

IMPORTANT -- Read This Developer Prepared Report Before Buying

This Report Is Not a Commission Approval or Disapproval of This Condominium Project

AMENDMENT 1 TO THE DEVELOPER'S PUBLIC REPORT FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME:	PUKALANI CONDOMINIUM
PROJECT ADDRESS:	3875 KAMEHAMEHA RD
REGISTRATION NUMBER:	6614
EFFECTIVE DATE OF REPORT:	June 7, 2022
THIS AMENDMENT:	<input checked="" type="checkbox"/> Must be read together with: <input checked="" type="checkbox"/> Developer's Public Report: <u>1/14/2009</u> Effective Date <input type="checkbox"/> Amended Or Amendment Report: Effective Date <input checked="" type="checkbox"/> Supersedes all prior amendments. Includes all prior amendment(s) and <u>must</u> be read together with: <input type="checkbox"/> Developer's Public Report: Effective Date <input type="checkbox"/> Amended Report: Effective Date
DEVELOPER(S):	GARY SPARKS

Preparation of this Amendment

The Developer prepared this amendment pursuant to the Condominium Property Act, Section 514B-56, Hawaii Revised Statutes ("HRS"), as amended from time to time. Section 514B-56, HRS, requires that after the Hawaii Real Estate Commission ("Commission") has issued an effective date for the Developer's Public Report, if there are any changes, either material or pertinent changes, or both, regarding the information contained in or omitted from the Developer's Public Report, or if the Developer desires to update or change the information set forth in the Developer's Public Report, the Developer shall immediately submit to the Commission an amendment to the Developer's Public Report or an amended Developer's Public Report clearly reflecting the change, together with such supporting information as may be required by the Commission, to update the information contained in the Developer's Public Report.

The law defines "material change" as used in parts IV and V of Chapter 514B, HRS, as any change that directly, substantially, and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements or (2) those amenities of the project available for the purchaser's use.

For all sales information, please contact the Developer and real estate broker on page 9 of the Developer's Public Report.

Individuals with special needs may request this material by calling the State of Hawaii Real Estate Commission at 586-2644.

The law defines "pertinent change", as determined by the commission, as a change not previously disclosed in the most recent public report that renders the information contained in the public report or in any disclosure statement inaccurate, including, but not limited to (1) the size, construction materials, location, or permitted use of a unit or its appurtenant limited common element, (2) the size, use, location, or construction materials of the common elements of the project, or (3) the common interest appurtenant to the unit. A pertinent change does not necessarily constitute a material change.

The filing of an amendment to the Developer's Public Report or an amended Developer's Public Report, in and of itself, shall not be grounds for a purchaser to cancel or rescind a sales contract. A purchaser's right to cancel or rescind a sales contract shall be governed by sections 514B-86 and 514B-87, HRS, the terms and conditions of the purchaser's contract for sale, and applicable common law.

This Amendment has not been prepared or issued by the Commission or any other governmental agency. The issuance by the Commission of an effective date for this amendment to the Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project, (2) does not mean that the Commission thinks that either all material facts, material changes, or pertinent changes about the project have been fully or adequately disclosed, and (3) is not the Commission's judgment of the value or merits of the project.

The law defines "material facts" as any fact, defect, or condition, past or present, that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale. This amendment may be used by the Developer for promotional purposes only if it is used with the last Developer's Public Report in its entirety.

Prospective purchasers and purchasers are encouraged to read this amendment carefully and to seek professional advice.

Summary of Changes from Earlier Developer's Public Report are Described Beginning on the Next Page

Summary of Changes from Earlier Developer's Public Report:

This summary contains a general description of the changes, if any, made by the Developer since the last Developer's Public Report was issued an effective date. It is not necessarily all inclusive. Prospective purchasers and purchasers must read this amendment together with the last Developer's Public Report with the effective date as noted on the top of page 1 if they wish to know the specific changes that have been made. **Developer shall include the updated pages of the Developer's Public Report with the relevant changes as part of the amendment.**

Changes made are as follows (include a description of what the change is and page number and/or exhibit alphabet or number; additional pages may be used):

1. PAGE 1a, Paragraph #6 has been removed to reflect the fact that the existing house plans have "expired" based on the 6 month limit to plans once they have been approved. Buyer must contact the Princeville Community Design Committee through the Princeville Community Association to learn of the approval requirements for plans for the residence the Buyer wishes to build.
2. Pages 18 and 18a Paragraph 6 regarding an existing bed and breakfast operation in unit 5 has been deleted. a bed and breakfast business is no longer operating in unit 5.

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project continues to conform to the existing underlying county zoning for the project, zoning and building ordinances and codes, and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a) (13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report as amended, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements, or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report as amended, along with the requirements to cure any violation. Section 5.5 specifies the date by which the cure will be completed.

The Developer hereby certifies that all the information contained in this report as amended and the exhibits attached to this report (if any) as amended and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information, belief, true, correct, and complete. The Developer hereby agrees to promptly amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report, and to file annually a report to update the material contained in this report as amended at least 30 days prior to the anniversary date of the effective date of this report.

Gary Sparks

GARY SPARKS

Printed Name of Developer

Gary Sparks

Duly Authorized Signatory*

4/11/2022

Date

Gary Sparks Developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Kauai

Planning Department, County of Kausi

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

****In the event of multiple Developers, each Developer must sign on their own signature page.**

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to purchaser's attention and that are not covered elsewhere in this report.]

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The lines on the Condominium Map dividing the land into limited common element land areas are for illustration purposes only and should not be construed to be formal subdivision lines. Thus this Project does not involve the sale of subdivided lots.

This Public Report does not constitute an approval of the Project by the Real Estate Commission or any other government agency, nor does it ensure that all County codes, ordinances and subdivision have necessarily been complied with.

In a condominium, all of the land included in the condominium remains a single, unsubdivided parcel of land for purposes of zoning and land use regulation. If one unit owner violates a regulation, the violation is attributable to both that owner and the innocent owner of each other unit. For example, if one owner builds or adds to a structure in a manner which violates height limits, size limit, setbacks, building permit requirements, or flood zone rules, or uses the unit for an unauthorized additional dwelling or short term rental, the violation applies to the entire condominium and the innocent unit owner may be subject to fines or may be denied a building permit as long as the violation remains uncured. BUYER SHOULD CONSULT WITH AN ATTORNEY CONCERNING THESE IMPORTANT RISKS.

This Project is located within the Princeville at Hanalei planned development ("Princeville") and is subject to all of its many rules and regulations and to its assessments. Princeville is governed, in addition to the federal, state and county governments, by the Princeville Community Association (the "PCA"). The PCA levies an assessment upon each property in Princeville on a per square foot basis, which is adjusted from time to time. A single PCA assessment is levied against the Project real property, which will then be divided and assessed by the condominium association against the individual Project units. The PCA assessment funds the maintenance of the streets in Princeville, which are privately owned by the PCA, as well as storm drainage in the streets, the Princeville common area improvements, 24 hour security patrol and administration of the PCA, including, among other things, enforcement of architectural control and the other applicable Princeville rules and regulations. The Purchaser will become responsible for paying the assessment upon his unit upon closing of his purchase escrow.

Princeville Utilities Company Inc., a separate private corporation will supply water and sewage to the individual units. Electricity, telephone and cable will be supplied to the individual by public utilities. It will be the responsibility and expense of each unit owner to install needed meters and hookups. Each of the utilities is available in Kamehameha Road, which fronts the Project

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. Licensed Real Estate Broker. Pursuant to Sections 16-99-3(g) and 16-99-11(d) of Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Gary Sparks, who is the Project's Developer, is a current and active Hawaii-licensed Real Estate Broker, RB-18415. Further that Gary Sparks is the broker for Gary Sparks Real Estate, the project broker. Pursuant to Section 16-99-11(c) of HAR, "no licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."
2. Easements, Agreements And Other Items Of Record. The title to the condominium real property is presently subject to several easements, agreements, and other encumbrances described as items 1-11 on Exhibit D. BUYER SHOULD CONSULT WITH HIS OR HER LEGAL COUNSEL FOR ADDITIONAL INFORMATION.
3. Common Interests. Units 1, 2, 3, 4, and 5 each shall have appurtenant thereto an undivided twenty percent (20%) interest in all common elements of the property, and the same proportionate share in all common profits and common expenses of the property (except as may be otherwise provided in the Declaration or Bylaws) and for all other purposes, including voting. The percentage common interest for each unit is determined by apportioning a twenty percent (20%) interest to each of the five (5) units irrespective of the actual land areas contained in each unit.
4. Warranties of Developer. None
5. Alteration to Units. As to any improvements which will be within a limited common element land area of a unit, the Developer, and thereafter the owner acquiring a conveyance of the unit, shall determine and is authorized on behalf of all of the owners to secure the Permits, to grant easements, and to build the improvements located within the limited common element area for the unit provided that all federal, state, county requirements shall be observed. Further, all improvements constructed within the Princeville development, including those within the PUKALANI project, require the prior approval of the Community Design Committee (the "CDC") of the Princeville at Hanalei Community Association. The CDC operates pursuant to its printed rules, which employ a three step approval procedure: Conceptual Approval, Preliminary Approval and Final Approval. The Developer has obtained Conceptual Approval and Preliminary Approval of plans for each of Units 1, 2, 3 and 4. Portions of the approved plans for those respective units constitute Exhibits "C", "D", "E" and "F" to the Declaration, respectively. An owner of one of said units wishing to construct pursuant to such plans for that unit must first advance the plans through the Final Approval stage. Any changes in those plans would require regressing to the Preliminary Approval and possibly the Conceptual Approval stages. The Developer will include the plans, as preliminarily approved, in the sale of the applicable unit. Said plans are not on file at the County of Kauai, nor have building permits been applied for. The potential purchaser of a unit is advised that the restrictions on building in the Princeville at Hanalei subdivision are extremely comprehensive and vigorously enforced. It is recommended that the buyer visit www.princevillecommunityassociation.com, where all of said restrictions are posted.

7. Second "kitchen". The "as built" plans for the upper floor (the "Second Floor") of Unit 5, attached to the Condominium Map and the First Amended Condominium Map show an area designated "kitchen". However, what exists there does not constitute a second "kitchen" under the applicable standards of the County of Kauai, and is therefore not illegal regardless of whether or not Unit 5 is used as a bed and breakfast.

8. Agreements Pertaining to the Use of the Project Real Property. As of May 10, 2004, the then owners of the Project real property entered a certain AGREEMENT PERTAINING TO USE OF PROPERTY with the Princeville at Hanalei Community Association, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2004-143931, a copy of which is attached hereto as Exhibit "O", that perpetually limited the use of that real property to single family residential uses as stated therein. As of October 8, 2008 the current owners of the Project real property entered a certain MUTUAL SUSPENSION OF AGREEMENT PERTAINING TO USE OF PROPERTY with the Princeville at Hanalei Community Association, recorded as Document No. 2008-176120, whereby all provisions of the previous agreement were indefinitely suspended so long as the said property remains a single parcel, with the parties acknowledging that subjection of the property to a condominium property regime does not cause a termination of the suspension. A copy of the latter agreement is attached as Exhibit "P".

EACH BUYER IS ADVISED TO CONTACT THE APPROPRIATE GOVERNMENT AGENCIES TO DETERMINE SPECIFIC REQUIREMENTS FOR THIS PROPERTY, AND TO CONSULT WITH AN ATTORNEY AND OTHER APPROPRIATE PROFESSIONALS.