

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:	Developer Business Address	RONALD A. KARASIC, Successor Trustee of the Keith J. Karasic Trust dated April. 13, 2005 5417 Saint Albans Way, Baltimore, Maryland 21212
Project Name(*): Address:	KARASIC PARK II 4758 Lae Road, Kalaheo, Hawaii 96741	
Registration No.	5717 (Partial Conversion)	Effective date: <u>January 31, 2008</u> Expiration date: <u>February 28, 2009</u>

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, in 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.
[] 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: _____
[X] Final Public Report dated: July 19, 2005
[] Supplementary Public Report dated: _____
- And [] Supersedes all prior public reports.
[X] Must be read together with the Final Public Report dated July 19, 2005
[X] This report reactivates the Final
Public report(s) which expired on August 19, 2006

(*) 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.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

- Required and attached to this report Not required - Disclosures covered in this report.
 Exhibit "G"

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:

Pages 1, 5, 10, 14, 19 and 21 of the Final Public Report have been updated and Exhibits F and G have been replaced to reflect the changes.

1. The Developer has changed due to the death of the original developer, Keith J. Karasic, Trustee. The current developer is the Successor Trustee to the Keith J. Karasic Trust dated April 13, 2005, with full powers to sell, mortgage, lease or otherwise deal with the land
2. The address of the attorney for the Developer has changed.
3. The Developer has chosen Makai Properties, LLC, 1941B Poipu Road, Koloa, Hawaii 96756, as the broker for the sale of Units A, B, and C.
4. Unit B is now eligible for sale under the owner-builder law, and noting such other changes, if any, that may have occurred since the effective date of this public report.

NOTE: This Supplementary Public Report reinstates the project filing and updates the Final Public Report for Karasic Park II which expired on August 19, 2006. No sales were solicited nor attempted during the lapse period.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: RONALD A. KARASIC, Successor Trustee Phone: (443) 9969-7991
Name* (Business)
5417 Saint Albans Way
Business Address
Baltimore, Maryland 21212

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*: MAKAI PROPERTIES, LLC/KAUAI TROPICAL PROPETIES (RB-18746) Phone: (808) 742-7561
Name (Business)
1941B Poipu Road
Business Address
Koloa, HI 96756

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Honolulu, Hawaii 96813
Business Address

General Contractor*: PEREZA CONSTRUCTION Phone: (808) 332-5848
Name (Business)
P.O. Box 1200
Lawai, Hawaii 96765
Business Address

Condominium Managing Agent*: SELF-MANAGED BY ASSOCIATION Phone: _____
Name (Business)
OF APARTMENT OWNERS
Business Address

Attorney for Developer: STEVEN R. LEE Phone: (808) 246-1101
Name (Business)
4334 Rice Street, Suit 2045C
Business Address
Lihue, Hawaii 96766

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

Fee Owner: RONALD A. KARASIC, Successor Trustee of the Keith J. Karasic Trust dated April 13, 2005
 Name

Lessor: N/A
 Name

 Business 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: 5 Floors Per Building: Each building has one floor
 Exhibit "C" contains further explanations.

3. **Principal Construction Material:**
 Concrete Hollow Tile Wood
 Shade structures constructed principally of metal poles and shade cloth;
 Other: Stone and wood Unit B

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted by Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Residential/Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Agricultural	_____	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Other: <u>Shade structures</u>	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No

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

Yes No

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit E.

as follows:

3. Common Interests: Each apartment will have an undivided fractional interests in all of the common elements. This interest is called the "common interests." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit C.

as follows:

E. Encumbrances Against Title:

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property on 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 November 30, 2007 and issued by Title Guaranty of Hawaii, Inc.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all the 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 given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5717 filed with the Real Estate Commission on May 13, 2005.

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

[] YELLOW paper stock [] WHITE paper stock [] PINK paper stock

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

RONALD A. KARASIC, Successor Trustee of the
unrecorded Keith J. Karasic Trust dated April 13,
2005

Printed Name of Developer

By:

Ronald A. Karasic

Duly Authorized Signatory*

11/15/08

Date

RONALD A. KARASIC, Trustee

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 "F"

ENCUMBRANCES AGAINST TITLE

The following encumbrances apply to all Units:

1. Real property taxes that may be due and owing. Check with the County Tax Assessor for further information.
2. The terms and provision, including the failure to comply with any covenants, conditions and reservations, contained in LAND PATENT GRANT NO. 6317, dated February 15, 1915. The foregoing includes, but is not limited to, matters relating to the following:

“Excepting and reserving there from a right-of-way across this lot for the pipe line, as shown on map made a part hereof.”

3. Encroachment(s) as shown in DEED dated February 23, 1999, recorded as Document No. 99-035138, as disclosed in the boundary survey of Ronald J. Wagner, Licensed Professional Land Surveyor, dated February 2, 1999, to wit:

(a) The pavement of the County's Lae Road intrudes into the subject property along a portion of the frontage by 11 feet.

(b) The County water meter and fire hydrant are inside the subject property by 11.5 and 12 feet, respectively.

4. MORTGAGE

LOAN/ACCOUNT NO. 0190028061

MORTGAGOR : KEITH JAY KARASIC, unmarried

MORTGAGEE : MORTGAGE ELECTRONIC REGISTRATION
SYSTEMS, INC., as nominee for US FINANCIAL
MORTGAGE CORP., a Hawaii corporation

DATED : June 27, 2003
RECORDED : Document No. 2003-142190
AMOUNT : \$304,000.00

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

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY
REGIME FOR
"KARASIC PARK II" CONDOMINIUM
PROJECT

DATED : April 13, 2005
RECORDED : Document No. 2005-082405
MAP : 3990 and any amendments thereto

Said above Declaration was amend by instrument dated July 18, 2005,
recorded as Document No. 2005-142865

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

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF
APARTMENT OWNERS

DATED : April 13, 2005
RECORDED : Document No. 2005-082406

7. GRANT

TO : KAUAI ISLAND UTILITY COOPERATIVE, a
cooperative association formed pursuant to the
provision of Chapter 421C of the Hawaii Revised
Statutes and VERIZON HAWAII, INC., a Hawaii
corporation, now known as Hawaiian Telcom

DATED : April 18, 2005
RECORDED : Document No. 2005-123333
GRANTING : a perpetual right and easement to build, construct,
reconstruct, rebuild, repair, maintain and operate
pole and wire lines and/or underground lines for the
transmission and distribution of electricity

No joinder from KEITH J. KARASIC, Trustee of the Keith J. Karasic
Trust dated April 13, 2005.

8. A 13 feet wide future road widening reserve along Lae Road per survey prepared by Roger M. Caires, Land Surveyor with CLS Hawaii dated April 12, 2005, as disclosed in instrument dated July 18, 2005, recorded as Document No. 2005-142865.

9. MORTGAGE

MORTGAGOR : KEITH J. KARASIC, Trustee of the Keith J.
Karasic Trust dated April 13, 2005

MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation

DATED : November 8, 2005

RECORDED : Document No. 2005-231260

AMOUNT : Revolving Line of Credit Agreement, up to a
maximum amount of \$100,000.00

EXHIBIT "G"

AMENDED DISCLOSURE ABSTRACT

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of KARASIC PARK II condominium makes the following disclosures:

1. The Developer of the project is RONALD A. KARASIC, Successor Trustee of the Keith J. Karasic Trust dated April 13, 2005, whose mailing address is 5417 Saint Albans Way, Baltimore, Maryland 21212, telephone (410) 433-1976.

2. See Exhibit "H" to the Final Public Report for the projected annual maintenance fees. The Developer hereby certifies that the estimations have been based on generally accepted accounting principles.

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

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

5. The Developer has chosen Makai Properties, LLC, 1941B Poipu Road, Koloa, Hawaii 96756, telephone (808) 521-0211, as the broker for the sale of Units A, B and C of the Project.

6. The Developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in the Project.

7. The Developer discloses Common Interest has been divided as shown: Units A and C sustain a permanent residence (farm dwelling) and have a 45% common interest. Unit B has a temporary residence and will only have a guest house permanently. Unit B is near the roadway and has little impact on common elements. It is given a 10% common interest.

Developer:


Ronald A. Karasic, Successor Trustee
of the Keith J. Karasic Trust
dated April 13, 2005


Date

RECEIPT

The undersigned has received a copy of the foregoing Disclosure Abstract this ____ day of _____, _____.

Purchaser(s): _____