



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

WAIKII ESTATES
 Waikii, Big Island, Hawaii

Registration No. 2069 (Partial Conversion)

Issued: December 7, 1989
 Expires: January 7, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 27, 1989, 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.
 No prior reports have been issued
 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.

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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 1	1	3/2½	3,496	_____
Unit 2	1	1/1	752	_____
Unit 3	1	3/2½	2,865	_____
Unit 4	1	3/2½	2,376	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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: _____	_____
Total Parking Stalls	<u>8</u>

7. Recreational amenities: NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: CHRISTOPHER & LESLIE AGORASTOS
ALAN & SUZANNE BROWN
WILLIAM & HEATHER COLE
Name
P.O. Box 337
Business Address
Kamuela, Hawaii 96743

Phone: 885-6266
(Business)

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

Real Estate Sales Agent: The units are not being offered for sale at this time. The developers will be required to provide documents to the Real Estate Commission to satisfy Chapter 514A when they wish to offer the units for sale. Phone: _____
Name (Business)

Business Address

Escrow: Not applicable as Developers do not intend to sell units at this time.
Name

Phone: _____
(Business)

Business Address

Managing Agent: Project is to be self-managed
Name

Phone: _____
(Business)

Business Address

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 22954 Page 374
 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. 1192
 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 22954 Page 392
 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: Waikii, Waikoloa, Hawaii Tax Map Key: 3/6-7-1: 26 & 27
(TMK)

Address TMK is expected to change because _____

Land Area: 80.00 square feet acre(s) Zoning: AG-40 (agricultural)

Fee Owner: CHRISTOPHER AGORASTOS, II, LESLIE M. AGORASTOS, ALAN LOWREY BROWN,
SUZANNE K. BROWN, WILLIAM CHARLES COLE, HEATHER MILNE COLE

Name

P.O. Box 337

Address

Kamuela, Hawaii 96743

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 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: The units are restricted to residential/agricultural use only.

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 1	1	3/2½	3,496	_____
Unit 2	1	1/1	752	_____
Unit 3	1	3/2½	2,865	_____
Unit 4	1	3/2½	2,376	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**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 that said alterations are in also in compliance with Section XVI. All alterations shall be completed expeditiously and in the manner set forth in 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> </u>	<u> </u>	<u> </u>	<u> </u>	<u>8</u>
Guest	<u> </u>						
Unassigned	<u> </u>						
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>						
Total Covered & Open	<u>8</u>	<u> </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
- Recreation Area
- Tennis Court
- Other: _____
- Storage Area
- Laundry Area
- Trash Chute

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 the individual condominium units 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 THE CONDOMINIUM UNIT(S).

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

The Project consists of three fully constructed and existing dwellings, and a fourth new dwelling to be built. All existing structures are in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of their construction. No variance has been granted from any ordinance, code, rule, regulation or other requirement in force at the time of their 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(s) 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 19, 1988 and issued by Title Guaranty of Hawaii, Inc. .

Developers report that no changes have occurred since then except for the Declaration, By-Laws and Condominium Map referred to on Page 7 of this Report.
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.

[x] 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.

[x] self-managed by the Association of Apartment Owners.

[] 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 _____ | |
| <input checked="" type="checkbox"/> Not applicable | |

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: NONE

2. Appliances: NONE INCLUDED IN SALE

J. **Status of Construction and Estimated Completion Date:**

Project is a conversion of three existing dwellings, and a fourth dwelling presently being constructed. Said fourth dwelling is expected to be completed on or before September 1, 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:

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 -- standard DROA contract will be used if and when units are ever sold.

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

Escrow Agreement dated Exhibit "E" discusses the escrow arrangements

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

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. 2069 filed with the Real Estate Commission on
May 12, 1989.

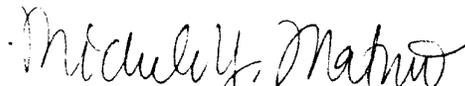
Reproduction of Report. When reproduced, this report must be on:

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.


for PETER N. 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 WAIKII ESTATES 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 1" consists of a separate two-story wood-frame structure, without basement, containing three bedrooms, two and one-half baths, living room, dining room, kitchen, sitting room, laundry/pantry room and office -- all containing a net interior living area of approximately 3,496 square feet. Said unit also contains a detached accessory farm labor dormatory structure. Said accessory structure is two-stories and of wood-frame construction. Its lower level consists of an enclosed garage and work room areas; its upper level is comprised of one bedroom, one bath, living room and kitchen -- said upper level containing a net interior living area of approximately 752 square feet.
- (b) "Unit 2" consists of a separate two-story wood-frame structure, without basement, containing one bedroom, one bath, living room and kitchen -- all containing a net interior living area of approximately 752 square feet. Said unit also contains an enclosed garage and work room areas.
- (c) "Unit 3" shall consist of a separate two-story wood-frame structure, without basement, containing three bedrooms, two and one-half baths, living room, dining room, study, kitchen and utility room -- all containing a net interior living area of approximately 2,865 square feet. Said unit shall also contain an attached garage of approximately 590 square feet and a recreation room above said garage of approximately 590 square feet.
- (d) "Unit 4" consists of a separate two-story wood-frame structure, without basement, containing three bedrooms, two and one-half baths, living room, dining room, office, laundry room, powder room and kitchen -- all containing a net interior living area of approximately 2,376 square feet. Said unit also contains an attached garage of approximately 216 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) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (c) 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 1 located, shown and designated on the Condominium Map as "Lot 1", and being approximately 20.000 acres in area, is deemed a limited common element appurtenant to and for the exclusive use of Unit 1."
- (b) That certain land area upon and around which Unit 2 located, shown and designated on the Condominium Map as "Lot 2", and being approximately 20.000 acres in area, is deemed a limited common element appurtenant to and for the exclusive use of Unit 2."
- (c) That certain land area upon and around which Unit 3 located, shown and designated on the Condominium Map as "Lot 3", and being approximately 20.000 acres in area, is deemed a limited common element appurtenant to and for the exclusive use of Unit 3."
- (d) That certain land area upon and around which Unit 4 located, shown and designated on the Condominium Map as "Lot 4", and being approximately 20.000 acres in area, is deemed a limited common element appurtenant to and for the exclusive use of Unit 4."

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 19, 1988, issued by Title Guaranty of Hawaii, Inc.:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Right-of-way for those portions of the existing Hawaii Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated lines which are within said premises.
3. Grant in favor of HAWAII ELECTRIC LIGHT COMPANY, INC., a Hawaii corporation, dated November 8, 1973, recorded in Liber 9592 at Page 588, granting a perpetual right and easement to construct, reconstruct, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission of electricity.
4. Grant in favor of HAWAII ELECTRIC LIGHT COMPANY, INC., a Hawaii corporation, dated April 1, 1974, recorded in Liber 9918 at Page 535, granting a perpetual right and easement to construct, reconstruct, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission of electricity.
5. Agreement by and between CHRISTOPHER AGORASTOS, II and LESLIE M. AGORASTOS, husband and wife, and THE PLANNING DEPARTMENT OF THE COUNTY OF HAWAII, recorded in Liber 13718 at Page 65, respecting a farm dwelling.
6. Agreement by and between EDWARD W. DAUMIT and CATHERINE FEY DAUMIT, husband and wife, and DEPARTMENT OF WATER SUPPLY, COUNTY OF HAWAII, recorded in Liber 13889 at Page 615, respecting the subdivision of Parcel "D" into three lots.
7. Existing telephone transmission easement as shown on surveyor's map prepared by Chrystal D. Thomas, Registered Professional Surveyor, dated September 16, 1978, revised November 1, 1978. (AS TO PARCEL FIRST ONLY, LOT D-2-A)
8. Mortgage in favor of BANK OF HAWAII, a Hawaii corporation, dated October 8, 1985, recorded in Liber 19031 at Page 349. Open-Ended Credit Agreement not to exceed \$200,000.00 (AS TO PARCEL FIRST ONLY, LOT D-2-A)
9. Negative Pledge Agreement dated August 27, 1987, recorded in Liber 21600 at Page 536, made by and between CHRISTOPHER AGORASTOS, II and LESLIE M. AGORASTOS, husband and wife, as "Obligors", and BANK OF HAWAII, a Hawaii corporation, "Bank". (AS TO PARCEL FIRST ONLY, LOT D-2-A)

Exhibit "D"

10. Agreement dated August 15, 1988, recorded in Liber 22427 at Page 142, by and between WILLIAM C. COLE and HEATHER M. COLE, and ALAN L. BROWN and SUZANNE K. BROWN, "Owner", and the PLANNING DEPARTMENT OF THE COUNTY OF HAWAII, respecting the construction of improvements for single-family residential use. (AS TO PARCEL SECOND ONLY, LOT D-3-A)
11. Real Property Taxes as may be due and owing. Check with the Office of the Property Tax Assessor, County of Hawaii, for further information.

Exhibit "D"

SUMMARY OF SALES CONTRACT AND ESCROW ARRANGEMENTS

SALES CONTRACT: If units are ever offered for sale, Developer will use 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 ARRANGEMENTS: Inasmuch as this is a Project comprised primarily of existing units being converted to condominium status, and involves no new construction which will require the release of any buyers' moneys prior to closing, there is no executed escrow agreement for this Project. The choice of an escrow agent will be made mutually by the seller(s) and buyer(s) at the time of entering a sales contract (DROA) respecting the sale of each of the individual homes.

Upon examination, the DROA 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 with care.



COUNTY OF
HAWAII

PLANNING DEPARTMENT

25 AUPUNI STREET • HILO, HAWAII 96720
(808) 961-8288

BERNARD K. AKANA
Mayor

DUANE KANUHA
Director

WILLIAM L. MOORE
Deputy Director

March 30, 1989

Roger V. Meeker, Esq.
Century Square
1188 Bishop Street, Suite 2503
Honolulu, HI 96813

Dear Mr. Meeker:

Condominium Registration
TMK: 6-7-01:26, OD 88-44
6-7-01:27, OD 88-106

In response to your letter requesting information of the existing dwellings on the subject properties, we have the following to offer:

1. Our records show that the dwellings are in compliance with all ordinances, codes, rules, regulations, and other requirements in force at the time of their construction.
2. We have no record of any variances that have been granted.

Please note that the conversion of the dwelling units to a condominium does not create two (2) lots with separate interests. Under the present zoning, the parcel cannot be subdivided into two (2) lots with separate interests.

Should you have any further questions, please feel free to contact this office.

Sincerely,

DUANE KANUHA
Planning Director

MO:syw

Exhibit "F"

DISCLOSURE ABSTRACT

**Waikii Estates
Condominium Project**

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

Developers

Leslie M. Agorastos
Christopher Agorastos, II
Alan Lowrey Brown
Suzanne K. Brown
William Charles Cole
Heather Milne Cole
P.O. Box 337
Kamuela, Hawaii 96743
Phone: 885-6266

Project Manager

LESLIE M. AGORASTOS
P.O. Box 337
Kamuela, Hawaii 96743
Phone: 885-6266

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 expenses requiring monthly assessments, therefore, no maintenance fees will be assessed.

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 apartment 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.

Use of Condominium Units

All four units comprising the Project are for residential purposes only, and their attendant agricultural uses. The only non-residential development in the Project are the agricultural purposes permitted by the applicable County zoning.

Warranties

Purchasers should be aware that the Units 1, 2 and 4 of the Project are all existing single-family homes. Said homes have unavoidably undergone a certain amount of "wear and tear" commensurate with their age. Accordingly, purchasers should not expect the home they desire to buy to be in "like-new" condition. Unit 3 is being constructed by the owner of said unit for the use of said owner.

NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO THE INDIVIDUAL CONDOMINIUM UNITS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE UNIT THEY DESIRE TO BUY. ALL UNITS ARE SOLD "AS IS".

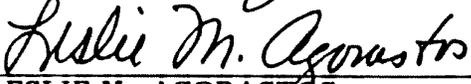
Structural Components and Mechanical & Electrical Installations

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 condominium units 1, 2 and 4 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 CONDOMINIUM UNIT(S).

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 City and County of Honolulu.


CHRISTOPHER AGORASTOS, II


LESLIE M. AGORASTOS


ALAN LOWREY BROWN


SUZANNE K. BROWN


WILLIAM CHARLES COLE


HEATHER MILNE COLE

Developer(s)