CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer ERIC and LAURI YAMA, STANLEY DOI and SHERMAN SHIRAISHI, Trustee
Address 2970 Kress Street, Lihue, Hawaii 96766

Project Name(*): SYDCO CONDOMINIUMS
Address: 6391 and 6391A Puupilo Road, Kapaa, Hawaii 96746

Registration No. 4159 (conversion)
Effective date: February 24, 2000
Expiration date: March 24, 2001

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.

_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.
[ ] 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: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197/1098

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report as Exhibit "D" [ ] Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

1. This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.

2. 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 be 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 CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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EXHIBIT A: Encumbrances Against Title
EXHIBIT B: Summary of Deposit Receipt Offer and Acceptance
EXHIBIT C: Summary of Escrow Agreement
EXHIBIT D: Disclosure Statement
EXHIBIT E: Architect's Condominium Report

General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

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

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: ERIC and LAURI YAMA, STANLEY DOI, SHERMAN SHIRAISHI, Trustee
Name*
Phone: (808) 245-1651 (Business)
2970 Kress Street
Business Address
Lihue, Kauai, Hawaii 96766

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership(LLP); or manager and members of a Limited Liability Company(LLC)(attach separate sheet if necessary):
N/A

Real Estate Broker*: KAUAI REALTY, INCORPORATED
Name
Phone: (808) 245-1651 (Business)
2970 Kress Street
Business Address
Lihue, Kauai, Hawaii 96766

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
Phone: (808) 245-3381 (Business)
4414 Kukui Grove Street, #104
Business Address
Lihue, Hawaii 96766

General Contractor*: N/A
Name
Phone: (Business)
Business Address

Condominium Managing Agent*: Self-managed by the Association of Apartment Owners
Name
Phone: (Business)
Business Address

Attorney for Developer: SHIRAISHI & MURASHIGE
Name
Phone: (808) 245-3361 (Business)
2970 Kress Street
Business Address
Lihue, Hawaii 96766

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

10/98

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
[X] Recorded - Bureau of Conveyances: Document No. 96-162842
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 SYDCO Condominiums dated March 16, 1999 and recorded as Document No. 99-044063. Second Amendment to Declaration of Condominium Property Regime SYDCO Condominiums dated February 4, 2000 and recorded as Document No. 2000-017425.

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 Conveyances Condo Map No. 2486
[ ] 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]:

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
[X] Recorded - Bureau of Conveyances: Document No. 96-162843
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]:

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [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 and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

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

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

Developer has reserved the right under Paragraph 15.0 of the Declaration to alter the units in the Project which it owns without the approval of the Association or the other apartment owner and to amend the Condominium Map to note changes resulting from the exercise of the Developer reserved right under this paragraph.
Developer has also reserved the right to amend the Declaration, By Laws and Condominium Map prior to the first recording of a conveyance under Paragraph 22.0 of the Declaration.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

Exhibit _____ contains further explanations regarding the manner in which the 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

For Sub-leaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the 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:

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.

B. Underlying Land:

Address: 6391 and 6391A Puupilo Road, Kapaa, Hawaii 96746 Tax Map Key (TMK): (4) 4-2-006-164

[ ] Address [ ] TMK is expected to change because_____

Land Area: 0.500 [ ] square feet [X] acre(s) Zoning: R-2/Open

Fee Owner: Eric Yama, Lauri Yama, Stanley Doi, and Sherman Shiraishi, Trustee of the Sherman Shiraishi Revocable Trust
Name
P.O. Box 1246
Address
Lihue, HI 96766

Lessor: _____
Name
_____
Address
_____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 2 Floors Per Building 1

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [X] Wood

[ ] Other_____

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
[X] Residential	2	[X] Yes [ ] No	[ ] Ohana	___	[ ] Yes [ ] No
[ ] Commercial	___	[ ] Yes [ ] No	[ ] Industrial	___	[ ] Yes [ ] No
[ ] Mix Res/Comm	___	[ ] Yes [ ] No	[ ] Agricultural	___	[ ] Yes [ ] No
[ ] Hotel	___	[ ] Yes [ ] No	[ ] Recreational	___	[ ] Yes [ ] No
[ ] Timeshare	___	[ ] Yes [ ] No	[ ] Other:_____	___	[ ] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] 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:_____

[X] Other: No time sharing permitted

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators:_____ Stairways:_____ Trash Chutes:_____

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identity)
Home A&B	2	3/2.5	1,144	413	garage

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment:
The exterior surfaces of the buildings and the description of the limited common element for each of the units/apartments, as set forth and shown on the Condominium Map.

Permitted Alterations to Apartments:
An apartment owner can increase the area of the building, add additional structures, alter the location of the building, and/or subdivide in accordance with the Declaration, building code, zoning and subdivision ordinances.

7. Parking Stalls:

Total Parking Stalls: 4 (Apt. A and B - 2 in each garage)

	Regular		Compact		Tandem		
	Covered	Open	Covered	Open	Covered	Open	TOTAL
Assigned (for each unit)	2						4
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:	4		0		0		4

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

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute/Enclosure(s)

[ ] Other: _____

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below: [ ] Violations will be cured by _____ (Date).

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):
Satisfactory with a useful life in excess of 50 years. (See certificate by Avery Youn issued in connection with this project attached hereto as Exhibit E.)

11. 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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[ ] described in Exhibit _____.

[X] as follows: Common Elements. The common elements of the Project consist only of the following:
(a) All of the land, in fee simple.
(b) The limited common elements described in paragraph 5.2. of the Declaration.
(c) The central and appurtenant facilities for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities when and only those items on shared installations.
(d) The main driveway shown on the Condominium Map.
(e) All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

[ ] There are no limited common elements in this project.

[ ] The limited common elements and the apartments which use them, as described in the Declaration, are:

[ ] described in Exhibit _____.

[X] as follows:

(a) The portion of the land which is shown on the Condominium Map as Home A, containing approximately 11,038 sq. ft. is reserved for the exclusive use of Home A, for the support of the building and other improvement comprising Home A and for driveway, parking and yard purposes.

(b) The portion of the land which is shown on the Condominium Map as Home B, containing approximately 11,196 sq. ft., is reserved for the exclusive use of Home B, for the support of the buildin and other improvement comprising Home B and for driveway, parking and yard purposes.

Note: Limited Common Element Land areas are not legally subdivided lots.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is 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 _____.

[X] as follows:

Home A - 50%
Home B - 50%

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 A describes the encumbrances against the title contained in the title report dated March 1, 1999 and issued by Title Guaranty of Hawaii, 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 specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
First Mortgage	Buyers interest will be wiped out by foreclosure and Buyers deposit is recoverable from Escrow, less escrow cancellation fee.

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

2. Appliances:

   None

G. Status of Construction and Date of Completion or Estimated Date of Completion:

Construction of both apartments was completed in 1992.

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):

IV. CONDOMINIUM MANAGEMENT

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

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

[ ] not affiliated with the Developer
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] Other: _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

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

Exhibit D* contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change). *Note: Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[X] None [ ] Electricity (_____ Common Elements only _____ Common Elements & Apartments)
[ ] Gas (_____ Common Elements only _____ Common Elements & Apartments)
[ ] Water [ ] Sewer [ ] Television Cable
[ ] Other _____

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

[X] Specimen Sales Contract
Exhibit B contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated July 2, 1996
Exhibit C 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 escrow 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 the 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 has 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 Reports issued by the developer which have been issued 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, as amended.
   D) House Rules, if any.
   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 _____

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. 4159 filed with the Real Estate Commission on April 12, 1999.

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

1. This Public Report does not constitute an approval of the project nor that all County Codes, Ordinances and subdivision requirements have been complied with. Subsequent development and use shall comply with all applicable County Code and Ordinances.

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

3. 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 emerging traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

4. Purchaser should investigate the availability of water for future development and use prior to purchase of an apartment.

Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developers Eric Yama, RB10975, and Sherman Shiraishi, RS27697is a current and active Hawaii-licensed real estate broker and that Developer Sherman Shiraishi, Trustee, RS27697 is a current and active Hawaii-licensed real estate salesperson. Further, that Mr. Yama is associated with Kauai Realty, Inc. the project broker. Pursuant to section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by owner', 'For Exchange by Owner'."

D. 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.

Name of Developer: ERIC YAMA, LAURI YAMA, STANLEY DOI, and SHERMAN SHIRAISHI, Trustee

Date: April 9, 1999

ERIC YAMA

LAURI YAMA

STANLEY DOI

SHERMAN SHIRAISHI, Trustee

Developer

Distribution:

Department of Finance, County of Kauai
Planning Department, County of Kauai

EXHIBIT "A"

ENCUMBRANCES AGAINST TITLE

1. Any and all Real Property Taxes that may be due and owing.

   Tax Key: 4-2-006-164 (4) Area Assessed: 0.500 acre

2. DESIGNATION OF EASEMENT "A" (area 13,283 square feet)

   PURPOSE : grading
   SHOWN : on survey map prepared by Dennis M. Esaki, Registered Professional Land Surveyor, dated March 2, 1990

3. SETBACK

   PURPOSE : building
   ALONG : Opaekaa Stream
   SHOWN : on survey map prepared by Dennis M. Esaki, Registered Professional Land Surveyor, dated March 2, 1990

4. RESTRICTION OF VEHICLE ACCESS RIGHTS

   ALONG : Puupilo Road
   SHOWN : on survey map prepared by Dennis M. Esaki, Registered Professional Land Surveyor, dated March 2, 1990

5. A 2-foot wide future road widening reserve along Puupilo Road, as shown on survey map prepared by Dennis M. Esaki, Registered Professional Land Surveyor, dated March 2, 1990.

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

   INSTRUMENT : DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS

   DATED : October 28, 1991
   RECORDED : Document No. 91-155446

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF EASEMENTS, COVENANTS AND RESTRICTIONS

DATED : July 30, 1992
RECORDED : Document No. 92-129990

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DEED

DATED : August 5, 1992
RECORDED : Document No. 92-173758

The foregoing includes, but is not limited to, matters relating to the following:

Excepting and reserving, however, the waters and other rights in or to the Opaekaa Stream.

9. MORTGAGE

MORTGAGOR : ERIC YAMA and LAURI YAMA, husband and wife, and STANLEY DOI, single

MORTGAGEE : KAUAI GOVERNMENT EMPLOYEES FEDERAL CREDIT UNION, a federally chartered credit union

DATED : October 22, 1992
RECORDED : Document No. 92-173759
AMOUNT : $97,600.00

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR THE "SYDCO CONDOMINIUMS" CONDOMINIUM PROJECT

DATED : August 12, 1996
RECORDED : Document No. 96-162842

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : August 12, 1996
RECORDED : Document No. 96-162843

12. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described herein.

EXHIBIT "B"

Summary of Deposit Receipt, Offer & Acceptance

The Deposit Receipt, Offer and Acceptance ("Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) A buyer must obtain his own financing. An application for a mortgage loan must be submitted within ten (10) days after acceptance by Seller and if final approval is not received within thirty (30) days after submission of the application, then the Seller may terminate the contract. Buyer acknowledges that this Sales Contract is contingent upon any financing after issuance of the final public report.

(b) That Buyer's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That the interest on deposits shall not belong to Purchaser.

(d) That the apartment will be subject to various legal documents, including the Declaration, Bylaws, Final Public Report, Escrow Agreement, Apartment Deed, Certificate of Architect and Condominium Map, and any other documents which Buyer is given a copy of and for which he has receipted for same.

(e) That Buyer must close the purchase on a date certain and pay closing costs, in addition to the purchase price.

(f) If Buyer defaults, and Seller is not in default, Seller may terminate the Sales Contract and retain Buyer's deposits as liquidated damages. Seller may in addition pursue any other remedy and all costs by reason of such default shall be borne by Buyer.

(g) If Buyer has made all payments required under the Sales Contract, Buyer shall be entitled to seek specific performance.

The Sales Contract contains various other provisions with which Buyer should become acquainted.

EXHIBIT "C"

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 third party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

(a) Escrow will let purchasers know when payments are due.

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

(c) A refund of purchaser's funds will be made upon request by purchaser under the following conditions:

1. Escrow receives a written request from Seller and purchaser to return purchaser's funds held by Escrow; or

2. Escrow receives written notification of Seller's exercise of any option to rescind the Sales Contract; or

3. The conditions providing for a refund under Sections 514A-62 or 63 of the Condominium Act have been met.

(d) Upon a purchaser's default under the Sales Contract, the purchaser's funds will be retained by the Seller as liquidated damages.

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

Note: Section 514A-63 of the Condominium Act provides for rescission rights to a purchaser under a binding contract if there is a material change in the project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use.

EXHIBIT C

(e) No disbursements of funds held in escrow will be made unless the following have been fulfilled:

1. A Final Report has been issued, the purchaser has received or is deemed to have received the Final Report and the Seller's attorney has opined in writing that the purchaser's sales contract has become effective;

2. Seller's attorney shall have delivered a written opinion to Escrow that the requirements of Sections 514A-62, -63 and -38, Hawaii Revised Statutes, as amended, have been complied with;

3. Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract; and

4. Seller shall have delivered to Escrow a certificate from Seller's architect stating that the project is in compliance with the Federal Fair Housing Amendments of 1988.

EXHIBIT "D"

SYDCO CONDOMINIUMS

REGISTRATION NO. 4159

DISCLOSURE STATEMENT AS OF April 9, 19 99

1. Name of Project: SYDCO CONDOMINIUMS

2. Address: 6391 & 6391A Puupilo Road, Kapaa, Kauai, Hawaii 96746

3. Name of Developer: Eric and Lauri Yama, Stanley Doi & Sherman Shiraishi, trustee

4. Address: 2970 Kress Street, Lihue, Kauai, Hawaii 96766

5. Telephone: (808) 245-1651

6. Project Manager or Agent: Self managed

7. Address: 2970 Kress Street, Lihue, Kauai, Hawaii 96766

8. Maintenance Fees: None at the present. In the future, as the need and necessity arises, the maintenance fees shall be budgeted upon generally accepted accounting principles. At such time the sale of the first apartment occurs, each owner is to maintain insurance for such apartment and limited common element land area and add the name of the Association as an additional insured, if necessary.

9. Commencement of Maintenance Fees: At such time that the first sale of an apartment is closed, if necessary.

10. Warranties: None.

11. Project: The Project is a fee simple condominium project consisting of two (2) apartments. Apartments A and B are free standing detached dwellings. The land is zoned residential by the County of Kauai.

DATED: Lihue, Hawaii, April 9, 1999.

ERIC YAMA

LAURI YAMA

STANLEY DOI

SHERMAN SHIRAISHI, Trustee

AVERY H. YOUN, ARCHITECT
2980 EWALU STREET
LIHUE, HI 96766

ARCHITECT'S CONDITION REPORT
SYDCO CONDOMINIUM

The undersigned, being a licensed Architect within the State of Hawaii, and bearing registration Number 3576, has inspected Unit A and Unit B located at 6391 and 6391 A Puupilo Road, Kapaa, Hawaii and identified by Tax Map Key No. (4) 4-2-06: 164.

Unit A:

Three bedrooms, two and one half baths, living room, dining area, kitchen, laundry room, carport. Completed 1992.

Unit B:

Three bedrooms, two and one half baths, living room, dining area, kitchen, laundry room, carport. Completed 1992.

The inspection included the exterior roof, foundation, walls visible electrical and plumbing systems, and I find as follows:

1. The systems and components, including visible structural, mechanical, electrical and plumbing, appears to be in satisfactory condition for the stated age thereof for both units and appear to be in good sound condition. Both structures and related systems and components have an expected useful life in excess of 50 fifty years.

2. Without conducting invasive examinations of covered structural, mechanical, electrical and plumbing components, the Units appear to be constructed in conformity with the County of Kauai Zoning Ordinances, Building Codes and Rules and Regulations applicable to the construction at the time of construction thereof for Units.

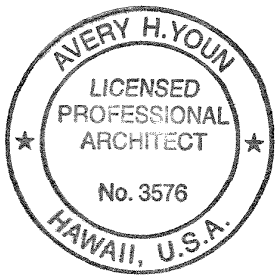
3. No representation is made herein as to the expected useful life of the Units including it's structural, mechanical, electrical and plumbing components. The Units have been occupied for residential use and have been in existence for five years or more.

4. There are no-non conforming uses existing on the property and no variances from any zoning or building codes have been granted for structures or uses on the property.

EXHIBIT E

THIS IS NOT A WARRANTY OF COMPLIANCE WITH ALL CODES, RULES AND REGULATIONS, ONLY A WARRANTY THAT INSPECTION WAS MADE AND NO APPARENT VIOLATIONS APPEAR TO EXIST. NO RIGHT SHALL ACCURE TO ANY THIRD PARTY FOR SUBSEQUENT DISCOVERY OF ANY PROBLEMS WITH CODE COMPLIANCE OR FOR FUTURE CHANGES IN SUCH CODES.

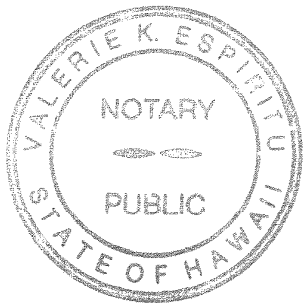
DATED: Lihue, Kauai, Hawaii mar. 19 ,1999.



Avery H. Youn

STATE OF HAWAII,)
: ss
COUNTY OF KAUAI.)

On this 8th day of April, 1999, before me appeared AVERY H. YOUN, to me personally known, who being by me duly sworn or affirmed, did say that such person executed the foregoing instrument as the free act and deed of such person, and if applicable in the capacity shown, having been duly authorized to execute such instrument in such capacity.



Valerie K Espiritu

Notary Public, State of Hawaii

My commission expires: 10-14-2001