



**REAL ESTATE COMMISSION**  
 STATE OF HAWAII  
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION  
 1010 Richards Street - P. O. Box 3469  
 Honolulu, Hawaii 96801

**CONDOMINIUM PUBLIC REPORT**

on

WHITE ROAD  
 Kamuela, Big Island, Hawaii

Registration No. 2067 (partial conversion)

Issued: July 18, 1989  
 Expires: August 18, 1990

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 27, 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:** 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.  
*(yellow)*
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.  
*(white)*
- No prior reports have been issued  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- 
- SUPPLEMENTARY:** Updates information contained in the  
*(pink)*
- 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.



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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 "Condominium 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 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

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

**Types 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>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
Unit A	1	3/2	1,557	_____
Unit B	1	4/2	1,422	_____
Unit C	1	3/2	1,605	_____
Unit D	1	3/2	1,605	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 4

*\*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: see Condominium Map and Declaration

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

7. Recreational amenities: NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: JOHN W. HUNT  
PETER T. DAWSON  
Name  
P.O. Box 31209  
Business Address  
Honolulu, Hawaii 96820  
Phone: 847-1960  
(Business)

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Sales Agent: MacArthur & Company  
Name  
P.O. Box 1958  
Business Address  
Kamuela, Hawaii 96743  
Phone: 885-8885  
(Business)

Escrow: Title Guaranty Escrow Services, Inc.  
Name  
235 Queen Street, 1st Floor  
Business Address  
Honolulu, Hawaii 96813  
Phone: 521-0211  
(Business)

Managing Agent: Project is to be self-managed  
Name  
Business Address  
Phone: \_\_\_\_\_  
(Business)

Attorney for Developer: ROGER V. MEEKER  
Name  
1188 Bishop Street, Suite 2503  
Business Address  
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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances - Book 22883 Page 484  
 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. 1188  
 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 22883 Page 499  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

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.

- 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 common interest which 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</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:

NONE



**B. Underlying Land:**

Address: White Road, Kamuela, Big Island, Hawaii Tax Map Key: 3/6-4-18: 38 and 39  
(TMK)

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

Land Area: 209,236  square feet  acre(s) Zoning: AG-5

Fee Owner: JOHN W. HUNT and PETER T. DAWSON

Name

P.O. Box 31209

Address

Honolulu, Hawaii 96820

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: 4 Floors Per Building 1 and 2

Exhibit A 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/Agricultural	<u>4</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 \_\_\_\_\_

[ ] Number of Occupants: \_\_\_\_\_

[ ] Other: \_\_\_\_\_

[ x ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators NONE

Stairways NONE

Trash Chutes NONE

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
Unit A	1	3/2	1,557	_____
Unit B	1	4/2	1,422	_____
Unit C	1	3/2	1,605	_____
Unit D	1	3/2	1,605	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*\*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.*

Boundaries of Each Apartment: see Exhibit "A" attached hereto

Permitted Alterations to Apartments;

As noted in Section XVI of the Declaration, individual unit owners may, at their sole discretion and at their own expense, remodel, expand or otherwise alter their unit, provided said alterations are done in complete accordance with all applicable ordinances, codes, rules, regulations and other requirements in force at the time of said construction, and provided also that said alterations are completed expeditiously and in compliance with said Section XVI.

7. Parking Stalls:

Total Parking Stalls: 8

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>7</u>	<u>1</u>					<u>8</u>
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>8</u>						

Each apartment will have the exclusive use of at least 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

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: COMMON DRIVEWAY

9. Present Condition of Improvements

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

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

Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of Unit B appear to be sound and in satisfactory working condition. However, no representations of any kind are made as to the expected useful life, if any, of the structural components and mechanical and electrical installations material to the use and enjoyment of said Unit B.

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

The Project consists of one fully constructed and existing dwelling, Unit B, and three new dwellings to be built. Said Unit B is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction. No variance has been granted from any ordinance, code, rule, regulation or other requirement in force at the time of its construction or from any other ordinance, code, rule, regulation or other requirement.

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	X		
Structures	X		
Lot	X		

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     B     describes the common elements.

As follows:

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     C    

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 \_\_\_\_\_ describes the common interests for each apartment.

As follows: Each unit and its owner shall have appurtenant thereto a one-fourth (1/4) fractional interest (25.0 percentage interest in the common elements of the Project, for all purposes including voting, said interest being referred to as the "common interest".

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

Exhibit     D     describes the encumbrances against the title contained in the title report dated     December 14, 1988     and issued by     Title Guaranty of Hawaii, Inc.    .

**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>
Blanket Mortgage	Buyer's interest unaffected. Title to individual units will be free and clear at the time of conveyance.

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.

self-managed by the Association of Apartment Owners.

other \_\_\_\_\_





**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 Condominium 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. 2067 filed with the Real Estate Commission on  
May 12, 1989.

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.

*Michelle Y. Matsui*

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for PETER YANAGAWA, 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

## INDIVIDUAL UNIT DESCRIPTIONS

The Declaration of Condominium Property Regime and plans submitted by the Developer indicate that WHITE ROAD is a fee simple condominium project consisting of a total of four condominium units, each unit comprising a separate single-family structure. The units are described as follows:

- (a) "Unit A" shall consist of a separate two-story wood-frame structure, without basement, containing three bedrooms, two baths, living room, dining room and kitchen -- all containing a net interior living area of approximately 1,557 square feet. Said unit also contains an attached garage of approximately 504 square feet.
- (b) "Unit B" consists of a separate single-story wood-frame structure, without basement, containing four bedrooms, two baths, living room, dining area and kitchen -- all containing a net interior living area of approximately 1,422 square feet. Said unit also contains a detached storage shed and carport of approximately 200 square feet.
- (c) "Unit C" shall consist of a separate single-story wood-frame structure, without basement, containing three bedrooms, two baths, living room, dining room and kitchen -- all containing a net interior living area of approximately 1,605 square feet. Said unit also contains an attached garage of approximately 480 square feet.
- (d) "Unit D" shall consist of a separate single-story wood-frame structure, without basement, containing three bedrooms, two baths, living room, dining room and kitchen -- all containing a net interior living area of approximately 1,605 square feet. Said unit also contains an attached garage of approximately 480 square feet.

### COMMON ELEMENTS

One freehold estate is designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) The Common Driveway, as shown and designated on the Condominium Map;
- (c) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (d) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

### LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are designated and set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) That certain land area upon and around which Unit A is located, shown and designated on the Condominium Map as "Lot A", and being approximately 49,862 square feet in area, is deemed a limited common element appurtenant to and for the exclusive use of Unit A."
- (b) That certain land area upon and around which Unit B is located, shown and designated on the Condominium Map as "Lot B", and being approximately 52,571 square feet in area, is deemed a limited common element appurtenant to and for the exclusive use of Unit B."
- (c) That certain land area upon and around which Unit C is located, shown and designated on the Condominium Map as "Lot C", and being approximately 49,880 square feet in area, is deemed a limited common element appurtenant to and for the exclusive use of Unit C."
- (d) That certain land area upon and around which Unit D is located, shown and designated on the Condominium Map as "Lot D", and being approximately 50,998 square feet in area, is deemed a limited common element appurtenant to and for the exclusive use of Unit D."

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

NOTE: The land area appurtenant to each condominium unit does not represent a legally subdivided lot.

## ENCUMBRANCES AGAINST TITLE

An encumbrance is a claim against or a liability on the property. The following list describes the encumbrances against the title contained in the title report dated December 14, 1988, issued by Title Guaranty of Hawaii, Inc.:

1. Covenants, conditions and restrictions set forth in that certain Deed dated January 8, 1984, recorded as aforesaid in Liber 17609 at Page 165.
2. Mortgage in favor of HAWAII NATIONAL BANK, a national banking association, dated December 12, 1988, recorded in Liber 22656 at Page 240. Original consideration: \$285,000.00
3. Real Property Taxes as may be due and owing. Check with the Office of the Property Tax Assessor, County of Hawaii, for further information.

## SUMMARY OF SALES CONTRACT AND ESCROW AGREEMENT

**SALES CONTRACT:** Developer is using the standard Hawaii Board of Realtors' Deposit Receipt, Offer and Acceptance (DROA) form as the intended sales contract for the Project. Reference is hereby made thereto.

**ESCROW AGREEMENT:** The Escrow Agreement, dated February 10, 1989, identifies Title Guaranty Escrow Services, Inc. as Escrow for the Project. The Escrow Agreement establishes how proceeds from the sale of units and all sums received from any sources are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said Purchaser, without interest and less cancellation fee and costs, if Purchaser shall in writing request refund of his funds and Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser. Said cancellation fee shall be in the minimum amount of \$25.00, but in no event shall exceed the agreed-upon amount provided for in said Escrow Agreement, the exact amount to be commensurate with the amount of work completed at the time of cancellation. The Escrow Agreement with Title Guaranty Escrow Services, Inc. has been amended to not allow Escrow to disburse any Purchaser's funds until the completion of the construction of the Project and the passing of the 45 days mechanic's lien period.

Upon examination, both the DROA and Escrow Agreement is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is encumbant upon the purchaser and prospective purchaser that he reads the DROA and Escrow Agreement with care.

**DISCLOSURE ABSTRACT**

**White Road  
Condominium Project**

Pursuant to Section 514A-61, Hawaii Revised Statutes  
Condominium Property Act

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**Developers/Project Managers**

John W. Hunt  
343 Mamaki Street  
Honolulu, Hawaii 96821  
Phone: 847-1960

Peter T. Dawson  
61-741 Papailoa Road  
Haliewa, Hawaii 96712  
Phone: 847-1960

**Estimated Maintenance Fees/Costs per Condominium Unit**

**MAINTENANCE FEES:** The regular maintenance and repair of each condominium unit, including all utility charges, is the sole responsibility of each respective unit owner. There are no common services and/or expenses which will require regular monthly assessments.

**COMMON DRIVEWAY:** The only portion of the Project that will require periodic maintenance is the common access driveway servicing all four units. The costs of maintaining and repairing said driveway shall be shared equally by all four unit owners, in accordance with Section XIII(b) of the Declaration.

**INDIVIDUAL INSURANCE:** Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the improvements portion of the Project. Developer anticipates that the Association will elect to obtain separate policies for each individual condominium unit pursuant to Section XIV(c) of the Declaration. As such, the premiums on said policies will be the individual responsibility of each unit owner rather than common expenses of the Project.

**Warranties**

Units A, C and D are all individual single-family homes being constructed in 1989. Purchasers of said units will be the first owners of said homes. Unit B is an existing single-family home approximately 30 years old. Although remodeled in 1989, said home has unavoidably undergone a certain amount of "wear and tear" commensurate with its age; purchasers should therefore not expect Unit B to be in "like-new" condition.

**WARRANTY:** Developer warrants all four units against any structural and appliance defects for a period of one year from the date of purchase.

Exhibit "F"

**Use of Condominium Units**

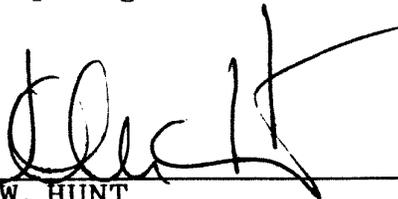
All four units comprising the Project are for residential purposes only. There is no non-residential development in the Project.

**Structural Components and Mechanical & Electrical Installations of Unit B**

Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of condominium Unit B appear to be sound and in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF UNIT B.

**Code Violations**

To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the County of Hawaii respecting Unit B.



JOHN W. HUNT



PETER T. DAWSON

Developers

