



**REAL ESTATE COMMISSION
STATE OF HAWAII**

DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

LUNAPULE KONA

75-123 Lunapule Road
Kailua-Kona, Hawaii

Registration No. 1542

Issued: January 27, 1989
Expires: July 27, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 23 19 89 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

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 when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - Supersedes all prior public reports
 - Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated July 19, 1983
 - Final Public Report dated March 7, 1984
 - Supp. Public Report dated _____

And Supersedes all prior public reports
 Must be read together with _____

This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required 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.

This Supplementary Report is provided because the developer has added a second, newly constructed building to the project, bringing the total number of residential units from 8 to 14.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: Common Elements	
EXHIBIT B: Common Interests	
EXHIBIT C: Encumbrances on Title	
EXHIBIT D: Estimate of Initial Maintenance Fees & Disbursements	
EXHIBIT E: Summary of Escrow Agreement	
EXHIBIT F:	
EXHIBIT G:	
EXHIBIT H:	
EXHIBIT I:	
EXHIBIT J:	

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 they 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 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.

Some condominium projects are leasehold. This means that the land or the land, 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 owner/tenant) 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. The 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.

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 a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

Fee Simple - each apartment shall have an undivided percentage interest in all common elements of the project.

Type of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings
- 5. Apartment Description

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>1a</u>	<u>2</u>	<u>2/2</u>	<u>882.44</u>	<u>192.67/135.58</u>
<u>1aR</u>	<u>4</u>	<u>2/2</u>	<u>882.47</u>	<u>192.67/135.58/240.83</u>
<u>2a</u>	<u>2</u>	<u>2/2</u>	<u>882.47</u>	<u>192.33/139.79</u>
<u>2aR</u>	<u>4</u>	<u>2/2</u>	<u>882.47</u>	<u>192.33/240.42/139.79</u>
<u>3a</u>	<u>2</u>	<u>1/1</u>	<u>579.69</u>	<u>360.4/91.79</u>

Total Apartments: 14

*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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>14</u>
Guest Stalls	<u>5</u>
Unassigned Stalls	<u>8</u>
Extra Stalls Available for Purchase	<u> </u>
Other: _____	<u> </u>
Total Parking Stalls	<u>27</u>

7. Recreational amenities:

Swimming pool and recreation center.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Lunapule Kona Associates, a Hawaii **Phone:** 329-3511
Name General Partnership (Business)
77-6400 Nalani Street, Suite 200
Business Address
Kailua-Kona, Hawaii 96740

Names of officers or general partners of developers who are corporations or partnerships:

Dan S. Scott; Homor A. Scott, Jr.; Thomas W. Scott;
James R. Scott; Jerold LaSeur; Darwin A. Lindbergh;
Charles Westwood

Real Estate Sales Agent: Village Realty Corporation **Phone:** 329-4155
Name (Business)
75-5742 J Hualalai Road, #104
Business Address
Kailua-Kona, Hawaii 96740

Escrow: First American Title Company **Phone:** 329-4431
Name (Business)
75-5706 Hanama Place, Suite 108
Business Address
Kailua-Kona, Hawaii 96740

Managing Agent: Lunapule Kona Associates*, a Hawaii **Phone:** 329-6161
Self-Managed: Name General Partnership (Business)
77-6400 Nalani Street, Suite 200
Business Address
Kailua-Kona, Hawaii 96740

*The Developer is not a licensed condominium managing agent and does not have the required bond as specified under Chapter 514A, Hawaii Revised Statutes.

Attorney for Developer: Robert L. Smith, Attorney at Law
Name A Law Corporation
77-6400 Nalani Street
Business Address
Kailua-Kona, Hawaii 96740

**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 Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Horizontal 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 – Book 17428 Page 250
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

First Amendment recorded in Liber 22649, Page 640,
recorded on December 12, 1988

- 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 Conveyance Condo Map No. 388
 Filed – Land Court Condo Map No. _____

Amendment date(s) 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 way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book 17428 Page 287
 Filed – Land Court – Document Number _____

Amendment date(s) 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 individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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 apartment owners who must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>NONE</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

Only as set forth herein, that is, by adding the second building as described herein.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the underlying land will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations.

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 Month Year.

Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 Month Year.

Other:

For Subleaseholds:

Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled Foreclosed.

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 75-123 Lunapule Road Tax Map Key: 7-5-18-5
Kailua-Kona, Hawaii 96740 (TMK)

Address TMK is expected to change because _____

Land Area: 34,748 square feet acre(s) Zoning: CV-10

Fee Owner: Lunapule Kona Associates, a Hawaii
name General Partnership
77-6400 Nalani Street, Suite 200
address
Kailua-Kona, Hawaii 96740

Sublessor: NONE
name
address

C. Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Buildings: 2 Floors Per Building: 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>14</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

Pets: None allowed except tropical fish and small birds that do not cause any disturbance.

Number of Occupants: _____

Other: Limitations on altering apartment and to changing its appearance. The apartments may only be used for private residential purposes by the respective owners thereof, their tenants, families, domestic servants, and social guests and for no other purposes except that the apartments may be rented

6. Interior (fill in appropriate numbers): for transient or hotel purposes.

Total Apartments 14

Elevators 0 Stairways 4 Trash Chutes 0

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>1a</u>	<u>2</u>	<u>2/2</u>	<u>882.44</u>	<u>192.67/135.58</u>
<u>1aR</u>	<u>4</u>	<u>2/2</u>	<u>882.47</u>	<u>192.67/240.83/135.58</u>
<u>2a</u>	<u>2</u>	<u>2/2</u>	<u>882.47</u>	<u>192.33/139.79</u>
<u>2aR</u>	<u>4</u>	<u>2/2</u>	<u>882.47</u>	<u>192.33/240.42/139.79</u>
<u>3a</u>	<u>2</u>	<u>1/1</u>	<u>579.69</u>	<u>360.4/91.79</u>

*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 floor area may have been used.

Boundaries of Each Apartment:

Each apartment shall include the doors and door frames, windows and window frames, the lanai airspace (if any), the inner decorated or finished surfaces of all walls, floors, and ceilings, and all fixtures originally installed therein, all the walls and partitions which are not load-bearing but shall not include the unfinished surfaces of the perimeter or party walls and shall not include interior load-bearing walls, nor shall it include the floors or ceilings or any pipes, wires, conduits or other utility or service line running through such apartment which are being utilized for or serve more than one apartment.

Permitted Alterations to Apartments:

Only interior alterations which do not damage the area of the apartment or its exterior appearance and do not constitute any type of strip or waste and do not overload or impair the walls or roof or cause a cancellation or increase of premium for any insurance carried on the condominium project, all as more fully set forth in Article VI, Section 2, of the Bylaws.

7. Parking Stalls:

Total Parking Stalls: 27

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u> </u>	<u>14</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>14</u>
Guest Unassigned	<u> </u>	<u>5</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>5</u>
Extra Available for Purchase	<u> </u>	<u>8</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>8</u>
Other:	<u> </u>						
Total Covered & Open	<u>27</u>	<u> </u>	<u>0</u>	<u> </u>	<u>0</u>	<u> </u>	<u> </u>

Each apartment will have the exclusive use of at least 1 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
- Recreation Area
- Tennis Court
- Storage Area
- Laundry Area
- Trash Chute
- Other: bathroom facilities and hot tub with swimming pool

9. Present Condition of Improvements N/A
 (For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

10. 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>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit A describes the common elements.

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 may use them are:

described in Exhibit _____

as follows: Each apartment shall be assigned one parking stall.

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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit B describes the common interests for each apartment.

as follows:

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit C describes the encumbrances against the title contained in the title report dated August 4, 1988, issued by First American Title Insurance Company.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It 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.

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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
---------------------	---

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit D contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. 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:

A standard one year builder's warranty against structural defects.

2. Appliances:

The developer will pass on all warranties on appliances from the manufacturer that are assignable.

J. Status of Construction and Estimated Completion Date:

Construction has been completed.

K. Project Phases:

The developer [xx] has [] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

This is the second phase of the project. Phase One, consisting of eight units, was completed June 10, 1983. The second phase consists of six units, for a total of 14 units.

L. Sales Documents Filed with the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

[X] Notice to Owner Occupants

[] Specimen Sales Contract

Exhibit _____ contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated April 14, 1983

Exhibit E contains a summary of the pertinent provisions of the escrow agreement.

[X] Other Preliminary and Final Public Report, Declaration of Horizontal Property Regime, Bylaws of the Association of Apartment Owners of Lunapule Kona

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer 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, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

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

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. 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.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

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 Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 1542 filed with the Real Estate Commission on April 14, 1983.

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

yellow paper stock white paper stock pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.



GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, County of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration
Escrow Agent

EXHIBIT "A"

Common Elements

Everything contained on the property that is not included within the boundaries of the apartment as defined in Section C6 above is called the common elements, including specifically, but not limited to:

- a) the land in fee simple;
- b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, chases, entries, stairways, walkways, entrances and exits of said buildings;
- c) All yards, fencing, rock walls, grounds and landscaping, refuse and service areas, and mailboxes and area;
- d) All parking areas, including without limitations to the generality of the foregoing, the parking stalls;
- e) All pipes, cables, conduits, ducts, electrical equipment, origin and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;
- f) The swimming pool and recreation center and any appurtenant deck area;
- g) The sewage pumping facilities;
- h) 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, or normally in common use.

END OF EXHIBIT "A"

EXHIBIT "B"

Schedule of Common Interests

<u>Apartment Number</u>	<u>Apartment Type</u>	<u>Common Interest</u>
101	2aR	7.69 %
102	1aR	7.71 %
103	1a	7.71 %
104	2a	7.69 %
105	2aR	7.33 %
106	1aR	7.31 %
107	1a	7.31 %
108	2a	7.33 %
201	2aR	7.51 %
202	1aR	7.51 %
203	3a	4.94 %
204	2aR	7.51 %
205	1aR	7.51 %
206	3a	4.94 %

END OF EXHIBIT "B"

EXHIBIT "C"

Encumbrances Against Title

1. TAXES

Reference is hereby made to the Office of the Tax Assessor of the Third Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. A 10-foot wide future road widening setback line along the Northerly side of Lunapule Road.

4. Terms and provisions of that certain unrecorded Agreement dated March 7, 1980, made by and between the Water Commission of the County of Hawaii and the Developers for the improvement of the Alii Drive pipe line, to which reference is hereby made. (Besides other land). The interest of Lunapule Alii Hui was assigned to Darwin Lindberg and Homer Scott, Jr., by Assignment of Developer's Rights dated April 2, 1980, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14654 Page 484. Consent thereto recorded in Liber 14654 Page 487.

5. GRANT

In Favor Of: Hawaiian Electric Light Company, Inc., a Hawaii corporation and Hawaiian Telephone Company, also a Hawaii corporation
Dated: December 5, 1979
Liber: 14674
Page: 209
Purpose: granting an easement for guy wires and anchors

6. GRANT

In Favor Of: Lunapule Kona Associates, a Hawaii general partnership, and Hawaiian Electric Light Company, Inc., a Hawaii corporation
Dated: March 14, 1983
Liber: 16937
Page: 491
Purpose: granting a perpetual right and easement to construct and maintain utilities

7. Condominium Map No. 888, filed in said Bureau.

Exhibit "C" Continued
Encumbrances Against Title

8. The restrictions, covenants, agreements, obligations, conditions, easements and other provisions set forth in Declaration of Horizontal Property Regime dated March 22, 1983, recorded in said Bureau in Liber 17420 Page 250.

The foregoing Declaration of Horizontal Property Regime was amended by the following:

Liber 17545 Page 411

9. The restrictions, covenants, agreements, obligations, conditions and other provisions set forth in By-Laws of the Association of Apartment Owners of Lunapule Kona dated April 6, 1983, recorded in said Bureau in Liber 17420 Page 287.
10. All exclusive and non-exclusive easements mentioned in said Declaration, as amended, and/or as shown on Condominium Map No. 888.

END OF EXHIBIT "C"

EXHIBIT D

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	179.29	2,151.00
102	179.75	2,157.00
103	179.75	2,157.00
104	179.29	2,151.00
105	170.89	2,050.68
106	170.43	2,045.16
107	170.43	2,045.16
108	170.89	2,050.68
201	175.09	2,101.08
202	175.09	2,101.08
203	115.17	1,382.04
204	175.09	2,101.08
205	175.09	2,101.08
206	115.17	1,382.04

[] Revised on _____

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning		
Electricity	\$ 368.92	4,427.00
[] common elements only		
[] common elements and apartments		
Gas		
Refuse Collection	72.92	875.00
Telephone		
Water and Sewer	460.67	5,528.00

Maintenance, Repairs and Supplies

Building	450.00	5,400.00
Grounds	301.84	3,622.00

Management

Management Fee		
Payroll and Payroll Taxes	146.67	1,760.00
Office Expenses		

Insurance	330.42	3,965.00
-----------	--------	----------

Reserves	200.00	2,400.00
----------	--------	----------

Taxes and Government Assessments

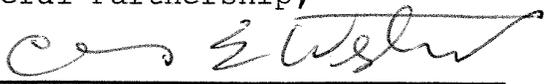
Audit Fees

Other

TOTAL

I/We, LUNAPULE KONA ASSOCIATES, as developer
managing agents
for the condominium project, hereby certify that the above estimates of initial maintenance
fee assessments and maintenance fee disbursements were prepared in accordance with generally
accepted accounting principles.

LUNAPULE KONA ASSOCIATES, a Hawaii
General Partnership,

By: 
Its Partner

Date: January 19, 1989

EXHIBIT "E"

Summary of Escrow Agreement

This is a summary of the Lunapule Kona Condominium Escrow Agreement. The Escrow Agreement is in plain language and purchasers are encouraged to read it. This summary will attempt to describe the escrow agreement, but the actual agreement may contain other provisions which modify the statements made in this summary.

The seller, Lunapule Kona Associates, is the developer of the Lunapule Kona Condominium Project. Seller plans to sell the apartments in the project and collect deposits from purchasers. Purchaser's deposits shall be placed in a trust fund held by the escrow agent, First American Title Company of Hawaii, Inc. Escrow will deposit all money received from purchasers in one or more Federally insured banks or savings and loan institutions in Hawaii. The trust fund must pay interest at the passbook rate. The seller will be entitled to receive the interest earned on the trust fund. The seller may only receive monies held in the trust fund if (A) the Real Estate Commission has issued the Final (Supplementary) Public Report on the project, (B) the purchaser has received a copy and given the seller a receipt for this Final (Supplementary) Report, (C) seller has satisfied all other legal requirements, and (D) seller has notified escrow in writing that the purchaser's sales contract has become a binding contract and the purchaser's right of cancellation has expired.

Each apartment purchaser will sign a sales contract and a copy of the sales contract will be given to escrow. The sales contract describes when the purchaser is required to make additional payments towards the purchase of a Lunapule Kona apartment. The escrow company will give written notice to the purchasers when a payment is required.

The escrow agreement also allows the seller to use purchaser's funds to pay for construction costs under certain circumstances. However, seller will not use purchaser's funds to pay for construction costs as the project has already been completed and paid for.

Seller shall be entitled to receive the purchase price for the sale to purchaser of the Lunapule Kona Condominium apartment when the purchaser's apartment deed has been recorded free from all mortgages, liens or encumbrances except those shown in the Final (Supplementary) Report. Refunds to purchaser: the sales contract explains when purchasers may obtain refunds of their escrow deposits. Escrow will make the refunds promptly if seller tells escrow in writing that a refund should be made according to the sales contract. Escrow will not refund purchaser's deposit unless purchaser and seller agree that a refund should be made. Refunds shall be made without interest. If a refund is made, escrow may charge a \$25.00 cancellation fee.

Purchaser's default: If purchaser fails to make deposits when required into the escrow trust fund, seller may notify the purchaser by registered mail that seller has cancelled the sales contract. After ten days following

purchaser's receipt of such notice, escrow will treat the purchaser's funds, less escrow cancellation fees, as belonging to the seller and will return the sales contract to the purchaser marked "Cancelled" along with any mortgage documents that purchaser has given to escrow.

Documentation: Escrow will arrange and supervise the signing of all closing documents.

Disputes: If seller and purchaser disagree as to any matter being handled by escrow, escrow will not choose sides or attempt to decide the dispute. Escrow only acts when the parties are in agreement.

Escrow fees: Escrow will charge a fee for the processing of each apartment sale of \$275 plus 4% tax. If purchaser wishes to obtain title insurance, purchaser may arrange with any title insurance company for such title insurance which shall be at purchaser's sole expense.

END OF EXHIBIT "E"