

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer MARJAN STEINDAMM
Address P.O. Box 390513, Keaouhou, HI 96739
Project Name(*): HONALO MAKAI
Address: 79-7165 St. Paul Street, Kealakekua, Hawaii 96750

Registration No. 4435
(Conversion)

Effective date: June 30, 2006
Expiration date: Non-expiring pursuant to §514A-43(b), HRS

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

X SUPPLEMENTARY: This report updates information contained in the:
[] Preliminary Public Report dated:
[X] Final Public Report dated: June 30, 2000
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports.
[X] Must be read together with the Final Public Report dated June 30, 2000
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

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:

The Developer has changed her mailing address and phone number (see page 5 of this public report for current information).

Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules (“HAR”), prospective purchasers are hereby advised that the Developer, Marjan Steindamm (RS-58249), is a current and active Hawaii-licensed real estate sales person whose license is with the real estate brokerage of Joseph M. Przygodzinski (RB-9398). Further, pursuant to Section 16-99-11(c), HAR, “no licensee shall advertise ‘For Sale by Owner...’.”

The escrow agent for the project has been changed (see page 5 of this public report for current information).

The Developer has listed Unit 2 for sale with a real estate broker (see page 5 of this public report for current information).

The Attorney for the Developer has been changed (see page 5 of this public report for current information).

Additionally, the Declaration of Condominium Property Regime of Honalo Makai and Condominium Map No. 3058 were amended by the Developer by instrument dated March 22, 2006, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-070381. The Condominium Map was amended to reflect a change in the boundaries of the limited common element land areas that are appurtenant to each unit and to reflect a change in the floor plan for Building A-1 (house) of Unit 1 consisting of the expansion of the areas contained in Bedroom #1 and Bedroom #2 and the reduction of the area of the Den as previously shown on the Condominium Map. This change did not affect the total living area of Building A-1 (house) of Unit 1. Paragraph 5.1 of the Declaration was amended to reflect the change in the areas of the limited common element land area that is appurtenant to each Unit. The limited common element land area appurtenant to Unit 1 is now 0.78 acres in area as shown on the attached amended Condominium Map and the limited common element land area appurtenant to Unit 2 is now 2.55 acres in area as shown on the attached amended Condominium Map.

The encumbrances have changed. See page 14 and Exhibit “E”.

The pages contained in this public report replace the pages bearing the same number in the Final Pubic Report dated June 20, 2000.

SPECIAL ATTENTION

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This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated as a LIMITED COMMON ELEMENT and does not represent 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 illustration purposes only and should not be construed to be formal subdivision lines.

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 necessarily been complied with.

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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I. PERSONS CONNECTED WITH THE PROJECT

Developer: MARJAN STEINDAMM Phone: (808) 322-6771
(Home)

Name*
P.O. Box 390513
Keauhou, HI 96739
Home Address

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: JOSEPH M. PRZYGODZINSKI (Unit 2 only) Phone: (808) 329-3236
(Business)

Name
P. O. Box 390513, Keauhou, HI 96739
Business Address

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 329-6666
(Business)

Name
75-170 Hualalai Road, Ste. C-210
Kailua-Kona, HI 96740
Business Address

General Contractor*: N/A Phone: _____
(Business)

Name

Business Address

Condominium Managing Agent*: Project is to be self-managed by the Association of Phone: _____
Condominium Owners (Business)

Name

Business Address

Attorney for Developer: WALLACE H. GALLUP, JR. Phone: (808) 329-5014
(Business)

Name
75-5591 Palani Rd., Suite 3007
Kailua-Kona, HI 96740
Business Address

- 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. 2000-035889
Book _____ Page _____
 Filed - Land Court Document Number _____

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 of Honalo Makai, dated May 16, 2000, but effective December 2, 1999, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2000-069495; Amendment to Declaration of Condominium Property Regime of Honalo Makai and Condominium Map No. 3058 dated March 22, 2006, recorded in said Bureau as Document No. 2006-070381.

- 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 Condominium Map No. 3058
 Filed - Land Court Condominium Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment to Declaration of Condominium Property Regime of Honalo Makai and Condominium Map No. 3058, dated March 22, 2006, recorded in said Bureau as Document No. 2006-070381.

- 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. 2000-035890
Book _____ Page _____
 Filed - Land Court Document Number _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: None

Fee Owner: MARJAN STEINDAMM

Name
P. O. Box 390513
Keauhou, HI 96739
Address

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: Four Floors Per Building One

Exhibit _____ contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
- Other _____

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted by Zoning</u>	
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<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"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	<u>1</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other: <u>Greenhouse</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

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 “D”.

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 _____.

as follows:

Each unit and its owner(s) shall have appurtenant thereto their proportionate share of interest in the common elements of the Project for all purposes including voting; said interest is referred to as “common interest”. Unit 1 has fifty percent (50%) and Unit 2 has fifty percent (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 “E” describes the encumbrances against the title contained in the title report dated April 11, 2006, issued by Title Guaranty of Hawaii, Inc.

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 – NOT APPLICABLE

Specimen Sales Contract

Exhibit “G” contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated April 7, 2006

Exhibit “H” contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

I. 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 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 or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 16-107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 4435 filed with the Real Estate Commission on June 1, 2000.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

MARJAN STEINDAMM
Printed Name(s) of Developer

By: 
 Duly Authorized Signatory*

5-10-06
 Date

Distribution:

Department of Finance, County of Hawaii
 Planning Department, County of Hawaii

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

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Paragraph 5 of the Declaration, as amended, designates

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 each Unit, and Unit shall have appurtenant thereto exclusive rights for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne exclusively by the unit to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

(a) That certain land area upon and around which Unit 1 is located, shown and designated on the Condominium Map as "Unit 1", and being approximately **0.78** acres in area, is deemed a limited common element appurtenant to and for the exclusive use of "Unit 1".

(b) That certain land area upon and around which Unit 2 is located, shown and designated on the Condominium Map as "Unit 2", and being approximately **2.55** acres in area, is deemed a limited common element appurtenant to and for the exclusive use of "Unit 2".

END EXHIBIT "D"

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes due and owing, reference is made to the Director of Finance, County of Hawaii for information.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Unrecorded GRANT OF EASEMENT by TSUGIYO and KIMIYE YAMASAKI to HAWAII ELECTRIC LIGHT COMPANY, INC., dated May 3, 1956, as mentioned in instrument recorded in Liber 9167 at Page 2.
4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : AGREEMENT

DATED : April 16, 1990
RECORDED : Document No. 90-063441
PARTIES : THOMAS SERVICE & NINA SERVICE and PLANNING
DEPARTMENT of the County of Hawaii
RE : IMPROVEMENT

5. 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
"HONALO MAKAI" CONDOMINIUM PROJECT

DATED : December 2, 1999
RECORDED : Document No. 2000-035889
MAP : 3058 and any amendments thereto

Said Declaration was amended by instruments dated May 16, 2000, but effective December 2, 1999, recorded as Document No. 2000-069495 and dated March 22, 2006, recorded as Document No. 2006-070381.

6. 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 : December 2, 1999
RECORDED : Document No. 2000-035890

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

INSTRUMENT : ADDITIONAL FARM DWELLING AGREEMENT

DATED : October 22, 2001
RECORDED : Document No. 2001-190798
PARTIES : MARJAN STEINDAMM and COUNTY OF HAWAII

END EXHIBIT "E"