

**CONDOMINIUM PUBLIC REPORT**

Prepared & Issued by: Developer Kaupulehu Makai Venture, Owner  
 Address c/o Hualalai Development Company, Managing Agent  
100 Kaupulehu Drive, Kaupulehu-Kona, HI 96740; P.O. Box 1119, Kailua-Kona, HI 96745  
 Project Name(\*): ESTATE VILLAS AT HAINOA - PHASE II  
 Address: Hainoa Place, Kaupulehu-Kona, HI 96740

Registration No. 5509 Effective date: April 6, 2005  
 Expiration date: January 2, 2006

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: December 2, 2004  
 Supplementary Public Report dated: \_\_\_\_\_
- And  Supersedes all prior public reports.  
 Must be read together with Final Public Report dated December 2, 2004  
 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       Not Required - Disclosures covered in this report.  
(see Exhibit G of the Final Public 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. The Declaration of Condominium Property Regime (the "Declaration") was amended by that certain First Amendment to Declaration of Condominium Property Regime dated March 8, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-049511 (the "First Amendment"). The First Amendment amends the Declaration to correct Exhibit B of the Declaration which incorrectly listed the net living floor areas of the apartments in the Project. An updated title report covering the Project and showing the First Amendment also was obtained and provided to the Real Estate Commission. The First Amendment, the correct net living floor areas for each apartment in the Project and the updated title report, are disclosed on pages 6, 11 and 14, and Exhibit F of this Supplementary Public Report which replace pages 6, 11 and 14 and Exhibit F of the Final Public Report.

**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. 2004-218160  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

First Amendment to Declaration of Condominium Property Regime dated March 8, 2005, recorded as Document No. 2005-049511.

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. 3875  
 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. 2004-218161  
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]:

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: No animals, birds, reptiles, poultry, fish or insects of any kind shall be raised, bred or kept.

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

Other: Ask to see proposed House Rules, which have various use restrictions.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None                      Stairways: None                      Trash Chutes: None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>A3</u>	<u>1</u>	<u>4/4.5</u>	<u>3,572</u>	<u>1,467/648</u>	<u>Lanai/Garage</u>
<u>A4</u>	<u>1</u>	<u>4/4.5</u>	<u>3,572</u>	<u>1,468/648</u>	<u>Lanai/Garage</u>
<u>A5**</u>	<u>1</u>	<u>3/3.5</u>	<u>3,035</u>	<u>1,296/648</u>	<u>Lanai/Garage</u>
<u>B3</u>	<u>1</u>	<u>4/4.5</u>	<u>3,452</u>	<u>1,376/648</u>	<u>Lanai/Garage</u>
<u>B4</u>	<u>1</u>	<u>4/4.5</u>	<u>3,452</u>	<u>1,381/648</u>	<u>Lanai/Garage</u>
<u>B5**</u>	<u>1</u>	<u>3/3.5</u>	<u>2,915</u>	<u>1,171/648</u>	<u>Lanai/Garage</u>

Total Number of Apartments: 6

\* 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.

\*\* Owners of Apartment Type A5 and Apartment Type B5 shall have an option to install a separate guest villa building, of the type and in the location as shown on the Condominium Map. If the optional guest villa building for Apartment Type A5 is constructed, the space within the perimeter walls, floors and ceiling of the guest villa building will be part of the apartment, the number of bedrooms would be 4, the number of baths would be 4.5, the approximate net living floor area for Apartment Type A5 would be 3,572 square feet rather than 3,035 square feet, and the approximate net lanai floor area for Apartment Type A5 would be 1,454 square feet rather than 1,296 square feet. If the optional guest villa building for Apartment Type B5 is constructed, the space within the perimeter walls, floors and ceiling of the guest villa building will be part of the apartment, the number of bedrooms would be 4, the number of baths would be 4.5, the approximate net living floor area for Apartment Type B5 would be 3,472 square feet rather than 2,915 square feet, and the approximate net lanai floor area for Apartment Type B5 would be 1,322 square feet rather than 1,171 square feet.

Boundaries of Each Apartment:

SEE EXHIBIT "A"

Permitted Alterations to Apartments:

SEE EXHIBIT "B"

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. Developer has elected to provide the information in a published announcement or advertisement.

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  March 15, 2005,  and issued by  Title Guaranty of Hawaii, Incorporated .

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 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. 5909 filed with the Real Estate Commission on October 29, 2004.

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

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:  March 8, 2005  
 Duly Authorized Signatory\* Date

Eiji Iwahashi, President  
 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  
ESTATE VILLAS AT HAINOA – 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. 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 October 19, 2004, recorded in said Bureau as Document No. 2004-218162, as now or hereafter further amended and supplemented.
4. 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. Fourth Subordination and Partial Release of Mortgage and Assignment of Leases and Rents dated November 20, 2003, recorded in said Bureau as Document No. 2003-262817.

5. 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. Fourth Subordination and Partial Release of Mortgage and Assignment of Leases and Rents dated November 20, 2003, recorded in said Bureau as Document No. 2003-262817.
6. 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. Fourth Subordination and Partial Release of Mortgage and Assignment of Leases and Rents dated November 20, 2003, recorded in said Bureau as Document No. 2003-262817.
7. Financing Statement recorded in said Bureau as Document No. 2003-105985. UCC Financing Statement Amendments recorded in said Bureau as Document No. 2003-199695 and recorded as Document No. 2003-199696.
8. Financing Statement recorded in said Bureau as Document No. 2003-105986. UCC Financing Statement Amendments recorded in said Bureau as Document No. 2003-152069, recorded as Document No. 2003-199692, recorded as Document No. 2003-199693, and recorded as Document No. 2003-199694.
9. Limited Warranty Deed with Covenants and Reservations dated November 20, 2003, recorded in said Bureau as Document No. 2003-262813.
10. Purchase Money Mortgage, Security Agreement and Financing Statement dated November 20, 2003, recorded in said Bureau as Document No. 2003-262814, by and between Kaupulehu Makai Venture, a California general partnership, as Mortgagor, and the Trustees Under the Will and of the Estate of Bernice Pauahi Bishop, Deceased, as Mortgagee.
11. Limited Warranty Deed with Covenants and Reservations dated November 20, 2003, recorded in said Bureau as Document No. 2003-262815.
12. Purchase Money Mortgage, Security Agreement and Financing Statement dated November 20, 2003, recorded in said Bureau as Document No. 2003-262816, by and between Kaupulehu Makai Venture, a California general partnership, as

Mortgagor, and the Trustees Under the Will and of the Estate of Bernice Pauahi Bishop, Deceased, as Mortgagee.

13. Declaration of Merger of Condominium Phases dated December 12, 2003, recorded in said Bureau as Document No. 2003-289345, as now or hereafter amended. Consents given by Kajima Capital of America, Inc., a Delaware corporation, by instrument dated February 2, 2004, recorded in said Bureau as Document No. 2004-091869 and by Kajima Kona Holdings, Inc., a Delaware corporation, by instrument dated January 23, 2004, recorded as Document No. 2004-091870.
14. Existing Easement "4", for sanitary sewer purposes, as shown on File Plan No. 2324.
15. Designation of Easement "6", for access and utility purposes, as shown on File Plan No. 2357.
16. –As to Easement "6":- Rights of others who may have an easement or access rights over said easement.
17. Designation of Easement "7", for utility, electrical, drainage and landscaping purposes, as shown on File Plan No. 2357.
18. Designation of Easement "9", for golf carpath purposes, as shown on File Plan No. 2357.
19. Designation of Easement "15", for utility purposes, as shown on File Plan No. 2357.
20. Declaration of Encroachment dated July 2, 2004, recorded in said Bureau as Document No. 2004-138074.
21. Declaration of Condominium Property Regime of Estate Villas at Hainoa - Phase II dated October 19, 2004, recorded in said Bureau as Document No. 2004-218160, as amended by that certain First Amendment to Declaration of Condominium Property Regime of Estate Villas at Hainoa – Phase II dated March 8, 2005, recorded in said Bureau as Document No. 2005-049511, as now or hereafter further amended. Condominium File Plan No. 3875, as now or hereafter amended.
22. By-Laws of the Association of Apartment Owners of Estate Villas at Hainoa - Phase II dated October 19, 2004, recorded in said Bureau as Document No. 2004-218161, as now or hereafter amended.