

**CONDOMINIUM PUBLIC REPORT**

Prepared & Issued by: Developer Kaupulehu Makai Venture, Owner  
c/o Hualalai Development Company, Managing Agent  
Address 100 Kaupulehu Drive, Kaupulehu-Kona, HI 96740; P.O. Box 1119, Kailua-Kona, HI 96745  
Project Name(\*): NA HALE AT KAHIKOLE – PHASE II  
Address: Kahikole Street, Kaupulehu-Kona, HI 96740

Registration No. 5491 Effective date: April 17, 2006  
Expiration date: May 11, 2007

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.
  - CONTINGENT FINAL:**  
**(green)** The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.  
 No prior reports have been issued.  
 This report supersedes all prior public reports.
  - FINAL:**  
**(white)** 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:**  
**(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 Final Public Report dated March 11, 2005  
 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 586-2643 to submit your request.

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

Required and attached to this report as Exhibit G       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:

1. In addition to being the developer of the Project, the Developer also is the master developer of the Hualalai Resort which includes the Four Seasons Hualalai at Historic Kaupulehu Hotel and the Hualalai Resort golf and spa facilities (collectively, the "Resort"). The Developer has disclosed to the Real Estate Commission that the Developer is engaged in marketing and negotiations for the possible sale of all or a portion of the Developer's interest in the Resort to one or more prospective purchasers. The Developer also has disclosed to the Real Estate Commission that the Developer reserves the right to assign and delegate to the Resort purchaser all or any portion of the Developer's rights and obligations with respect to the condominium purchase and sale agreements relating to the Project, including, without limitation, the Developer's obligation to complete the sale of a condominium apartment to a buyer if the buyer's purchase of the condominium apartment is not closed before the sale of the Resort is consummated. The Developer also has disclosed to the Real Estate Commission that the Developer reserves (a) the right to market, negotiate and to enter into substitute, replacement, contingent or other agreements for the sale of all or any portion of the Resort (collectively, "Replacement Resort Contracts"), and (b) the right to assign and delegate to the holder(s) of any such Replacement Resort Contract all or any portion of the Developer's rights and obligations with respect to the condominium purchase and sale agreements and the condominium apartments. In connection with making the disclosure regarding the sale of the Hualalai Resort, (a) the Developer has updated the information regarding the general partners of the Developer and the officers and directors of the general partners of the Developer on pages 5 and 5a of this Supplementary Public Report, and (b) an updated title report covering the Project was obtained and provided to the Real Estate Commission, and in connection therewith, the Developer has updated the tax map key for the Project on page 9 of this Supplementary Public Report and the encumbrances against title to the Project in Exhibit F of this Supplementary Public Report, and the Developer has revised the form of Apartment Deed. Pages 5, 5a, 9, 14 and Exhibit F of this Supplementary Public Report replace pages 5, 5a, 9, 14 and Exhibit F of the Final Public Report.

**SPECIAL NOTICE**

This is a condominium project, not a subdivision, and the project does not involve the sale of individual subdivided lots. The land area appurtenant to each apartment is designated a limited common element and is not a legally subdivided lot.

Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for roads within the project.

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.

**I. PERSONS CONNECTED WITH THE PROJECT**

Developer: Kaupulehu Makai Venture, Owner Phone: (808) 325-8400  
c/o Hualalai Development Company, (Business)  
Managing Agent  
Name\*  
100 Kaupulehu Drive  
Kaupulehu-Kona, Hawaii 96740  
Business Address  
P.O. Box 1119, Kailua-Kona, HI 96745

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):

Kajima Kona Company, a California corporation – General Partner  
Kajima Kaupulehu, Inc., a Hawaii corporation – General Partner  
See Page 5a for officers and directors of General Partners

Real Estate Broker\*: Hualalai Realty LLC Phone: (808) 325-8500  
Name (Business)  
100 Kaupulehu Drive  
Business Address  
Kaupulehu-Kona, Hawaii 96740

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

General Contractor\*: Tinquely Development Phone: (808) 329-8775  
Name (Business)  
74-5565 Luhia Street, Suite G  
Business Address  
Kailua-Kona, Hawaii 96740

Condominium Managing Agent\*: Augustine Realty Phone: (808) 326-7170  
Name (Business)  
74-240 Nani Kailua Drive, Suite 9  
Business Address  
Kailua-Kona, Hawaii 96740

Attorney for Developer: Goodsill Anderson Quinn & Stifel Phone: (808) 547-5600  
(Gail O. Ayabe, Esq.) (Business)  
Name  
1800 Alii Place, 1099 Alakea Street  
Business Address  
Honolulu, Hawaii 96813  
Mailing Address: P. O. Box 3196,  
Honolulu, Hawaii 96801

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

Names of officers and directors of general partners of the Developer:

Kajima Kona Company

Eiji Iwahashi	President and Director
Hideto Okazeri	Senior Vice President, Secretary, Treasurer and Director
Michiya Uchida	Director
Osamu Minamitani	Director
Suguru Akiyama	Director
Fujio Suzuki	Director

Kajima Kaupulehu, Inc.

Yoshiyuki Uno	President and Director
Shuku Yamauchi	Secretary and Director
Yoshitaka Mizunaka	Treasurer and Director
Tsutsumu Ishiyama	Director

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: Kahikole Street Tax Map Key (TMK): (3) 7-2-030-001  
Kaupulehu-Kona, Hawaii 96740

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 2.910  square feet  acre(s) Zoning: Kaupulehu Project District

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:

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

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   E  .

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 February 16, 2006, and issued by First American Title Company, Inc.

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 Master Declaration

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 107) are available online. Please refer to the following sites:

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)

Website to access unofficial copy of laws: [www.hawaii.gov/dcca/hrs](http://www.hawaii.gov/dcca/hrs)

Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

This Public Report is a part of Registration No. 5491 filed with the Real Estate Commission on October 12, 2004.

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YELLOW paper stock       WHITE paper stock       PINK paper stock       GREEN 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.

KAUPULEHU MAKAI VENTURE,  
 a California general partnership  
 \_\_\_\_\_  
 Printed Name of Developer

By: HUALALAI DEVELOPMENT COMPANY,  
 A Delaware corporation  
 Its Managing Agent

By:  3/27/06  
 \_\_\_\_\_  
 Date

Eiji Iwahashi, President / CEO  
 \_\_\_\_\_  
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

*\*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.*

CONDOMINIUM PUBLIC REPORT ON  
NA HALE AT KAHIKOLE – PHASE II

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the County of Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Declaration of Covenants dated October 21, 1981, recorded in said Bureau in Liber 16186 at Page 148.
4. Certificate and Consent dated November 19, 1982, recorded in said Bureau in Liber 17109 at Page 766, by Cambridge Pacific, Inc., a Hawaii corporation, and Trustees of the Estate of Bernice Pauahi Bishop.
5. Agreement for Fresh Water dated May 7, 1984, recorded in said Bureau in Liber 17860 at Page 581, by and between Cambridge Pacific, Inc., a Hawaii corporation, and Island Copra and Trading Company, Ltd., a Hawaii corporation, individually and collectively referred to as "Licensor", and Kona Village Partnership, a California general partnership.
6. Unrecorded Agreement by and between Kaupulehu Developments, a Hawaii general partnership, and Kona Village Partnership, a California general partnership, a short form of which is dated June 5, 1986, and recorded in said Bureau in Liber 19629 at Page 447.
7. Certificate of Conditions dated March 28, 1988, recorded in said Bureau in Liber 21853 at Page 235.
8. Real Property Mortgage, Security Agreement, Assignment of Leases and Rents, and Financing Statements dated August 14, 2000, recorded in said Bureau as Document No. 2000-122631, by and among Kaupulehu Makai Venture, a California partnership, as Mortgagor, and Kajima Capital of America, Inc., a Delaware corporation, and Kajima Kona Holdings, Inc., a Delaware corporation, as Mortgagee. KSBE Estoppel, Consent and Agreement dated as of June 16, 1997, recorded in said Bureau as Document No. 2000-122363, by and among the Trustees of the Estate of Bernice Pauahi Bishop, Kaupulehu Makai Venture, a California partnership, and Kajima Capital of America, Inc., a Delaware corporation. KSBE Estoppel, Consent and Agreement dated as of June 16, 1997,

recorded in said Bureau as Document No. 2000-122364, by and among the Trustees of the Estate of Bernice Pauahi Bishop, Kaupulehu Makai Venture, a California partnership, and Kajima Kona Holdings, Inc., a Delaware corporation. First Amendment to Real Property Mortgage, Security Agreement, Assignment of Leases and Rents, and Financing Statement dated June 16, 2003, recorded in said Bureau as Document No. 2003-135269. Second Amendment to Real Property Mortgage, Security Agreement, Assignment of Leases and Rents, and Financing Statement dated June 16, 2003, recorded in said Bureau as Document No. 2003-135270. Seventh Subordination and Partial Release of Mortgage, and Assignment of Leases and Rents for Parcel 17B dated December 3, 2004, recorded in said Bureau as Document No. 2004-248307.

9. Amended and Restated Assignment of Leases and Rents dated August 14, 2000, but effective as of June 16, 1997, recorded in said Bureau as Document No. 2000-122636, made by and between Kaupulehu Makai Venture, a California general partnership, and Kajima Capital of America, Inc., a Delaware corporation. Second Amended and Restated Assignment of Leases and Rents dated June 16, 2003, recorded in said Bureau as Document No. 2003-135271. Seventh Subordination and Partial Release of Mortgage, and Assignment of Leases and Rents for Parcel 17B dated December 3, 2004, recorded in said Bureau as Document No. 2004-248307.
10. Amended and Restated Subordinated Assignment of Leases and Rents dated August 14, 2000, but effective as of June 16, 1997, recorded in said Bureau as Document No. 2000-122637, made by and between Kaupulehu Makai Venture, a California general partnership, and Kajima Kona Holdings, Inc., a Delaware corporation. Second Amended and Restated Subordinated Assignment of Leases and Rents dated June 16, 2003, recorded in said Bureau as Document No. 2003-135272. Seventh Subordination and Partial Release of Mortgage, and Assignment of Leases and Rents for Parcel 17B dated December 3, 2004, recorded in said Bureau as Document No. 2004-248307.
11. Financing Statement recorded in said Bureau as Document No. 2003-105985. UCC Financing Statement Amendment recorded in said Bureau as Document No. 2003-199695 and recorded in said Bureau as Document No. 2003-199696.
12. Financing Statement recorded in said Bureau as Document No. 2003-105986. UCC Financing Statement Amendment recorded in said Bureau as Document No. 2003-152069, recorded in said Bureau as Document No. 2003-199692, recorded in said Bureau as Document No. 2003-199693, and recorded in said Bureau as Document No. 2003-199694.

13. All terms, covenants, conditions, restrictions and reservations contained in the Master Declaration of Protective Covenants, Conditions and Restrictions and Reservation of Easements for Hualalai at Historic Ka'upulehu dated May 9, 1996, recorded in said Bureau as Document No. 96-109954, as supplemented by instrument dated January 12, 2005, recorded in said Bureau as Document No. 2005-014891, as now or hereafter further amended and supplemented.
14. Certificate of Conditions dated September 9, 2002, recorded in said Bureau as Document No. 2002-163220, by Kaupulehu Developments, a Hawaii registered partnership, "Petitioner". Consent given by the Trustees of the Estate of Bernice Pauahi Bishop, "Fee Simple Owner", recorded in said Bureau as Document No. 2002-163221.
15. Designation of Easement 1 for carpath, utility and wall purposes, as shown on File Plan 2390.
16. Designation of Easement 2 for carpath and utility purposes, as shown on File Plan 2390.
17. Designation of Easement 7 for landscaping purposes, as shown on File Plan 2390.
18. Limited Warranty Deed with Covenants dated December 3, 2004, recorded in said Bureau as Document No. 2004-248305.
19. Purchase Money Mortgage, Security Agreement and Financing Statement dated December 3, 2004, recorded in said Bureau as Document No. 2004-248306, by and between Kaupulehu Makai Venture, a California general partnership, as Mortgagor, and James Douglas Keauhou Ing, Robert Kalani Uichi Kihune, Constance Hee Lau, Diane Joyce Plotts, and Charles Nainoa Thompson, as Trustees of the Estate of Bernice Pauahi Bishop, as Mortgagee.
20. Declaration of Merger of Condominium Phases dated January 10, 2005, recorded in said Bureau as Document No. 2005-010668, as now or hereafter amended.
21. Declaration of Condominium Property Regime of Na Hale at Kahikole – Phase II dated January 12, 2005, recorded in said Bureau as Document No. 2005-014889, as now or hereafter amended. Condominium File Plan No. 3927, as now or hereafter amended.
22. By-Laws of the Association of Apartment Owners of Na Hale at Kahikole – Phase II dated January 12, 2005, recorded in said Bureau as Document No. 2005-014890, as now or hereafter amended.