



**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report

Not Required - disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

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

No prior reports have been issued by the developer.

Changes made are as follows:

**SPECIAL ATTENTION**

This is a CONDOMINIUM PROJECT, **not** a subdivision. There are County restriction on the number of residential units, or other structures, which may be built on the property. Therefore, unless the Purchaser is buying an existing residential dwelling, **THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE.** The Purchaser should consult with the appropriate County agencies to determine whether the Purchaser may build a residential dwelling unit or any other type of structure, on the property.

1. There are presently two (2) residential structures on the property. The other buildings on the property are storage sheds and garage/carports, which may be defined as an "apartment" or "unit" under the Condominium Property Act.
2. This public report does **not** constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it warrant that all applicable County codes, ordinances and subdivision requirements have necessarily been complied with.
3. 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.
4. Facilities and improvements normally associated with County-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may 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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## 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 Country 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: Burt H. Ebata & Asako M. Ebata and Nathan Kalama Phone: (808)742-1068 (Business) Name P. O. Box 1226 Business Address Koloa HI 96756

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

N/A

Real Estate Broker: Rowena B. Cobb Phone: (808)742-9497 (Business) Name P. O. Box 157 Business Address Koloa HI 96756

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808)521-0211 (Business) Name 235 Queen Street Business Address Honolulu HI 96813

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

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

Attorney for Developer: Thomas D. Yano Phone: (808)245-8686 (Business) Name 3083 Akahi Street, Suite 203 Business Address Lihue HI 96766-1104

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. 96-\_\_\_\_\_  
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):

- 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. \_\_\_\_\_  
 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  
 Recorded - Bureau of Conveyances: Document No. 96-\_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Bylaws referred to above has 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                                       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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	---	<u>75%</u>

\*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.

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



[ ] 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: 3355 Puni Road Tax Map Key (TMK): (4) 2-8-011:006  
Koloa HI 96756

[ x ] Address [ ] TMK is expected to change because of additional designation for CPR units

Land Area: 1.42 [ ] square feet [ x ] acre(s) Zoning: R-6



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: Chickens, pigs, roosters and/or nuisance animals are not permitted.

Number of Occupants: \_\_\_\_\_

Other: Private residential dwellings only, no hotel or timeshare use (Ask Developer to See the Declaration of Protective Provisions dated 5/19/98 and recorded on 6/5/98 as Doc. No. 98-081511)

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -0-                      Stairways: -0-                      Trash Chutes: -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>	<u>Carport/Garage (sf)</u>	<u>Storage (sf)</u>
<u>1</u>	<u>1</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>374</u>	<u>-0-</u>
<u>2</u>	<u>1</u>	<u>3/2</u>	<u>871</u>	<u>33</u>	<u>400</u>	<u>122</u>
<u>3</u>	<u>1</u>	<u>3/3</u>	<u>1568</u>	<u>217</u>	<u>387</u>	<u>430</u>
<u>4</u>	<u>4</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>115</u>

Total Apartments: 7

\*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:

See Exhibit "A"

Permitted Alterations to Apartments: As allowed by Kauai County zoning ordinances and recorded restrictions on the project, if any, upon construction of each permanent improvement, an amendment to the Declaration of Condominium Property Regime and the condominium map (Exhibit "A") will be required to disclose actual improvements as a matter of public record.

7. Parking Stalls:

Total Parking Stalls: 14

	<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>6</u>	<u>8 *</u>	_____	_____	_____	_____	<u>14</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
*Units 4-7 have ample area within their limited common areas for parking purposes.							
Total Covered & Open	<u>14</u>		<u>0</u>		<u>0</u>		<u>14</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 \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- 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

- 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):

The systems and components of the improvements, including visible structural, electrical and plumbing, appear to be in satisfactory condition for the age thereof and to be in sound condition. Without conducting invasive examinations of covered plumbing, electrical and structural components, the improvements appear to be constructed in conformity with the County Rules and Regulations applicable to construction at the time of construction thereof. Unit 1 garage and Unit 2 dwelling have an apparent useful life of 50 years; Unit 3 dwelling has an apparent useful life of 55 years.

11. Conformance to Present Zoning Code

a.  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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>  x  </u>	<u>          </u>	<u>          </u>
Structures	<u>  x  </u>	<u>          </u>	<u>          </u>
Lot	<u>  x  </u>	<u>          </u>	<u>          </u>

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   E  .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit E.

as follows:

The portion of land set aside for the use of each owner of a unit as set forth in Exhibit A, subject to the roadway and utility easement, if any.

NOTE: The limited common element land area appurtenant to each unit is not subdivided land area.

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 purpose, 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 C.

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 F described the encumbrances against the title contained in the title report dated Sept. 9, 1998 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.

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

[ ] 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>
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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 Estimated Completion Date:

Unit 1

Unit 2

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
- 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 G\* contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

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:

- None
- Gas
- Water
- Other \_\_\_\_\_
- Electricity (\_\_\_\_ Common Elements only \_\_\_\_ Common Elements & Apartments)
- Sewer
- Television Cable

\* 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.

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  December 16, 1998

Exhibit  D  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 given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, 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 Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3<sup>rd</sup> 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. 4047 filed with the Real Estate Commission on October 21, 1998.

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**

This is a condominium project, not a subdivision. Therefore, units purchased are not subdivided lots. To determine whether your expectations can be realized, you should carefully review this Report.

You should also conduct your own investigations and ascertain the validity of information provided. Please remember that issuance of this Report does not mean the Real Estate Commission has approved the project.

A buyer should understand that development and use of the properties shall comply with all County Codes and Ordinances. If County of Kauai facilities are not already in place, the prospective purchaser is advised that owners in the project will not necessarily receive the same County benefits as owners of approved subdivided lots; owners who develop their properties later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions.

The Developers have provided copies of the Notice of Intention and Questionnaire, draft public report and Condominium Map to the Kauai County Planning Department. As of the effective date of this public report, no comments have been received.

**Disclosure re: Selection of Real Estate Broker**

This public report shall not bind a purchaser to the sale of any apartment until (1) the Developers first submit to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, and (2) gives a copy of said disclosure abstract to the purchaser together with a copy of the Public Report.

If the Developer(s), as the owners, choose to represent themselves in the sale of an apartment, said abstract need not be given to the purchaser, as all necessary disclosures are covered in this report.

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.

Burt H. Ebata & Asako M. Ebata and Nathan L.K. Kalama  
Printed Name of Developer

By: <u>Asako M. Ebata</u>	<u>Aug. 18, 1998</u>
By: <u>Burt H. Ebata</u>	<u>Aug. 18, 1998</u>
By: <u>Nathan L.K. Kalama</u>	<u>Aug. 18, 1998</u>
Duly Authorized Signatory	Date

Burt H. Ebata & Asako M. Ebata and Nathan L.K. Kalama, Developer  
Printed Name & Title of Person Signing Above

Distribution:

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

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.

Burt H. Ebata & Asako M. Ebata and Nathan L.K. Kalama

Printed Name of Developer

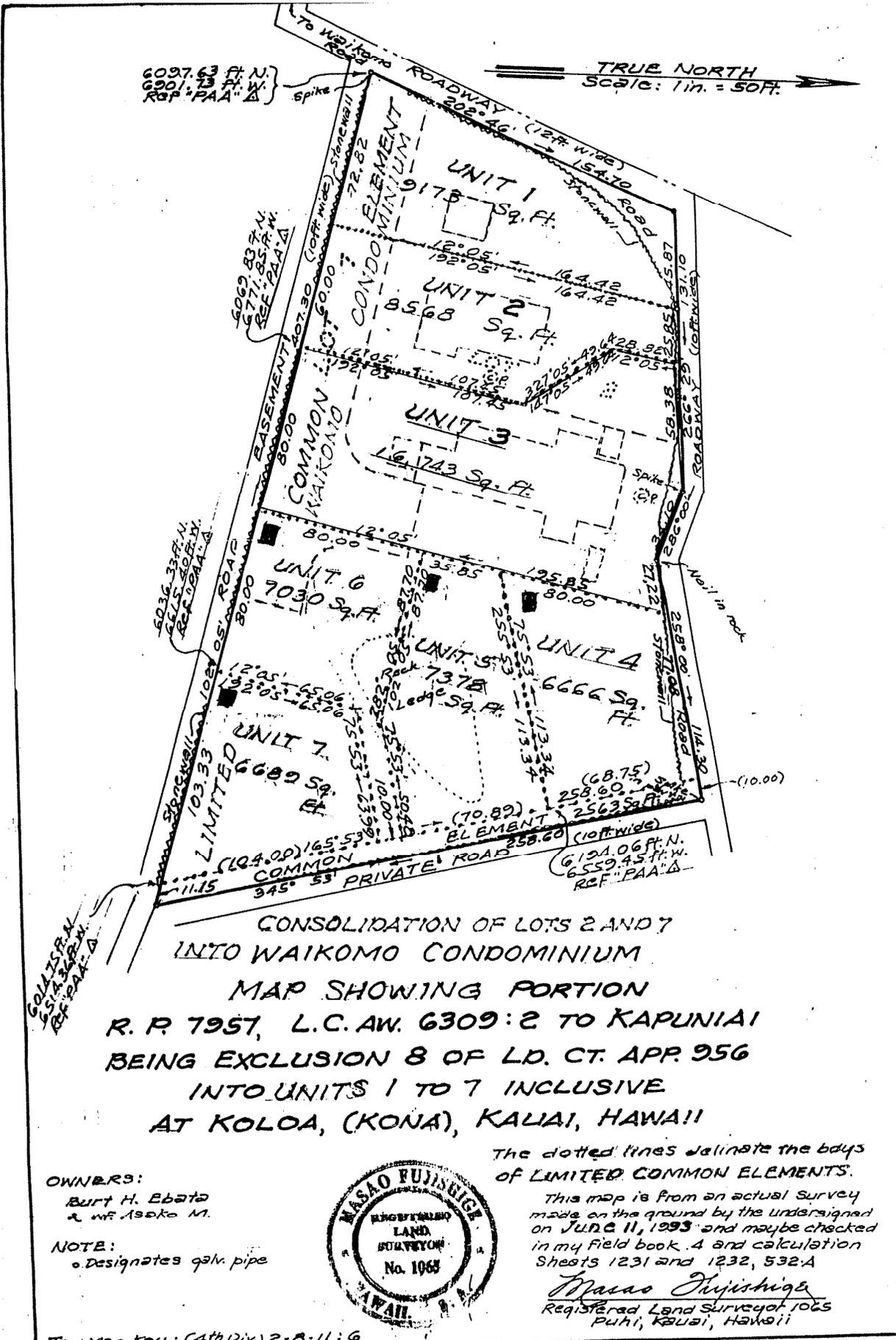
By: <u>Asako M. Ebata</u>	<u>Aug. 18, 1998</u>
By: <u>Burt H. Ebata</u>	<u>Aug. 18, 1998</u>
By: <u>Nathan L.K. Kalama</u>	<u>Aug. 18, 1998</u>
Duly Authorized Signatory	Date

Burt H. Ebata & Asako M. Ebata and Nathan L.K. Kalama, Developer

Printed Name & Title of Person Signing Above

Distribution:

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



**CONSOLIDATION OF LOTS 2 AND 7  
 INTO WAIKOMO CONDOMINIUM  
 MAP SHOWING PORTION  
 R. P. 7957, L.C. AW. 6309:2 TO KAPUNIAI  
 BEING EXCLUSION 8 OF LD. CT. APP. 956  
 INTO UNITS 1 TO 7 INCLUSIVE  
 AT KOLOA, (KONA), KAUAI, HAWAII**

**OWNERS:**  
 Burt H. Ebata  
 & wife Asoko M.

**NOTE:**  
 o Designates galv. pipe



The dotted lines delineate the bays  
 of LIMITED COMMON ELEMENTS.

This map is from an actual survey  
 made on the ground by the undersigned  
 on **JUNE 11, 1993** and maybe checked  
 in my field book A and calculation  
 Sheets 1231 and 1232, 532A

*Masao Fujishige*  
 Registered Land Surveyor 1068  
 Puhi, Kauai, Hawaii

Tax Map Key: (4th Div.) 2-8-11:6

**EXHIBIT B**  
**SUMMARY OF SALES CONTRACT**

The WAIKOMO CONDOMINIUM Purchase Agreement, (the "contract") contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. The method of payment of the purchase price to the escrow agent, subject to other terms.
2. The closing date for the purchase.
3. Whether at the time of execution of the contract a final public report has been issued.
4. The terms and conditions of the sale which include, among other provisions, the following:
  - (a) That Buyer will receive a copy of the final public report for the project.
  - (b) Buyer agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow Agreement.
  - (c) After issuance of the Final Public Report and Buyer's waiver of its right to cancel under Hawaii Revised Statutes Section 514A-62, Buyer shall have the right to rescind the contract.
  - (d) Buyer has received a copy of the Escrow Agreement for the Project.
  - (e) The unit the buyer is purchasing will be shown on a file plan map prior to closing, and the right to cancel if it is different from that shown on the Exhibit A.
  - (f) That a deed conveying clear title will be given at closing, subject to certain obligations.
  - (g) The Purchaser agrees to give future easements if reasonably required for the project.
  - (h) The Purchaser will accept the Unit "AS-IS" unless the contract states to the contrary.
  - (i) The payment of commissions, if any, is set out in the contract.
  - (j) Time is of the essence for the obligations of Buyer under the contract.

SPECIAL NOTICE

\*\*\*\*\*

THE FOREGOING SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE BUYER'S CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL NOT THIS SUMMARY.

END OF EXHIBIT B

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS FOR WAIKOMO  
RESIDENTIAL CONDOMINIUM

<u>Qty.</u>	<u>Apt. No.</u>	<u>*Area of Limited Common Element</u>	<u>No. of BR/BATH</u>	<u>Appx Net Living Area (Sq. Ft.)</u>	<u>Appx Shed Area (Sq. Ft.)</u>	<u>% of Common Int.</u>
1	1	9,173 s.f.	-0-	-0-	374 (garage)	14.3%
1	2	8,568 s.f.	3/2	871		14.2%
1	3	16,743 s.f.	3/3	1,568		14.3%
1	4	6,666 s.f.	-0-	-0-	115	14.3%
1	5	7,378 s.f.	-0-	-0-	115	14.3%
1	6	7,030 s.f.	-0-	-0-	115	14.3%
1	7	6,689 s.f.	-0-	-0-	115	14.3%

The common interest appurtenant to each unit shall be permanent. Subject to the zoning requirements and amendments of the Condominium Map and the Declaration, each unit owner may use his unit, alter or add to its structure in any manner s/he deems desirable, so long as it is permitted by the Declaration of Protective Covenants and House Rules. If adjoining unit owners desire to alter and/or transfer portions of their respective units, they can do so by the filing of an amendment to the Condominium Map and the Declaration together with their respective signatures and acknowledgment by the Association of Unit Owners that such change is being made.

END OF EXHIBIT C

EXHIBIT D

**SUMMARY OF ESCROW AGREEMENT**

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC. (the "Escrow") and BURT H. EBATA and ASAKO M. EBATA (the "Seller") contains, among other provisions the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver a executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.

3. Escrow will release Buyer's funds and disburse Buyer's funds at closing. No disbursement will be made from Buyer's fund until all requirements of Hawaii Revised Statutes ("HRS") have been met.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with HRS Section 514A-62 there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to HRS Section 514A-63. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow, but in the aggregate shall not be less than \$25.00.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive \$300.00 for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional \$300.00.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

\* \* \* \* \*

END OF EXHIBIT D

EXHIBIT E

COMMON ELEMENTS OF THE PROJECT

One freehold estate is hereby designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) The common access and utility element, if any;
- (c) All commonly used present or future ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (d) Any and all other future elements and facilities in common use or necessary to the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

LIMITED COMMON ELEMENTS OF THE PROJECT

Certain parts of the common elements, herein referred to as the "limited common elements" are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved as follows:

That certain land area upon and around which Units 1, 2, 3, 4, 5, 6 and 7 are located, shown and designated on the Condominium Map and the table below, are deemed a limited common element appurtenant to and for the exclusive use of each respective unit.

<u>Unit Number</u>	<u>Area of Limited Common Element</u>
1	9173 sq. ft.
2	8568 sq. ft.
3	16743 sq. ft.
4	6666 sq. ft.
5	7378 sq. ft.
6	7030 sq. ft.
7	6689 sq. ft.

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

NOTE: Land areas herein described are not legally subdivided lots.

END OF EXHIBIT E

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. For information regarding Real Property Taxes as may be due and owing, reference is made to the County Director of Finance.

Tax Key: (4) 2-8-11:6

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

3. AGREEMENT OF SALE

VENDOR : BURT H. EBATA AND ASAKO M. EBATA, husband and wife

VENDEE : DAVID MAALO KALAMA and DOROTHY KALAMA, husband and wife, NATHAN L.K. KALAMA and DAVID E.H. KALAMA, as Joint Tenants

DATED : December 30, 1983

RECORDED : Liber 17669 Page 371

AMOUNT : \$67,000.00

RE : Lot 2, area 8,568 square feet, including the undivided interest in Lot 7, area 0.209 acres, per survey of Masao Fujishige, Registered Land Surveyor No. 2065, to-wit:

LOT 2

All of that parcel of land being Lot 2 situate approximately 250 feet east of Waikomo Road, being also a portion of Royal Patent 7957, Land Commission Award 6309, Apana 2 to Kapuniyai (Exclusion 8 of Land Court Application 956) at Koloa, Kona, Island and County of Kauai, State of Hawaii, Tax Map Key: (4<sup>th</sup> Div) 2-8-11: por. 6, and more fully described as follows:

Beginning at a pipe at the southwest corner of this parcel of land, and at the southeast corner of Lot 1, the coordinates of which referred to Government Survey Triangulation Station "PAA" being 6112.47 feet north and 6824.00 feet west, and running by azimuths measured clockwise from true South:

- |    |          |        |  |
|----|----------|--------|--|
| 1. | 192° 05' | 134.42 | feet along Roadway (12 feet wide) to a pipe;   |
| 2. | 266° 29" | 62.29  | feet along Roadway (10 feet wide) to a pipe;   |
| 3. | 12° 05'  | 151.17 | feet along Lot 3 to a pipe;  |
| 4. | 102° 05' | 60.00  | feet along roadway (30 feet wide) to the point of beginning and containing an area of 8,568 square feet, more or less. |

LOT 7 (ROADWAY)

Beginning at a pipe at the southwest corner of this parcel of land, and at the intersection of Roadways (12 and 10 feet wide) the coordinates of which referred to Government Survey Triangulation Station "PAA" being 6098.38 feet north and 6901.50 feet west, and running by azimuths measured clockwise from true South:

- |     |          |        |   |
|-----|----------|--------|---|
| 1.  | 202° 46' | 30.53  | feet along Roadway (12 feet wide) to a pipe;  |
| 2.  | 282° 05' | 154.17 | feet along Lots 1, 2 and 3 to a pipe;<br><br>Thence along Lot 3 on a curve to the left having a radius of 20.20 feet, the chord azimuth and distance being: |
| 3.  | 237° 05' | 28.28  | feet to a pipe;   |
| 4.  | 292° 05' | 20.00  | feet along Lot 3 to a pipe;   |
| 5.  | 282° 05' | 36.00  | feet along Lots 3 and 4 to a pipe;  |
| 6.  | 12° 05'  | 20.00  | feet along Lot 5 to a pipe;<br><br>Thence along Lot 5 on a curve to the left having a radius of 20.00 feet, the chord azimuth and distance being:           |
| 7.  | 327° 05' | 28.28  | feet to a pipe;   |
| 8.  | 282° 05' | 17.00  | feet along Lot 5 to a pipe;   |
| 9.  | 12° 05'  | 30.00  | feet along Lot 6 to a pipe;   |
| 10. | 102° 05' | 252.83 | feet along Road Easement (10 feet wide) to the point of beginning and continuing an area of 0.209 acre, more or less.                                       |

ABOVE AGREEMENT OF SALE AMENDED BY INSTRUMENT

DATED : April 17, 1986  
 RECORDED : Liber 19493 Page 245  
 RE : monthly payments

THE VENDEE'S INTEREST BY MESNE ASSIGNMENTS ASSIGNED

ASSIGNOR : DOROTHY KALAMA, widow, NATHAN L.K. KALAMA, unmarried and DAVID E.H. KALAMA, unmarried

ASSIGNEE : NATHAN L.K. KALAMA, Unmarried  
 DATED : June 26, 1992  
 RECORDED : Document No. 92-197176  
 CONSENT : Given by BURT H. EBATA and ASAKO M. EBATA, husband and wife

The land is not a lot of record. There shall be no liability by reason of the failure to comply with applicable subdivision ordinances, laws or regulations.

4. WAIVER AND RELEASE

DATED : ---(acknowledged July 19, 1995)  
RECORDED : Document No. 95-094478  
BY : BURT H. EBATA  
WITH : COUNTY OF KAUAI, DEPARTMENT OF WATER  
AND BOARD OF WATER SUPPLY

Note: No Joinder by the Ebatas as Trustees

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in Declaration of Condominium Property Regime for "WAIKOMO CONDOMINIUM" Condominium Project dated May 19, 1998, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 98-081509, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 2742.)

Note: No Joinder by the Ebatas as Trustees

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Bylaws of the Association of Apartment Owners of said Condominium dated May 19, 1998, recorded in the Bureau of Conveyances of the State of Hawaii as Document no. 98-081510, as the same may hereafter be amended.

Note: No Joinder by the Ebatas as Trustees

7. The terms and provisions, including the failure to comply with any covenants, conditions and restrictions set forth in DECLARATION dated May 19, 1998, recorded as Document No. 98-081511.

Note: No Joinder by the Ebatas as Trustees

END OF EXHIBIT F

**EXHIBIT G**

**ESTIMATE OF INITIAL MAINTENANCE FES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
1 - 7	\$16.50 x 12 = \$198.00

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

**Estimate of Maintenance Fee Disbursements:**

Monthly x 12 months = Yearly Total

Utilities and Services

- Air Conditioning *N/A*
- Electricity
  - common elements only
  - common elements and apartments
- Elevator
- Gas
  - common elements only
  - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance \$21.00 x 12 = \$252.00

Reserves(\*)

Taxes and Government Assessments \$95.00 x 12 = \$1140.00

Audit Fees

Other

TOTAL

I, Burt H. Ebata, as agent for/and/or employed by Waikomo Condominium, the condominium managing agent/developer, for the Waikomo condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

*Burt H. Ebata*

8/18/98

Signature

Date

(\*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has 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.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.