

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer DONALD W. SCHMANSKI AND SARAH A. SCHMANSKI
Address P.O. BOX 1647, KOLOA, HAWAII 96756

Project Name(*): SARADON SHORES
Address: 4842 LAWAI ROAD, KOLOA, KAUAI, HAWAII 96756

Registration No. 4234 Effective date: May 11, 2000
Expiration date: June 11, 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: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

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

SUPPLEMENTARY: This report updates information contained in the:
[] Preliminary Public Report dated:
[X] Final Public Report dated: January 3, 2000
[] Supplementary Public Report dated:

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

(*) Exactly as named in the Declaration

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:

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:

Since the effective date for the Final Public Report, a new residence has been constructed on Unit 2. The shade structure on Unit 2 was replaced by the residence. Unit 1 has been sold. This report covers Unit 2 only.

L PERSONS CONNECTED WITH THE PROJECT

Developer: DONALD W. SCHMANSKI and SARAH A. SCHMANSKI Phone: (808) 635-3952
Name* (Business)
P.O. Box 1647
Business Address
Koloa, HI 96756

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*: Bob Keown Ltd. dba Makai Properties Phone: (808) 332-8244
Name (Business)
P.O. Box 905
Business Address
Koloa, HI 96756

Escrow: First Hawaii Title Corporation Phone: (808) 245-1608
Name (Business)
3016 Umi Street, #208
Business Address
Lihue, HI 96766

General Contractor*: BCO Construction dba Ted L. Burkart (For Unit 2) Phone: (808) 742-1690
Name (Business)
4366 Puu Pinao Place
Business Address
Koloa, HI 96756

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

Attorney for Developer: STEVEN R. LEE, ESQ. Phone: (808) 246-1101
Name (Business)
4473 Pahe'e Street, Ste. L
Business Address
Lihue, HI 96766

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

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. 99-113625
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 and Bylaws dated December 16, 1999, recorded as Document No. 99-198310; and Second Amendment to Declaration of Condominium Property Regime dated April 20, recorded as Document No. 2000-056284. *(See Page 6a to continue)

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. 2923
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Declaration of Condominium Property Regime and Bylaws as noted above, recorded as Document No. 99-198310.

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. 99-113626
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]: First Amendment to Declaration of Condominium Property Regime and Bylaws as noted above, recorded as Document No. 99-198310.

Third Amendment to Declaration of Condominium Property Regime of Saradon Shores Condominium dated May 1, 2000, recorded as Document No. 2000-059664.

Fee Owner: Donald W. Schmanski and Sarah A. Schmanski
Name
P.O. Box 1647
Address
Koloa, Kauai, Hawaii 96756

Lessor: N/A
Name
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 3 Floors Per Building Unit 1 - 1; Unit 2 - 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood Unit 2

Other Metal posts and shade cloth (Shade Shed) Unit 1

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	—	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	—	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Other: <u>Shade Shed</u>	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

5. Special Use Restrictions:

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

Household pets may be kept consistent with any applicable law or restrictive

Pets: covenants applicable to the project so long as they do not become a nuisance to the other owners.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

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

<u>Apt Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit 2</u>	<u>1</u>	<u>3/3</u>	<u>1,918</u>	<u>832</u>	<u>Deck</u>
_____	_____	_____	_____	<u>439</u>	<u>Carport</u>
<u>Unit 1</u>	<u>1</u>	<u>-0-</u>	_____	<u>20</u>	<u>Shade Shed</u>
_____	_____	_____	_____	_____	_____

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

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

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:

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 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 describes the encumbrances against the title contained in the title report dated April 13, 2000 and issued by First Hawaii Title Corporation

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

Unit 2 is a newly built two-story residence, completed in February, 2000.
Unit 1 shade shed was completed April 6, 1999.

H. Project Phases:

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

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

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

- A) Condominium Public Reports issued by the developer which have been 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. 4234 filed with the Real Estate Commission on September 2, 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

The sea wall was constructed in the 1950's prior to purchase of the project by the Developers. It is located on the State of Hawaii certified shoreline survey. Developers have consulted with the County of kauai and there is no evidence of anything illegal about the sea wall.

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.

SARAH A. SCHMANSKI AND
DONALD W. SCHMANSKI

Printed Name of Developer

By: Sarah A. Schmanski 4-20-00
Duly Authorized Signatory Date
By: Donald W. Schmanski 4-20-00
Date

SARAH A. SCHMANSKI AND DONALD W. SCHMANSKI, DEVELOPER

Printed Name & Title of Person Signing Above

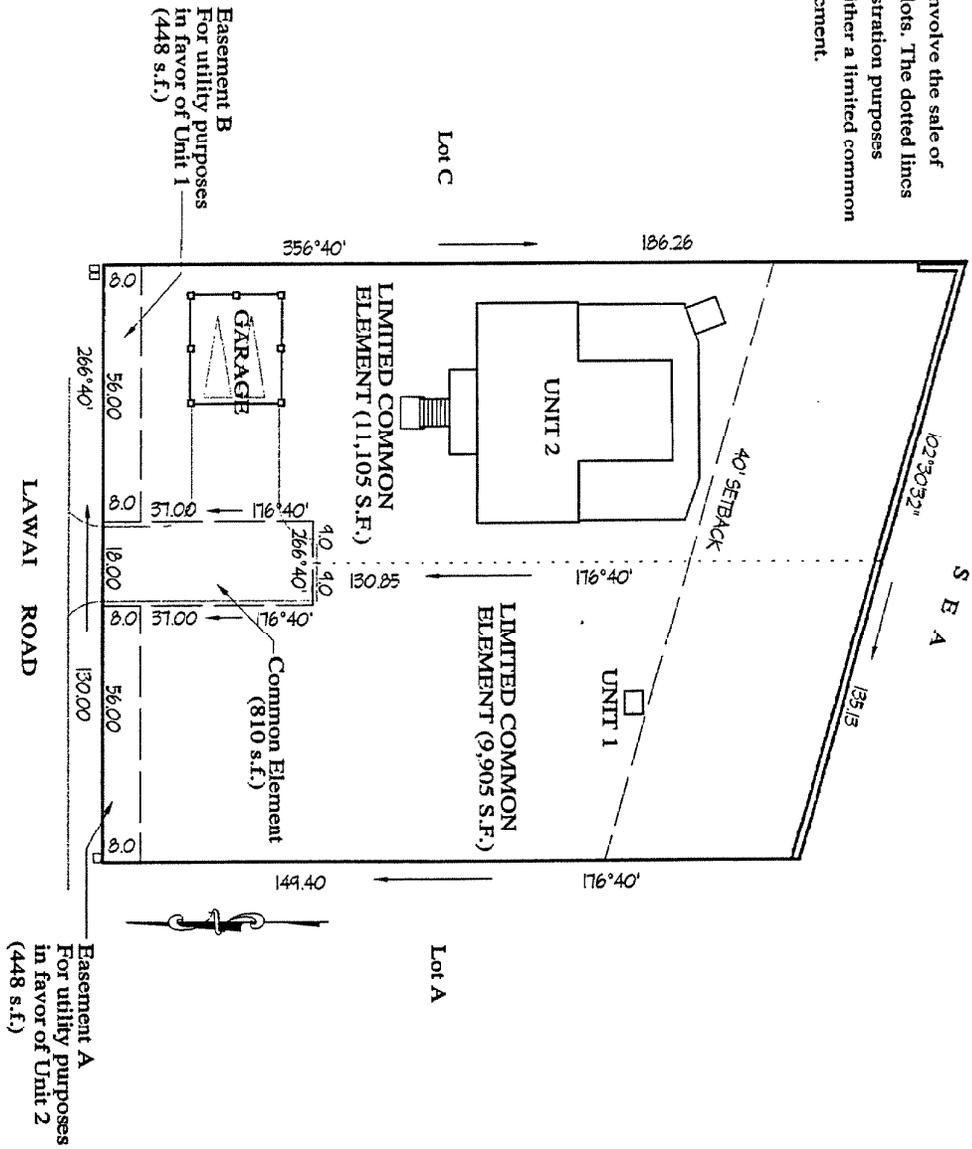
Distribution:

Department of Finance, COUNTY OF KAUAI
Planning Department, COUNTY OF KAUAI

**Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.*

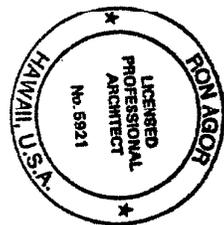
1098

This project does not involve the sale of individual subdivided lots. The dotted lines on the map are for illustration purposes only. They represent either a limited common element or common element.



SITE PLAN
 SC: 1"=30'-0"

AMENDED CONDOMINIUM MAP No. 2923
 AMENDED: April 25, 2000



This project was prepared by me or under my supervision and construction of this project will be under my observation.

[Signature]

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS

Qty.	Unit No.	Area of Limited Common Element* (Sq. Ft.)	No. of Br./Bath	Appx. Net Living Area (Sq. Ft.)	Appx. Other Area (Sq. Ft.)	% of Common Int.
1	1	9,905	0/0	0	20 (shed)	50%
1	2	11,105	3/3	1918	832 (deck) 439 (carport)	50%

Pursuant to Section 16-107-5, Hawaii Administrative Rules, reference is hereby made to the method by which common interest has been computed. Unit 1 and Unit 2 will each burden the common elements equally. Therefore, the assessment of undivided interest both for common expense and for voting is 50% for each unit.

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

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

END OF EXHIBIT C

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes. Check with the County of Kauai, Department of Finance, Real Property Tax Division, for detailed information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Shoreline setbacks: "Shoreline setbacks established pursuant to the laws of the State of Hawaii, or any political subdivision thereof, and any ordinances, rules or regulations adopted or promulgated by any governmental authority pursuant to such laws."
4. Seaward boundary: "Determination of the seaward boundary of the land described herein pursuant to the laws of the State of Hawaii."
5. Waiver and Release of DONALD W. SCHMANSKI, in favor of the County of Kauai, by and for the Department of Water and Board of Water Supply, recorded in the Bureau of Conveyances of the State of Hawaii on January 8, 1999, as Document No. 99-002986.
6. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "SARADON SHORES"

Dated : March 23, 1999
Document No. : 99-113625
but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons

Condominium Map No. 2923, as amended, and the Bylaws attached thereto, to which reference is hereby made.

Amended by: FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME AND BYLAWS OF "SARADON SHORES"

Dated : December 13, 1999
Document No. : 99-198310

Amended by: SECOND AMENDMENT TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF SARADON SHORES

Dated: : April 20, 2000
Document No. : 2000-056284

Amended by: THIRD AMENDMENT TO DECLARATION OF CONDOMINIUM
PROPERTY REGIME OF SARADON SHORES

Dated: : May 1, 2000
Document No. : 2000-059664

7. BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF SARADON SHORES

Dated : March 23, 1999
Document No. 99-113626
to which reference is hereby made

Amended by: FIRST AMENDMENT TO DECLARATION OF CONDOMINIUM
PROPERTY REGIME AND BYLAWS OF "SARADON SHORES"

Dated : December 13, 1999
Document No. : 99-198310

8. ROAD WIDENING RESERVE

By and Between : DONALD W. SCHMANSKI, SR. and SARAH A.
SCHMANSKI, husband and wife, "Applicant(s),"
and COUNTY OF KAUAI PLANNING DEPARTMENT,
"Department"
Dated : April 1, 1999
Document No. 99-056351

9. GRANT

In Favor Of : CITIZENS UTILITIES COMPANY, a Delaware
corporation, and GTE HAWAIIAN TELEPHONE
COMPANY INCORPORATED, a Hawaii corporation
Dated : April 28, 1999
Document No. : 2000-020063
Purpose : granting an easement for utility and
incidental purposes (Affects a portion of TMK
(4) 2-6-012-004)

10. GRANT

In Favor Of : CITIZENS UTILITIES COMPANY, a Delaware
corporation, and GTE HAWAIIAN TELEPHONE
COMPANY INCORPORATED, a Hawaii corporation
Dated : April 28, 1999
Document No. : 2000-020065
Purpose : granting an easement for utility and
incidental purposes (Affects a portion of TMK
(4) 2-6-012-004)

END OF EXHIBIT "F"

EXHIBIT G

AMENDED DISCLOSURE ABSTRACT FOR
SARADON SHORES

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of SARADON SHORES makes the following disclosures:

1. The Developers of the project are DONALD W. SCHMANSKI and SARAH A. SCHMANSKI, P.O. Box 1647, Koloa, Hawaii 96756; their telephone number is (808) 742-8698.

2. See Exhibit H to the Final Public Report for the projected maintenance fees. The Developer hereby certifies that the amounts stated therein remain an accurate description of anticipated costs, but no fees have been implemented at the date hereof.

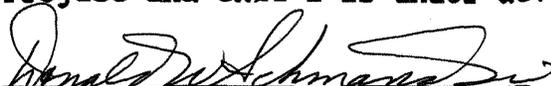
3. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition.

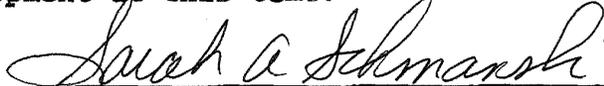
4. All of the apartments of the project are to be used for residential purposes only. No apartments shall be used for hotel or timeshare purposes. There will be no commercial use except those activities permitted by county ordinance.

5. The real estate broker for the project is:
Makai Properties
P. O. Box 905
Koloa, HI 96756
Telephone: (808) 332-8244

5. The 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. There are no depreciable common elements in the Project.

6. Since issuance of an effective date for the Final Public Report Unit 2 has been improved with a residence and related improvements as reflected in the Amended Condominium Map and Declaration for the Project and Unit 1 is under development at this time.


DONALD W. SCHMANSKI


SARAH A. SCHMANSKI

Dated: 4/27/00

Dated: 4-27-00

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit H this ___ day of _____, 19__.

Purchaser(s)

END OF EXHIBIT G