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

Specimen Sales Contract

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

Escrow Agreement dated April 22, 2002

Exhibit G contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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 cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by a developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which as superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) 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:

A) There is a material change in the project which directly, substantially and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) 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.

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 Report issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as restated and amended.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules. (None)
 - E) Condominium Map.
 - 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 _____

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, Hawaii 96809, at a nominal cost.

This Public Report is part of Registration No. 2883 filed with the Real Estate Commission on August 2, 1993.

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

yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

NOT A SUBDIVISION. This is a condominium project which should not be confused with a subdivision. A purchaser of an apartment unit will be conveyed an apartment unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or area, but is not a separate, legally subdivided lot.

MAINTENANCE FEES. All costs of every kind pertaining to each apartment and its respective limited common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective apartment owner. All utilities are separately metered (only Unit 2 has any utilities).

Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. However, the owners have elected to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. Developer estimates annual premium to be from \$800.00 to \$1,400.00.

RESERVES. Developer discloses that no reserve study was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. No reserves are necessary or appropriate because there are no common elements that require any type of major replacement or major repair.

CONDEMNATION. The condemnation action was completed by the City and County of Honolulu. This affected the entire limited common element land area of Unit 10. Accordingly, the Third Amendment to Declaration of Condominium Property Regime dated April 4, 1995, in addition to reflecting the construction of a dwelling for Unit 2, also reflected that there are now only 13 units in the project.

DEVELOPER. The original Developer was both Richard Rand and Gregory Rand. The interest of Richard Rand was conveyed to Gregory Rand. Accordingly, the Developer is now only Gregory Rand.

REAL ESTATE BROKER. As described elsewhere in this Public Report, the real estate broker for Unit 2 is Gina Heidler, dba Eaves Realty, RB-16799.

UNIT 2 DWELLING. The dwelling on the limited common element of Unit 2 was constructed by the Developer in 1994. Since that time, it has been occupied by the Developer and/or rented on a month to month basis. A condition report of Unit 2 is attached to this Public Report as Exhibit J.

- D. The developer declares subject to the penalties set forth in section 154A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

GREGORY KERSTEN RAND

Name of Developer


GREGORY KERSTEN RAND
Developer

APR 16 2002

Date

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.
2. Designation of Easement "1" (area 1,932 square feet) for road and utility purpose, as shown on File Plan No. 1675.
3. Designation of Easement "2" (area 1,844 square feet) for road and utility purpose, as shown on File Plan No. 1675.
4. Grant in favor of Hawaiian Electric Company, Inc., and GTE Hawaiian Telephone Company, Incorporated, dated October 20, 1981, granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate poles and wire lines, etc., for the transmission and distribution of electricity over, under, upon, across and through said Easements "1" and "2", recorded in the Bureau of Conveyances, State of Hawaii, in Book 15983, Page 705. Consent given by First Hawaiian Bank, a Hawaii corporation, and Mokuleia Associates, a Hawaii corporation.
5. Grant in favor of the City and County of Honolulu, dated December 16, 1981, granting a nonexclusive easement to be exercised by the Board of Water Supply to construct, install, maintain, operate, replace and remove an underground water pipeline or pipelines, etc., through said Easements "1" and "2", recorded in said Bureau, in Book 16142, Page 642. Consent given by First Hawaiian Bank, a Hawaii corporation, by instrument dated January 8, 1982 and Mokuleia Associates, a registered Hawaii partnership, by instrument dated December 30, 1981.
6. Agreement dated October 3, 1950, by and between Helemano Company, Limited, and John H. Midkiff and Pearl Lee Beck Midkiff, husband and wife, as Joint Tenants, re: easement for crossing of Crozier Drive, recorded in said Bureau, in Book 2435, Page 124.
7. Lease in favor of Hawaiian Telephone Company, dated January 31, 1961, recorded in said Bureau, in Book 4011, Page 92; leasing and demising an easement to build, construct, reconstruct, rebuild, replace, repair, maintain, operate and remove pole and wire lines, etc., over and across the land described herein for a term of 40 years commencing on February 1, 1961, and ending on January 31, 2001, and thereafter from year to year until terminated.
8. Possible rights of others to cross Lot R-5.
9. The provisions of that certain Deposit Receipt, Offer and Acceptance, Addendum to DROA, and unrecorded Agreement, all said documents dated July 15, 1983, by and between Hello Easy Street, Ltd., and Walker-Moody Construction Company, Limited, as mentioned in Deed dated July 15, 1983, recorded in said Bureau, in Book 17205, Page 543.
10. Existing Hawaiian Electric Company, Inc. easement of right-of-way for power line purposes.
11. Covenant Concerning California Sales dated February 17, 1982, recorded in said Bureau, in Book 16171, Page 146, between Mokuleia Investment Partnership, a Hawaii limited partnership, "Subdivider", and First Hawaiian Bank, a Hawaii corporation, "Lender"; re: requirements and conditions for sale of Mokuleia Agricultural Subdivision lots in the State of California.
12. Covenants and agreements contained in Affidavit dated August 10, 1989, recorded in said Bureau, in Book 23540, Page 591, by Richard Rand, to-wit:
 - "(1) that the layout or use of the building will not be converted at a future date to some other layout or use which is illegal;
 - (2) that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the Director and Building Superintendent, City and County of Honolulu."

Note: There is no joinder by Walker-Moody Construction, Limited, Gregory Rand, husband of Cynthia Rand, and Salvation Army in the above Affidavit.

13. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration of Restrictive Covenants, dated May 22, 1992, recorded in said Bureau, as Document No. 92-090157.

14. Matters as shown on Condominium File Plan No. 1748, as amended, filed in the Bureau of Conveyances.

15. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, and easements set forth in the Declaration of Condominium Property Regime recorded October 12, 1992 in said Bureau, in Book 92-165100.

Said Declaration was amended as follows:

RECORDED:

DOCUMENT NO.:

May 10, 1993

93-073861

May 2, 1995

95-057853

July 3, 1995

95-086834

16. By-Laws of the Association of Unit Owners of Crozier Drive Beach and Farm Lots, recorded October 12, 1992, in said Bureau, as Document No. 92-165101.

17. Final Order of Condemnation dated December 21, 1993, recorded in said Bureau, as Document No. 95-086835.

18. License Agreement dated January 26, 1996, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2290088, and also recorded in said Bureau, as Document No. 96-020718.

19. Terms, provisions and conditions as contained in the Original Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.

20. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the laws and/or in said Apartment Deed, and/or as delineated on said Condominium Map.

21. The effect of the Quitclaim Deed to Land Trust dated November 1, 1995, recorded in said Bureau, as Document No. 95-144137. (Said Grantor has no interests to convey property).

22. Mortgage dated November 13, 1995, in favor of First Hawaiian Creditcorp., a Hawaii corporation, recorded in said Bureau, as Document No. 95-148987.

23. Declaration of Restrictive Covenants dated August 13, 1996, recorded in said Bureau, as Document No. 97-121094.

24. Terms, provisions, conditions and restrictions and the failure to comply with said terms, contained in that certain Irrevocable Land Trust Agreement dated December 21, 1993, having Trust No. 90-0184H.U'hane to which reference is hereby made.

25. For real property taxes, your attention is directed to the Tax Assessor, City and County of Honolulu.

EXHIBIT "G"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is FIDELITY NATIONAL TITLE INSURANCE COMPANY, INC., Under the Escrow Agreement dated April 22, 2002, these things will or may happen:

(a) Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement specifies when purchaser funds may be disbursed upon closing of a sale. The conditions include:

i) Escrow receives the purchasers' signed "Receipt for Public Report(s) and Notice of Right to Cancel";

ii) Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and

iii) The apartment deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser. Refunds can occur under the following situations:

i) If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Final Public Report and Notice of Right to Cancel". The Receipt provides that purchasers may cancel the Sales Contract and purchaser is the Receipt is mailed or sent by telegram to Developer before (1) the apartment unit is conveyed to purchaser or (2) midnight of the 30th day after delivery of the Public Report(s) to me, whichever is earlier.

ii) The Developer and purchaser agree to terminate the Sales Contract;

iii) if the Developer exercises any right to cancel the transaction which it may have reserved.

NOTE: If a transaction is cancelled, the purchaser must return all documents to the Developer.

(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits previously placed into Escrow will be forfeited by purchaser and Escrow may release such funds to Developer. See paragraph 11 of Escrow Agreement.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "I"

Description of Unit 2

Unit 2 consists of one freehold estate consisting of one two-story structure without a basement. There are two (2) carports, entry, one bedroom, and one and one-half bathrooms, living room, and kitchen on the first floor level. The second level contains the three bedrooms and two bathrooms. The net living area of Unit 2 is approximately 2,960 square feet. The carports consist of 555 square feet. This unit is constructed principally of wood with a concrete slab foundation. The land area surrounding Unit 2 as delineated and described in the Condominium Map is a limited common element for Unit 2 and is for the exclusive use of Unit 2.

EXHIBIT "J"

Tom Hackett

ARCHITECT

3602 KEAOLELE PLACE

HONOLULU, HAWAII 96816

(808) 734-8303

ARCHITECT INSPECTION REPORT
(conversion)

April 8, 2002

REAL ESTATE COMMISSION
Department of Commerce and Consumer Affairs
State of Hawaii
Seventh Floor, 1010 Richards Street
Honolulu, HI 96813

Re: Project: Crozier Drive Beach and Farm Lots
Address: 68-700 Crozier Drive, Unit 2, Wailua, Hawaii
TMK: (1) 6-8-13: 66; CPR 002

Submission for Final Public Report

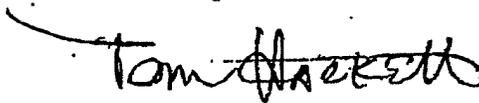
Dear Commissioners:

The undersigned, being a Registered Professional Architect, Number 6029, in the State of Hawaii, hereby declares as follows:

1. I have examined the two story residential structure on the above referenced property; and
2. Without invasive examination of covered components, the structural and mechanical components of the structure identified as Unit 2 on the condominium map appeared to be in good condition; and
3. I am making no statement or representations with regard to the expected useful life of the structures.

Please feel free to contact me if you should have any questions concerning the foregoing.

Sincerely,



Thomas E. Hackett
Registered Professional
Architect No. 6029