

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer ALBERT W. FICKER and PATRICIA A. FICKER
Address 4526 Lawai Road, Koloa, HI 96756

Project Name (*): RAINBOW PLAZA CONDOMINIUM
Address: 2-2514 Kaunualii Highway, Kalaheo, HI 96741

Registration No. 4883
(Conversion)

Effective date: September 4, 2002
Expiration date: October 4, 2003

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY:
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

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

SUPPLEMENTARY:
(pink) This report updates information contained in the:
[] Preliminary Public Report dated: _____
[] Final Public Report dated: _____
[] Supplementary Public Report dated: _____

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

(*) Exactly as named in the Declaration

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

FORM RECO-30 285/958/189/1190/8520197/1058/0800

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 public report does not constitute approval of the project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have 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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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: ALBERT W. FICKER
PATRICIA A. FICKER Phone: (808) 742-1816
Name* (Business)
4526 Lawai Road
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 German, Inc., dba
ALOHA ISLAND PROPERTIES Phone: (808) 246-0334
Name (Business)
4473 Pahe'e Street
Business Address
Lihue, HI 96766

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

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

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

Attorney for Developer: PATRICK J. CHILDS, ESQ. Phone: (808) 245-2863
Name (Business)
4365 Kukui Grove Street #104
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. 2002-093051
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 Rainbow Plaza Declaration of Condominium Property Regime and Condominium Map No. 3443 recorded as Document No. 2002-146081.

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. 3443
 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. 2002-093052
Book _____ Page _____
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

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

The House Rules for this condominium are:

Proposed Adopted 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%*	_____75%_____
Bylaws	65%	_____65%_____
House Rules	—	_____

* 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: 2-2514 Kaumualii Highway Tax Map Key (TMK): (4) 2-3-012-012
Kalaheo, HI 96741

Address TMK is expected to change because _____

Land Area: 34,588 square feet acre(s) Zoning: Commercial

Fee Owner: ALBERT W. FICKER
 PATRICIA A. FICKER
 Name
 4526 Lawai Road
 Address
 Koloa, HI 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: 2

Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood
 Other _____

4. **Uses Permitted 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 checked="" type="checkbox"/> Commercial	<u>17</u>	<input checked="" 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 type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input 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:

[] Pets: _____

[] Number of Occupants: _____

[] Other: _____

[X] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 2 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
See page 11a					
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 17

* 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: Perimeter wall to perimeter wall, floor to ceiling.

Permitted Alterations to Apartments: Any alterations permitted by law.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated: developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has N/A elected to provide the information in a published announcement or advertisement.

<u>Apartment Designation</u>	<u>Approximate Net Area (Square Feet)</u>	<u>Percentage Common Interest</u>
101	1047.26	7.07%
103	424.61	2.86%
104	596.11	4.02%
105	369.30	2.49%
106	880.78	5.94%
107	842.63	5.69%
108	1911.24	12.89%
201	1472.57	9.94%
203	595.38	4.02%
204	722.24	4.87%
205	373.06	2.52%
207	435.37	2.94%
208	484.59	3.27%
209	714.67	4.82%
210	1294.08	8.73%
213	1056.21	7.13%
215	<u>1600.28</u>	<u>10.80%</u>
Total:	14820.38	100%

7. Parking Stalls:

Total Parking Stalls:	<u>72</u>			
	<u>Regular</u>	<u>Compact</u>	<u>Tandem</u>	
	<u>Covered</u>	<u>Covered</u>	<u>Covered</u>	<u>TOTAL</u>
	<u>Open</u>	<u>Open</u>	<u>Open</u>	
Assigned (for each unit)	-----	-----	-----	-----
Guest				
Unassigned	-----	-----	-----	-----
Extra for Purchase	-----	-----	-----	-----
Other: _____	<u>23</u>	<u>27</u>	<u>0</u>	<u>22</u>
				<u>72</u>
Total Covered & Open:	<u>50</u>	<u>22</u>	<u>0</u>	<u>72</u>

Each apartment will have the exclusive use of at least N/A 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: Restrooms, parking lot

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): N/A

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>	_____	_____
Structures	<u> X </u>	_____	_____
Lot	<u> X </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 A .

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 _____.

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: The common interest of each apartment is as set forth on page 11a of this public report.

- 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 B describes the encumbrances against the title contained in the title report dated June 6, 2002 and issued by Title Guaranty of Hawaii, Inc.

NOTE: The Developer shall do what is necessary so that the existing leases listed in Exhibit B shall not affect any apartments other than those which they actually affect and such leases shall not affect the land as presently shown in the title report.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	The underlying mortgage is superior to and takes precedence over the sales contract. If the Developer defaults, Purchaser shall lose its option to consummate its purchase of the property and Purchaser's money shall be refunded, less any escrow cancellation fee.

F. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: None.

2. Appliances: None.

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

All construction is complete. Phase I was built in 1982, Phase II in 1986 and Phase III was completed in 1988.

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):

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
- Specimen Sales Contract
Exhibit C contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated June 3, 2002
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other Specimen Apartment Deed

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

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

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules. (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 4883 filed with the Real Estate Commission on June 24, 2002.

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**

None

- 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-] (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.

ALBERT W. FICKER and PATRICIA A. FICKER

Printed Name of Developer



By: Patricia A. Ficker
Duly Authorized Signatory*

5/28/02
Date

ALBERT W. FICKER and PATRICIA A. FICKER

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.***

EXHIBIT "A"

COMMON ELEMENTS

The common elements of the Project consist only of the following:

- A. The fee simple interest in the land described in Exhibit "A" attached to the Declaration of Condominium Property Regime.
- B. All walkways, yards, grounds, landscaping, landscape lighting and like facilities.
- C. All roadways, driveways, ramps, loading areas, parking area entranceways and exitways and parking stalls as designated on the Condominium Map, none of which parking stalls shall be assigned to any Apartment.
- D. All perimeter and load-bearing walls, foundations, floors, slabs, floor supports, interior floors, ceilings and roofs, including the exterior thereof.
- E. All central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television lines, sewage disposal and other utilities, and other apparatus and installations existing for common use.
- F. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any Apartment.
- G. All utility closets, attics, fountains, stairways and toilets outside the limits of any designated Apartment.

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes that may be due and owing reference is made to the Director of Finance, County of Kauai.

2. Unrecorded Lease by and between ALBERT W. FICKER and PATRICIA A. FICKER, husband and wife, and RONALD FARKAS and SELMA FARKAS, husband and wife, as Landlord, and J. KEVIN ANTOLIK, single, doing business as KALAHEO CHIROPRACTIC OFFICE, as Tenant, dated January 19, 1984, for a term of three full calendar years commencing March 1, 1984, plus the partial year in which the rental commences. A short form of said Lease is dated September 18, 1984, recorded in Liber 18163 at Page 636; leasing and demising Suite 203 of the upper level of Building A, Phase I, and containing an area of approximately 471 square feet.

Said Lease is subject to:

(A) SUBORDINATION, NON-DISTURBANCE AND ATTORNMENT AGREEMENT dated June 26, 1986, recorded in Liber 19640 at Page 765, made by and between J. KEVIN ANTOLIK, unmarried, dba "KALAHEO CHIROPRACTIC OFFICE", and HONOLULU SAVINGS AND LOAN ASSOCIATION, a Federal Association.

(B) PROMISSORY NOTE made by J. KEVIN ANTOLIK, as Payor, and CHARLEEN ANTOLIK, as Payee, dated December 23, 1993, recorded as Document No. 93-214997, in the amount of \$41,000.00.

(C) TAX LIEN filed by the DEPARTMENT OF TAXATION, STATE OF HAWAII, against JOHN KEVIN ANTOLIK, dated July 14, 1995, recorded as Document No. 95-092907, in the amount of \$38,895.62.

(D) TAX LIEN filed by the DEPARTMENT OF TAXATION, STATE OF HAWAII, against JOHN KEVIN ANTOLIK, dated July 14, 1995, recorded as Document No. 95-092908, in the amount of \$40,028.01.

3. RIGHT OF ENTRY to CITIZENS UTILITIES COMPANY, dated May 5, 1987, recorded in Liber 20791 at Page 763, granting a right-of-entry and easement for pole and wire lines, etc., over and across the premises described herein.

4. Unrecorded Lease by and between RAINBOW PLAZA, a Hawaii general partnership, as Lessor, and CRAIG M. NISHIMOTO, D.V.M, as Lessee, dated January 1, 1990, a short form of which is dated July 10, 1990, recorded as Document No. 90-163090, leasing and demising all of those premises being 684 square feet

designated as Suite 109 of Rainbow Plaza which is situated at 2-2514 Kaunualii Highway, Kalaheo, Kauai, Hawaii, 96741.

Said Lease is subject to the following:

(A) FINANCING STATEMENT by CRAIG M. NISHIMOTO, DVM, as Debtor, in favor of BANK OF HAWAII, as Secured Party, recorded as Document No. 96-106776 on July 26, 1996, with a CONTINUATION recorded as Document No. 2001-048607 on April 5, 2001.

(B) MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT by CRAIG M. NISHIMOTO, D.V.M., as Mortgagor, in favor of FIRST HAWAIIAN BANK, a Hawaii corporation, as Mortgagee, dated July 10, 1990, recorded as Document No. 90-163088, in the amount of \$40,000.00, with consent given by ALBERT W. FICKER, President of Rainbow Plaza, by instrument dated July 10, 1990, recorded as Document No. 90-163089.

5. Encroachment(s) as shown on the survey map prepared by Peter N. Taylor, Land Surveyor, with Peter N. Taylor Incorporated, dated June 20, 2000.

6. Structure position discrepancies as shown on the survey map prepared by Peter N. Taylor, Land Surveyor, with Peter N. Taylor Incorporated, dated June 20, 2000.

7. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT by ALBERT W. FICKER and PATRICIA A. FICKER, husband and wife, as Mortgagor, in favor of FIRST HAWAIIAN BANK, a Hawaii corporation, as Mortgagee, dated July 7, 2000, recorded as Document No. 2000-095811, in the amount of \$550,000.00.

8. ASSIGNMENT OF LESSOR'S INTEREST IN LEASES dated July 7, 2000, recorded as Document No. 2000-095812, by and between ALBERT W. FICKER and PATRICIA A. FICKER, husband and wife, as Assignor, and FIRST HAWAIIAN BANK, a Hawaii corporation, as Assignee, assigning all of Assignor's right, title and interest in and to each and all of the leases now or hereafter in effect covering all or any part of the property described in Exhibit "A" attached thereto, to secure the repayment of that certain Promissory Note in the principal sum of \$550,000.00.

9. FINANCING STATEMENT by ALBERT W. FICKER and PATRICIA A. FICKER, husband and wife, as Debtor, in favor of FIRST HAWAIIAN BANK, a Hawaii corporation, as Secured Party, recorded on July 12, 2000, as Document No. 2000-095813.

10. UNRECORDED LEASE by and between ALBERT W. FICKER and PATRICIA A. FICKER, husband and wife, as Lessor, and REHABILITATION HOSPITAL OF THE PACIFIC, a Hawaii non-profit corporation, as Lessee, dated January 3, 2001, for a term ending January 5, 2006, a short form of which is dated December 11, 2001, recorded as Document No. 2001-200600.

11. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "RAINBOW PLAZA CONDOMINIUM" CONDOMINIUM PROJECT, dated May 13, 2002, recorded as Document No. 2002-093051, along with CONDOMINIUM MAP NO. 3443.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS, dated May 13, 2002, recorded as Document No. 2002-093052.

EXHIBIT "C"

SUMMARY OF SALES CONTRACT

The Seller intends to use the Hawaii Association of Realtors' form of Deposit Receipt, Offer and Acceptance ("DROA") as the sales contract for the sale of apartments in the Project. The sales contract contains the purchase price, description and location of the apartment and other terms and conditions under which a Buyer will agree to buy an apartment.

Among other things, the sales contract and addendum:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Buyer will pay the purchase price.

2. Identifies the escrow agent and states that Buyer's deposit will be held in escrow until the sales contract is closed or cancelled.

3. Requires that Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. Provides the following remedies, in the event of default under the sales contract:

By Buyer:

- a. Seller may bring an action against Buyer for breach of contract;
- b. Seller may retain Buyer's initial deposit;
- c. Buyer shall be responsible for expenses incurred.

By Seller:

- a. Buyer may bring an action against Seller for breach of contract;
- b. Buyer may bring an action compelling Seller to perform under contract;
- c. Seller shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

5. Allocation of payment of closing costs.

6. Provides that the property is sold "as is".

EXHIBIT "D"

SUMMARY OF ESCROW AGREEMENT

An Escrow Agreement allows the Condominium Buyers' money to be held by a neutral party, the Escrow Agent, until the Seller can deliver good and marketable title to the Condominium. The Escrow Agreement for this project provides for, among other things:

1. That Title Guaranty Escrow Services, Inc., is the Escrow Agent.
2. That, upon execution of a Sales Contract, the Developer shall deliver all money received over to the Escrow Agent.
3. That no money shall be released from escrow until the Real Estate Commission shall issue a final report.
4. That the Buyer shall receive all public documents relating to the project.
5. That a Buyer's money shall be returned to him if he exercises certain rights he may have to cancel his Sales Contract as provided by law, if that is his wish, or if the Seller is unable to provide title to the Condominium.
6. That, upon the Seller providing good title to the Condominium, the Buyer's money shall be turned over to the Seller.
7. That the Escrow Agent will record with the State of Hawaii all documents requiring such.
8. That, if the Buyer is unable to perform and has money on deposit in escrow, these monies will be turned over to the Seller.

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>	
101	147.06	1764.72
103	59.49	713.88
104	83.62	1003.44
105	51.79	621.48
106	123.55	1482.60
107	118.35	1420.20
108	268.11	3217.32
201	206.75	2481.00
203	83.62	1003.44
204	101.30	1215.60
205	52.42	629.04
207	61.15	733.80
208	68.02	816.24
209	100.26	1203.12
210	181.58	2178.96
213	148.30	1779.60
215	224.63	2695.56
	<u>2080.00</u>	<u>24960.00</u>

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

EXHIBIT "F"

**RULES AND REGULATIONS FOR THE
RAINBOW PLAZA CONDOMINIUM PROJECT**

Come now **ALBERT W. FICKER** and **PATRICIA A. FICKER**, Developers of the Rainbow Plaza Condominium Project, and for the Rules and Regulations to said project adopt the following:

1. Exterior Appearance. The exterior of unit shall be neat and tidy. Each unit shall be numbered, with said number on the door to the main entryway or immediately to the right thereof. Numbers shall be uniform throughout the project and in conformance to specifications established by the Board of Directors.

2. Business Hours. Business hours shall be determined by each individual owner, provided, however, no business shall open prior to 6:00 a.m. nor remain open for public business after 12:00 midnight.

3. Parking. The Board of Directors may from time to time prescribe parking areas for employees of each individual unit so as to increase the ease of parking for the general public. No owner or employee of an owner shall park a vehicle for any period in excess of 24 hours at the project without first seeking prior approval from the manager. Failure to abide by this rule shall subject the owner of the offending unit, even if the offending vehicle belongs to an employee, tenant or lessee, to a fine of \$25.00 per day. Further, in the event any vehicle remains in the same space unmoved for 7 days, then the same shall be considered abandoned and shall be towed at the expense of the owner of a unit if said vehicle belongs to the owner of a unit or his lessee or employee. Unregistered and clearly abandoned vehicles may be towed within 48 hours.

4. Sidewalk Sales. No sidewalk sales shall be conducted without the consent of the manager, who shall designate the hours and the areas of said sales. Sidewalk sales shall be designed and conducted in a manner that enhances the overall visibility and appearance of project businesses, and shall not impede the flow of traffic.

5. Noise. No owner shall make continuing noise that emanates into the common area without the express approval of the Board of Directors or the project manager. Air conditioners shall be of the low noise variety.

6. Construction. Construction within any unit shall be confined to said unit, with all tools and materials either stored within the unit or removed from the project. If the repairs are

to take in excess of 3 work days and the business is closed, then the windows to the unit shall be blacked-out during the construction phase and a temporary sign in a form approved by the building manager shall be affixed to the unit describing the business occupant therein and the prospective date of opening.

7. Signage. All signs shall be as uniformly specified by the Board of Directors. Temporary banners and signs shall be allowed by the project manager. Neon signs designating a business as "open" may be allowed within windows. Other neon signs not visible from the highway may be allowed by the Board of Directors. No owner shall post a sign offering his unit for lease or sale without the specific approval of the building manager.

8. Trash. All trash shall be removed to the designated trash collection area or taken off premises to a designated County collection area. No trash or garbage shall be stored either within or without any unit.

9. Restrooms. All restrooms that serve any member of the public shall be cleaned daily after or before business hours, or as further needed. The developer shall not be responsible to conform bathrooms to ADA compliance. If necessary, this expense shall be borne by the owner.

10. Lights. The manager or the Board of Directors shall set forth hours for night lighting in public areas.

11. Penalty. Failure to abide by the House Rules shall be cause for the imposition of a penalty of \$25.00 per day per occurrence, as determined by the Board of Directors. As provided in the By-Laws, an offending owner or occupant shall receive 72 hours notice of an intent to impose penalties.

12. Apparent Authority. It is the intent of the Developer that the Board of Directors shall be the ultimate authority for the imposition and enforcement of these House Rules. As a practical matter, temporary and minor discretionary decisions may be made by the project manager by the authority given him by the Board of Directors in order to expedite consent. The manager may be over-ruled and the owner shall be governed by the decision of the Board of Directors.

13. Amendment. For the first year after issuance of an effective date for the Final Public Report, or until 51% of the common interests in the project is conveyed, whichever shall occur later, these House Rules may only be amended by the Developer. Thereafter, these House Rules may be amended by a majority of the Board of Directors and shall be effective upon

EXHIBIT "G"

MARYANNE W. KUSAKA
MAYOR



DEE M. CROWELL
PLANNING DIRECTOR
SHEILAH N. MIYAKE
DEPUTY PLANNING DIRECTOR
TELEPHONE (808) 241-6677
FAX (808) 241-6699

PLANNING DEPARTMENT

DATE: June 17, 2002

TO: Senior Condominium Specialist
Real Estate Commission
P & VLD/DCCA
250 South King Street, Suite 702
Honolulu, Hawaii 96813

COPY

FROM: *JM* Dee M. Crowell, Planning Director *SMiyake*

SUBJECT: Certification of Inspection of Existing Buildings

PROJECT NAME: RAINBOW PLAZA CONDOMINIUM PROJECT
TAX MAP KEY: (4) 2-3-12:12

The developer of the above-mentioned condominium project has requested that this office, as an agency of the County of Kauai, review the project for compliance with all ordinances, codes, rules, regulations and other requirements of the County of Kauai, (Section 515A-40 (b), (1), Hawaii Revised Statutes. Subject to the disclosures and waivers (item "5" below) specified herein, we certify the following:

1. The developer has contracted architect Timothy M. Bradley to certify that the existing buildings on the proposed project referred to as Rainbow Plaza Condominium Suite 101 and 103 through 108 inclusive and Suite 201, Suite 203 through 205, Suite 207 through 210, Suite 213 and Suite 215 are in compliance with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction, and to that extent, and subject to the conditions of waiver herein, the Planning Department adopts that certification as it pertains to the rules and regulations administered solely by the Department.
2. There were no variances approved for the subject property.
3. The parcel does not contain any outstanding nonconforming uses or structures as a result of the adoption or amendments of any ordinances or codes and regulations.

Senior Condominium Specialist

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4. There are no notices of violation of County Building or zoning codes outstanding according to our records.

5. **WAIVER**

The foregoing certification is not a warranty to any compliance with applicable County and State rules and regulations. The sole reason for the execution hereof is to comply with statutory requirements relating to the regulations of condominiums under subsection 515-40, (b), and (1), Hawaii Revised Statutes.

If you have any questions, please contact Alvin Fukushima of my staff at 241-6697.

cc: Patrick J. Childs