



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

THE PINES AT KAILUA-KONA I
Nani Kailua Drive
Kailua-Kona, County of Hawaii

Registration No. 1964

Issued: September 14, 1988
Expires: October 14, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 24, 1988, 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 _____
 - Final Public Report dated _____
 - 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.

No prior public reports have been issued.

SPECIAL ATTENTION:

The Developer has disclosed that he has reserved future development rights to build 98 additional structures and that this project may be merged to an adjacent condominium project. The prospective buyer is cautioned to carefully review the documents for further information with regard to the foregoing.

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of 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.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Taiyo Hawaii Company, Ltd. Phone: 523-1694
Name (Business)
Suite 1140, Pacific Tower, Bishop Square,
Business Address 1001 Bishop Street
Honolulu, Hawaii 96813

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

Real Estate Sales Agent: Gerry Rott & Associates Phone: 329-2991
Name (Business)
First Federal Business Plaza, Suite 207
Business Address
75-5737 Kuakini Highway
Kailua-Kona, Hawaii 96745

Escrow: Title Guaranty Escrow Services, Inc. Phone: 329-6666
Name (Business)
75-170 Hualalai Road, Suite C310
Business Address
Kailua-Kona, Hawaii 96740

Managing Agent: Chaney Brooks & Company Phone: 329-3121
Name (Business)
75-5706 Hanama Place, Suite 202
Business Address
Kailua-Kona, Hawaii 96740

Attorney for Developer: Robert D. Triantos, Esq.
John P. Gillmor, Esq.
Name Carlsmith, Wichman, Case, Mukai and Ichiki
Suite 2200, Pacific Tower
Business Address 1001 Bishop Street
Honolulu, Hawaii 96813

**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 _____ Page _____
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

- 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. _____
 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 _____ Page _____
 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>N/A - may be amended by majority of Board of Directors</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:

- (a) the right to develop the 40,002 square foot commercial lot as shown on the Condominium Map and to amend the Declaration to show the description of buildings, to provide for a 4% common interest for the commercial lot apartment and a corresponding reduction of the common interest of the 91 residential apartments, and to provide for the rights and duties of the commercial lot apartment owner;
- (b) the right to file "as built" plans for the entire project; and
- (c) the right to merge into this condominium an adjacent and as yet unbuilt project consisting of 98 residential units located on 15.019 acres of land.

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.

B. Underlying Land:

Address: Nani Kailua Drive Tax Map Key: (3) 7-5-10-57
Kailua-Kona, Hawaii (TMK)

Address TMK is expected to change because The apartments are likely to
to be given separate mailing addresses.

Land Area: 13.755 square feet acre(s) Zoning: RM 4 and CN 20

Fee Owner: Taiyo Hawaii Company, Ltd.
name
Suite 1140, Pacific Tower, 1001 Bishop Street
address Bishop Square
Honolulu, Hawaii 96813

Sublessor: _____
name

address

C. Buildings and Other Improvements:

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

2. Buildings: 91 Floors Per Building: 1
 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 checked="" type="checkbox"/> Commercial	<u>(reserved-1)</u>	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>91</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: See attached.

Number of Occupants: See attached.

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 91

Elevators N/A Stairways N/A Trash Chutes N/A

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>1</u>	<u>12</u>	<u>2/2</u>	<u>924</u>	<u>116</u>
<u>2</u>	<u>20</u>	<u>2/2</u>	<u>969</u>	<u>179</u>
<u>3</u>	<u>31</u>	<u>2/2</u>	<u>1045</u>	<u>100</u>
<u>4</u>	<u>28</u>	<u>3/2</u>	<u>1162</u>	<u>150</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:

See Exhibit "A".

Permitted Alterations to Apartments:

See Exhibit "B".

7. Parking Stalls:

Total Parking Stalls: 182 - Each unit has a two (2) car attached garage.

	<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>182</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>182</u>
Guest	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Unassigned	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Extra Available for Purchase	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Other:	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>	<u>-0-</u>
Total Covered & Open	<u>182</u>		<u>-0-</u>		<u>-0-</u>		

Each apartment will have the exclusive use of at least two (2) 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
- Other: _____
- Storage Area
- Laundry Area
- Trash Chute

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

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

N/A

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

N/A

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:

The project received County of Hawaii Planned Unit Development Application approval no. 88-1, which included a variance from Section 25-68 of the County of Hawaii Zoning Code (10 feet of building separation as opposed to 15 feet of separation required).

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 "C" 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 "D"

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is 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 "E" 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 "F" describes the encumbrances against the title contained in the title report dated June 30, 1988.

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.

Type of Lien

Effect on Buyer's Interest
If Developer Defaults

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 "F" 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:

Each building is warranted by the general contractor for a period of one (1) year following the first publication of the owner's notice of completion for the structure. In the event that the general contractor's warranty has expired or will expire within sixty (60) days after the date of closing, Developer will give it independent warranty to cover any time period within such sixty (60) days as is not covered by the general contractor's warranty.

2. Appliances:

Manufacturer's warranties for appliances and furnishings are assigned to purchaser at closing. There are no Developer's warranties with regard to appliances and furnishings.

NOTE (AS TO 1 AND 2 ABOVE): EXCEPT AS PROVIDED ABOVE, DEVELOPER DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES, WITH RESPECT TO THE APARTMENTS, THE PROJECT OR THE COMMON ELEMENTS OF THE PROJECT.

J. Status of Construction and Estimated Completion Date:

Construction has not commenced. It is estimated that construction will commence in August or September, 1988 and will be completed in February 1989.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

The Developer has reserved the right to develop ninety-eight (98) additional one (1) story townhouse condominium structures on an adjacent 15.019 acres of land. Once developed this second project would be merged into The Pines at Kailua-Kona I.

The second project would have residential structures similar in size and construction to The Pines at Kailua-Kona I. The second project would have a park area of approximately 20,000 square feet, but no other amenities and no commercial apartment. Residents of each project would have the right to use the parks and roads in each project as well as the right to use any other common elements, the use of which are not restricted to one or more apartments. The common interest of each of the one hundred eighty-nine (189) apartments of the (over)

L. Sales Documents Filed with the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated August 4, 1988

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

K. Project Phases: cont'd.

combined project will be calculated on the basis of the square footage of each apartment, with the total common interest for the one hundred eighty-nine (189) residential apartments equalling 97.902%, with the commercial apartment to have a common interest of 2.098%. Upon merger the two projects will be merged into a single condominium association. At the time of merger, Developer may require that the apartment owners of The Pines at Kailua-Kona I or the second project pay a condominium maintenance fee assessment, in addition to the normal prescribed share of maintenance fees. Developer may provide that such assessment be paid over a period of time in installments and the amount of such assessment shall be based on the size of maintenance reserves and the physical condition of The Pines at Kailua-Kona I. Developer's determination of any assessment must be reasonable and the apartment owners of the second project shall not be obligated to pay any debts or similar obligation of the apartment owners of The Pines at Kailua-Kona I, which debts were outstanding as of the merger date.

Developer estimates, based upon the projected similarities of (a) size, type, and quality of construction, (b) type and size of amenities, and (c) location, that the maintenance fees for each unit at the second project should be similar to the maintenance fees for each unit at The Pines at Kailua-Kona I.

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.

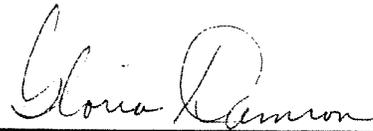
This Public Report is a part of Registration No. 1964 filed with the Real Estate Commission on August 8, 1988.

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"
CONDOMINIUM PUBLIC REPORT
THE PINES AT KAILUA-KONA I
BOUNDARIES OF APARTMENTS

The apartments consist of the spaces within the perimeter walls, floors and ceilings of each of the ninety-one (91) residential apartment units of the Project. The residential apartments (Types 1 through 4) shall not be deemed to include: (i) the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, (ii) the floors and ceilings surrounding each apartment, or (iii) any pipes, shafts, wires, conduits or other utility or service lines which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include (i) any adjoining garage or lanai to which such apartment has direct, exclusive access, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) all pipes, shafts, ducts, pumps, conduits, wires and other utility or service lines running through such apartment which are utilized for and serve only that apartment, (iv) the inner decorated or finished surfaces of all walls, floors and ceilings, (v) any doors, windows or panels along the perimeters, and (vi) all appliances and fixtures installed therein.

EXHIBIT "B"
CONDOMINIUM PUBLIC REPORT
THE PINES AT KAILUA-KONA I
PERMITTED ALTERATIONS TO APARTMENTS

Each owner of a residential apartment shall have the right, at the sole cost and expense of such owner, to install, modify and remove partitions or mezzanines, to paint, paper, panel, plaster, tile, finish and do other such work on the interior surfaces of the ceilings, floors and walls of the unit, to substitute new finished surfaces for the finished surfaces then existing on said ceilings, floors and walls, and to finish, alter or substitute any plumbing, electrical or other such fixtures attached to said ceilings, floors or walls, all of which shall be subject to the approval of the Board of Directors as may be required by the Horizontal Property Act; provided, however, that this section shall not be construed as permitting interference with or damage to the structural integrity of any building or interference with the use and enjoyment of the common elements by other owners or violation of any building or fire codes, nor shall it be construed to limit the intent expressed in Paragraph 1 of Section E of the Declaration that the Project shall be used for residential use only.

EXHIBIT "C"
CONDOMINIUM PUBLIC REPORT
THE PINES AT KAILUA-KONA I
COMMON ELEMENTS

The common elements include, but are not limited to:

- a. The Land in fee simple, except for the 40,002 square foot area reserved by the Developer for commercial development and shown on the Condominium Map.
- b. The Park as shown on the Condominium Map.
- c. All unfinished, undecorated portions of all perimeter and load-bearing walls, all structural components, foundations, floor slabs, columns, beams, supports, unfinished perimeter walls and interior load-bearing walls and roofs.
- d. All courtyards, grounds and landscaping and all refuse facilities, if any, whether within or appurtenant to the project.
- e. All roads, parking areas, driveways and walkways which are rationally of common use by owners of more than one apartment.
- f. All ducts, sewer lines, cesspools, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.
- g. All driveways serving a single apartment.

h. Unimproved areas, maintenance and storage areas, mailbox areas and other similar areas which are not part of an apartment.

i. 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.

EXHIBIT "D"
CONDOMINIUM PUBLIC REPORT
THE PINES AT KAILUA-KONA I
LIMITED COMMON ELEMENTS

Certain parts of the common elements, called the "limited common elements", are designated, set aside and reserved for the exclusive use of certain residential apartments (Types 1 through 4), and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as set forth herein. The costs and expenses of every description pertaining to the limited common elements, including but not limited to the costs of maintenance, repair, replacement, improvement or additions to the limited common elements shall be charged to the apartment owner of the apartment to which such limited common elements are appurtenant.

a. Each apartment shall have appurtenant to it as a limited common element the driveway servicing the garage which forms a part of that apartment, as shown on the Condominium Map.

b. Each apartment shall have appurtenant to it as a limited common element the adjacent courtyard area which is served by the same gate which provides direct access to the front door of such apartment and is enclosed by a fence and by the common wall of the adjacent apartment. The courtyard areas shall be located as shown on the Condominium Map.

c. All costs and expenses of maintaining the driveways and courtyards shall be charged to the owner of the apartment to which such driveway or courtyard shall be appurtenant. The owner of an appurtenant driveway or courtyard shall have the right and the obligation in the first instance to maintain and repair the driveway or courtyard appurtenant to his apartment. The Association, upon giving notice to the apartment owner, may repair or maintain the driveway or courtyard and charge the expense thereof to such owner.

EXHIBIT "E"
 CONDOMINIUM PUBLIC REPORT
 THE PINES AT KAILUA-KONA I
 COMMON INTEREST FOR EACH APARTMENT

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Common Int.</u>
1	2	1.01573
2	3	1.09539
3	4	1.21804
4	3	1.09539
5	4	1.21804
6	2	1.01573
7	3	1.09539
8	2	1.01573
9	3	1.09539
10	4	1.21804
11	2	1.01573
12	1	0.96856
13	3	1.09539
14	4	1.21804
15	3	1.09539
16	2	1.01573
17	3	1.09539
18	4	1.21804
19	2	1.01573
20	4	1.21804
21	3	1.09539
22	2	1.01573
23	4	1.21804
24	2	1.01573
25	3	1.09539
26	1	0.96856
27	2	1.01573
28	1	0.96856
29	3	1.09539
30	1	0.96856
31	3	1.09539
32	4	1.21804
33	2	1.01573
34	3	1.09539
35	4	1.21804
36	4	1.21804
37	3	1.09539
38	4	1.21804
39	2	1.01573
40	3	1.09539
41	4	1.21804
42	1	0.96856
43	2	1.01573

44	4	1.21804
45	3	1.09539
46	4	1.21804
47	1	0.96856
48	3	1.09539
49	4	1.21804
50	2	1.01573
51	3	1.09539
52	4	1.21804
53	3	1.09539
54	4	1.21804
55	3	1.09539
56	4	1.21804
57	2	1.01573
58	3	1.09539
59	2	1.01573
60	4	1.21804
61	2	1.01573
62	3	1.09539
63	4	1.21804
64	2	1.01573
65	3	1.09539
66	4	1.21804
67	2	1.01573
68	3	1.09539
69	1	0.96856
70	1	0.96856
71	1	0.96856
72	1	0.96856
73	3	1.09539
74	2	1.01573
75	4	1.21804
76	3	1.09539
77	2	1.01573
78	4	1.21804
79	3	1.09539
80	4	1.21804
81	1	0.96856
82	3	1.09539
83	4	1.21804
84	3	1.09539
85	1	0.96856
86	4	1.21804
87	3	1.09539
88	4	1.21804
89	3	1.09539
90	4	1.21804
91	3	<u>1.10009</u>
Totals	91	100.00000

ENCUMBRANCES ON TITLE

1. Real Property Taxes have been fully paid up to and including June 30, 1988. (see tax statement attached)

Tax Key: 7-5-010-057 (3) Area assessed: 13.755 acres

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

3. -AS TO PARCEL SECOND (LOT D):-

Grant in favor of Hawaii Electric Light Company, Inc. and Hawaiian Telephone Company dated October 30, 1979, filed as Land Court Document No. 979285, recorded in Liber 14187 at Page 1; granting an easement to construct, reconstruct, repair, maintain and operate pole and wire lines and/or underground lines over, under, upon, across and through Easement "D", more particularly described as follows:

All of that certain parcel of land (portion of the land described in and covered by Royal Patent Number 7580, Land Commission Award Number 11,216, Apana 37 to M. Kekauonohi) situate, lying and being at Auhaueae 1st, District of North Kona, Island and County of Hawaii, State of Hawaii, being EASEMENT "D" (3.00 feet wide for pole guy and anchor purposes), same being a PORTION OF LOT "D", and thus bounded and described as per survey of Clyde K. Matsunaga, Registered Professional Surveyor, dated October 11, 1979, to-wit:

Beginning at the Northeast corner of this easement on the Southerly side of Lot C (60.00 feet wide road), the coordinates of said point of beginning referred to Government Survey Triangulation Station "Kahelo" being 5,790.83 feet North and 1,790.25 feet East, thence running by azimuths measured clockwise from true South:

1. 337° 36' 10.00 feet along the remainder of Royal Patent 7580, Land Commission Award 11,216, Apana 37 to M. Kekauonohi (remainder of Lot D);
2. 67° 36' 3.00 feet along same;

EXHIBIT F

SCHEDULE B CONTINUED

3. 157° 36' 10.00 feet along same;
4. Thence along the remainder of Royal Patent 7580, Land Commission Award 11,216, Apana 37 to M. Kekauonohi (Lot C, 60.00 feet wide road) on a curve to the left with a radius of 530.00 feet, the chord azimuth and distance being: 247° 36' 3.00 feet to the point of beginning and containing an area of 30 square feet, more or less.

4. INSTRUMENT : NOTICE OF PENDENCY OF ACTION

PLAINTIFF : STATE OF HAWAII, by its Attorney General
(Tany S. Hong and Beatrice K. Dawson,
Attorneys for Plaintiff)

DEFENDANT : T & K ENTERPRISES, INC., and TAIYO FUDOSAN
KOGYO COMPANY, LTD.

DATED : August 16, 1982

FILED : Circuit Court of the Third Circuit, State of
Hawaii, Civil No. 8038, on August 19, 1982

FILED : Land Court Document No. 1131868 in the Office
of the Assistant Registrar of the Land Court
of the State of Hawaii on September 16, 1982

RECORDED : Liber 16577 Page 67 in the Office of the
Registrar of Conveyances at Honolulu on
September 16, 1982

RE : Suit to condemn certain abutter's rights of
vehicle access over and across "Boundary 22"
and "Boundary 23" into and from the Hawaii
Belt Road in fee simple, etc.

5. AS TO PARCEL FIRST:-

GRANT

TO : HAWAIIAN TELEPHONE COMPANY, now known as GTE
HAWAIIAN TELEPHONE COMPANY INCORPORATED, and
HILO ELECTRIC LIGHT COMPANY, LIMITED

SCHEDULE B CONTINUED

DATED : June 16, 1969979
FILED : Land Court Document No. 979285
RECORDED : Liber 6605 Page 166
GRANTING : a perpetual right and easement to build,
construct, reconstruct, rebuild, repair,
maintain and operate pole and wire lines
and/or underground lines, etc., for the
transmission and distribution of electricity
over, under, upon, across and through Parcel
First

-Note:- Above grant does not affect the land described
herein, however, this grant is noted on Transfer
Certificate of Title No. 281,203 issued to TAIYO
HAWAII COMPANY, LTD., a Japan corporation.

-NOTE:-

Owner's Certificate(s) of Title referred to herein not
located at the Office of the Assistant Registrar of the
Land Court, State of Hawaii, as of June 30, 1988.

IMPORTANT NOTE: DUE TO CIRCUMSTANCES BEYOND OUR CONTROL,
THE ABOVE INFORMATION MAY NOT BE ACCURATE. IF YOU WILL BE
RECORDING DOCUMENTS AFFECTING THE ABOVE TRANSFER
CERTIFICATE OF TITLE ("TCT"), WE RECOMMEND YOU CONTACT A
CUSTOMER REPRESENTATIVE (Phone 533-6261) TO CONFIRM THE
LOCATION OF SUCH TCT 3-4 DAYS BEFORE RECORDATION.

EXHIBIT "G"

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>
1-2	90.58	1086.96
2-3	97.69	1172.28
3-4	108.62	1303.44
4-3	97.69	1172.28
5-4	108.62	1303.44
6-2	90.58	1086.96
7-3	97.69	1172.28
8-2	90.58	1086.96
9-3	97.69	1172.28
10-4	108.62	1303.44
11-2	90.58	1086.96
12-1	86.36	1036.56
13-3	97.69	1172.28
14-4	108.62	1303.44
15-3	97.69	1172.28
16-2	90.58	1086.96
17-3	97.69	1172.28
18-4	108.62	1303.44
19-2	90.58	1086.96
20-4	108.62	1303.44
21-3	97.69	1172.28
22-2	90.58	1086.96
23-4	108.62	1303.44
24-2	90.58	1086.96
25-3	97.69	1172.28
26-1	86.36	1036.56
27-2	90.58	1086.96
28-1	86.38	1036.56
29-3	97.69	1172.28
30-1	86.38	1036.56
31-3	97.69	1172.28
32-4	108.62	1303.44
33-2	90.58	1086.96
34-3	97.69	1172.28
35-4	108.62	1303.44
36-4	108.62	1303.44
37-3	97.69	1172.28
38-4	108.62	1303.44

[] Revised on _____

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

EXHIBIT "G"

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>
39-2	90.58	1086.96
40-3	97.69	1172.28
41-4	108.62	1303.44
42-1	86.38	1036.56
43-2	90.58	1086.96
44-4	108.62	1303.44
45-3	97.69	1172.28
46-4	108.62	1303.44
47-1	86.38	1036.56
48-3	97.69	1172.28
49-4	108.62	1303.44
50-2	90.58	1086.96
51-3	97.69	1172.28
52-4	108.62	1303.44
53-3	97.69	1172.28
54-4	108.62	1303.44
55-3	97.69	1172.28
56-4	108.62	1303.44
57-2	90.58	1086.96
58-3	97.69	1172.28
59-2	90.58	1086.96
60-4	108.62	1303.44
61-2	90.58	1086.96
62-3	97.69	1172.28
63-4	108.62	1303.44
64-2	90.58	1086.96
65-3	97.69	1172.28
66-4	108.62	1303.44
67-2	90.58	1086.96
68-3	97.69	1172.28
69-1	86.38	1036.56
70-1	86.38	1036.56
71-1	86.38	1036.56
72-1	86.38	1036.56
73-3	97.69	1172.28
74-2	90.58	1086.96
75-4	108.62	1303.44
76-3	97.69	1172.28
77-2	90.58	1086.96

[] Revised on _____

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

EXHIBIT "G"

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>
78-4	108.62	1303.44
79-3	97.69	1172.28
80-4	108.62	1303.44
81-1	86.38	1036.56
82-3	97.69	1172.28
83-4	108.62	1303.44
84-3	97.69	1172.28
85-1	86.38	1036.56
86-4	108.62	1303.44
87-3	97.69	1172.28
88-4	108.62	1303.44
89-3	97.69	1172.28
90-4	108.62	1303.44
91-4	97.69	1172.28

[] Revised on _____

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

THE PINES AT KAILUA-KONA I
Estimate of Maintenance Fees

<u>Receipts</u>	<u>Monthly</u>	<u>Annually</u>
Maintenance Fees	\$ 8,918	\$107,016
<u>Disbursements</u>	<u>Monthly</u>	<u>Annually</u>
Utilities		
Electricity	\$ 304	\$ 3,648
Water	\$ 2,110	\$ 25,320
Refuse Collection	\$ 546	\$ 6,552
 Maintenance, Repairs and Supplies Grounds	 \$ 3,345	 \$ 40,140
 Administration		
Management/Accounting Fee	\$ 545	\$ 6,540
Miscellaneous Office Expenses	\$ 50	\$ 600
 Other		
Tax Preparation	\$ 18	\$ 216
Insurance	\$ 2,000	\$ 24,000
 Total Disbursements	 \$ 8,918	 \$107,016

I/We, Chaney, Brooks and Company, as 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.



Date: August 3, 1988

EXHIBIT "I"

CONDOMINIUM PUBLIC REPORT
THE PINES AT KAILUA-KONA I
SUMMARY OF SALES CONTRACT AND RECEIPT

The unexecuted Sales Contract and Receipt, filed with the Commission, provides for, among other things, a description of the apartment to be sold, the purchase price, the time, manner and place of payment, the Purchaser's obligations regarding mortgage financing, Developer's warranties and disclaimers regarding the construction, fixtures and appliances, and the remedies of Developer and of Purchaser in the event of a default under the Contract.

Among other provisions, the specimen Sales Contract and Deposit provides:

1. That said Sales Contract and Receipt is only a reservation agreement until (i) a true copy of the Final Public Report (with all then issued Supplementary Public Reports, if any) is delivered to the Purchaser, the Purchaser has an opportunity to read the report(s) and executes and gives the Developer a receipt/notice for the report(s) waiving Purchaser's right to cancel, provided that if Purchaser does not execute and return the receipt/notice within thirty (30) days from the date of delivery of the report(s) and receipt/notice, or if Purchaser's Apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have receipted for the report(s) and waived his right to cancel, and if (and only if) there is a material change affecting (i) Purchaser's apartment or appurtenant limited common elements, or (ii) amenities of the Project available for Purchaser's use, and Purchaser executes and returns to Developer the written approval or acceptance of material change, provided that if Purchaser does not execute and return such written approval or acceptance of material change within thirty (30) days of delivery of such written approval or acceptance, or if Purchaser's apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have accepted and approved such material change. Until the Sales Contract and Deposit becomes binding and effective as described above, and in accordance with Chapter 514-A, Hawaii Revised Statutes, the Sales Contract and Deposit may be unconditionally cancelled at any time by either the Developer or the Purchaser. Upon such cancellation by Developer, Developer shall direct Escrow Agent to refund to Purchaser, without interest earned, all deposits paid by

Purchaser; upon cancellation by Purchaser, Developer shall direct Escrow Agent to refund to Purchaser, without interest earned, a full refund of all deposits paid, less any escrow cancellation fee and other costs associated with the purchase of Purchaser's Apartment, up to a maximum of \$250.00.

2. The Sales Contract and Deposit contains restrictions on selling or assigning the Sales Contract and Receipt.

3. Developer has made no representations and has not authorized any representations to be made by any sales agent concerning any services or arrangements relating to the rental or sale or management of the Purchaser's Apartment.

4. The Sales Contract and Deposit is subject to the provisions of the Declaration of Horizontal Property Regime, By-laws, and other condominium documents, including without limitation, provisions for (i) the Developer's right to merge the Project with an as yet unbuilt Project scheduled to have 98 residential units on an adjacent 15.019 acre parcel of land, and (ii) the Developer's right to develop a 40,002 square foot commercial apartment on the Project as shown on the Condominium Map.

5. The purchase of an apartment in the Project is subject to ongoing sales and construction activity by the Developer with respect to completing the sales of the Project and construction of the commercial apartment, which may result in noise, dust and other annoyance.

It is incumbent on the Purchaser that he read the full text of the Sales Contract and Deposit.

EXHIBIT "J"

CONDOMINIUM PUBLIC REPORT
THE PINES AT KAILUA-KONA I
SUMMARY OF EXECUTED ESCROW AGREEMENTS

A copy of the executed Escrow Agreement dated August 4, 1988 between Title Guaranty Escrow Services, Inc., as Escrow Agent, and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and Receipt and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit belongs to the Developer. In the event that the Sales Contract and Deposit on HRS Chapter 514A entitle a Purchaser to a refund of Purchaser's Deposits held by the Escrow Agent, then Escrow Agent, upon instruction from Developer, will refund Purchaser's deposits, without interest earned and less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Deposit and Chapter 514A, Hawaii Revised Statutes, as amended.

By law the total amount of such cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars (\$250.00). Under the Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract and Deposit becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.