



**Summary of Changes from Earlier Public Reports:**

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the Commission.

Changes made are as follows:

The following updated information has been provided for House B:

1. The Owners of House B have entered into an escrow agreement with Title Guaranty Escrow Services, Inc. dated April 6, 1992. A summary of said escrow agreement is provided as Exhibit E.
2. The Owners of House B have entered into a listing agreement with North Hawaii Realty dated April 10, 1992. A copy of the listing agreement has been submitted to the Real Estate Commission.
3. The Owners of House B have provided a specimen sales contract, the Hawaii Association of Realtors' Standard Form of Deposit, Receipt, Offer and Acceptance (DROA). A summary of the DROA is provided as Exhibit D.

**SPECIAL ATTENTION**

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines in the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

This public report does not constitute approval of the Project by the Real Estate Commission, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION WITH REGARDS TO THE FOREGOING.

## TABLE OF CONTENTS

page

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

## GENERAL INFORMATION ON CONDOMINIUMS

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

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.

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.

### **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  Ohana  
 Mixed Residential and Commercial  Agricultural  
 Other \_\_\_\_\_
- 3.  High Rise (5 stories or more)  Low Rise
- 4.  Single or  Multiple Buildings

5. Apartment Description

<u>Apt. No.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
House A	1	4/2	2,585	858
House B	1	5/4	3,457	220

Total Apartments: 2

\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>4</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
<b>Total Parking Stalls</b>	<b>4</b>

7. Recreational amenities: None

**I. PEOPLE CONNECTED WITH THE PROJECT**

Developer: David A. Levenson and Cheri B. Levenson Phone: 885-4452  
P.O. Box 2530  
Kamuela, Hawaii  
  
(Fee Owners of House B)

Real Estate Broker: North Hawaii Realty Phone: 885-4452  
  
Business Address: P.O. Box 2530  
Kamuela, HI 96743

Escrow: Title Guaranty Escrow Services, Inc. Phone:  
  
Business Address: 235 Queen St.  
Honolulu, HI 96813

General Contractor: None Phone:  
  
Business Address:

Condominium Managing Agent: Self-managed, by Association of Apartment Owners Phone:  
  
Business Address:

Attorney for Developer: Glenn M. Adachi Phone: 526-3880  
  
Business Address: 841 Bishop Street, Ste. 1601  
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 - Document No. \_\_\_\_\_  
Book 20454 Page 189  
 Filed - Land Court - Document No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

First Amendment dated March 7, 1989, recorded in Book 23493, Page 7.

- 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. 1054  
 Filed - Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

Amended March 14, 1989. Amendment recorded in Book 23493, Page 7.

- 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 - Document No. \_\_\_\_\_  
Book 20454 Page 214  
 Filed - Land Court - Document No. \_\_\_\_\_

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%	75%
Bylaws	65%	65%
House Rules	---	N/A

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

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

After completion of construction, Developer may amend the Declaration to file architect or engineer's "as built" certification of the final plans previously filed or amended plans being filed simultaneously with the amendment to the Declaration.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

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

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: \_\_\_\_\_

Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:     Monthly                     Quarterly  
                                   Semi-Annually             Annually

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

Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: \_\_\_\_\_

Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:     Monthly                     Quarterly  
                                   Semi-Annually             Annually

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

Other:

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is  
 Canceled  Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

**B. Underlying Land:**

Address: Ouli, Kamuela, South Kohala  
Hawaii

Tax Map Key: (3) 6-2-9-14-2  
(TMK)

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

Land Area: 5.171  square foot  acre(s) Zoning: AG-Unplanned

Fee Owner: David A. Levenson and Cheri B. Levenson  
(House B) P.O. Box 2530  
Kamuela, Hawaii

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: 2 Floors Per Building 1 (House A); 2 (House B)

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other \_\_\_\_\_

4. Permitted Uses by Zoning:

	<u>No. of</u> <u>Apts.</u>	<u>Use Determined</u> <u>By Zoning</u>		<u>No. of</u> <u>Apts.</u>	<u>Use Determined</u> <u>By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>2</u>	<u>Yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?  
 Yes       No

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:

There are no special use restrictions.

6. Interior(fill in appropriate numbers):

Elevators 0      Stairways 0      Trash Chutes 0

<u>Apt.</u> <u>No.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net</u> <u>Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
House A	1	4/2	2,585	858
House B	1	5/4	3,457	220

Total Apartments: 2

\*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:**

Each unit consists of the portion of the structure containing the unit which lies within the boundaries as shown on the Condominium Map, excluding any future pipes, wires, conduits, ducts, vents and other service utility lines, spaces or equipment which are utilized or serve more than one unit.

Each unit shall include any door, window or other closures, the footings or slab on which the unit is constructed, supporting pillars, exterior walls and roofs, all interior walls, ceilings and partitions, and finished surfaces, all fixtures, patio, entry and stairs.

**Permitted Alterations to Apartments:**

Replacement, additions or alterations to the Project or any buildings or other structures with the approval of 75% of owners of the affected units and in accordance with plans approved by the Board of Directors.

**7. Parking Stalls:**

Total Parking Stalls: 4 (Note: Each unit will have a garage.)

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>4</u>	_____	_____	_____	_____	_____	<u>4</u>
Guest Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra Available for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>4</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: \_\_\_\_\_

9. Present Condition of Improvements (Not applicable; New construction)  
 (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

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

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>    X    </u>	<u>          </u>	<u>          </u>
Structures	<u>    X    </u>	<u>          </u>	<u>          </u>
Lot	<u>    X    </u>	<u>          </u>	<u>          </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

**D. Common Elements, Limited Common Elements, Common Interest:**

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit   A   describes the common elements.

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 B

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:

<u>Unit No.</u>	<u>% Common Interest</u>
House A	50%
House B	50%

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

Exhibit     C     describes the encumbrances against the title contained in the title report dated February 20, 1992 and issued by Title Guaranty Escrow Services, 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>
House B is subject to the following mortgage:  Mortgage dated May 7, 1990 in favor of Bank of Hawaii, a Hawaii corporation, filed as Document No. 90-070543.	Buyer's interest may be cancelled but Buyer will be entitled to a refund of deposit.

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

G. **Estimate of Initial Maintenance Fees:** Each apartment owner will be responsible for the maintenance of their respective dwelling and the limited common area.

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:

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

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:

There are no warranties.

2. Appliances:

There are no warranties.

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

House A completed October, 1988. House B completed October, 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

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

Escrow Agreement dated  April 6, 1992

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

Other

**IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

**NONE**

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

**Preliminary Report:** Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales 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.

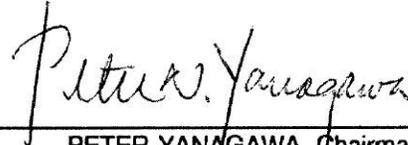
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2123 filed with the Real Estate Commission on August 24, 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.



---

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

EXHIBIT A

DESCRIPTION OF COMMON ELEMENTS

1. The land as described in the Declaration.
2. The yard, grounds and landscaped areas;
3. The driveways;
4. The mailboxes;
5. All central and appurtenant installations for common services;
6. Areas designated Easement "R-1" and "R-2";
7. All other elements and facilities reasonably and rationally in common use or necessary to the existence, upkeep and safety of the Project, including all easements, if any.

EXHIBIT B

DESCRIPTION OF LIMITED COMMON ELEMENTS

1. Each lot\* upon which each unit is situated and all improvements and fixtures thereon are for the exclusive use of the unit thereon.
2. House "A" and House "B" have the exclusive right to use the mailbox designated for each house.
3. House "A" and House "B" have the exclusive right to use the driveway appurtenant to each house and located on the respective lot.

\*NOTE: The "lot" is not a legally subdivided lot.

EXHIBIT C

LIST OF ENCUMBRANCES AGAINST TITLE  
FOR HOUSE B

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Designation of easement "8" for flowage purpose as shown on File Plan No. 1845.
3. Easement "10" (15 feet wide) for drainage purposes, as shown on File Plan No. 1845. The Grantee covenants and agrees with Grantor, its successors and assigns that the Grantee shall keep and maintain the openings to any drainage pipelines within the premises described herein, free and clear of any structures, plantings and debris which might divert, retard or obstruct the free flowage and drainage of surface waters through the pipelines located within said Easement "10"; as set forth in instrument recorded in Liber 19511, Page 79.
4. Grant of easement in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated dated September 19, 1985, to construct, reconstruct, repair, maintain and operate underground lines and transformer vaults, etc., over, upon, across, through and under Easement "E-8" for electrical purposes, recorded in Liber 19076, Page 542. Consent given by Signal Hawaii, Inc. and Kanehoa Hui, a Hawaii limited partnership, by instrument dated January 3, 1986, recorded in Liber 19276, Page 214.
5. Declaration of Covenants, Conditions and Restrictions for Kanehoa Subdivision dated January 20, 1986, effective February 14, 1985, recorded in Liber 19293, Page 503.
6. Grant in favor of Kanehoa Community Association, Inc., dated March 5, 1986, effective February 14, 1985, recorded in Liber 19504, Page 539; granting an easement over Easement "10".
7. Grant in favor of Heinz Seifried and Angele Seifried, husband and wife, dated February 19, 1986, recorded in Liber 19510, Page 794, re-recorded in Liber 19537, Page 111, granting a perpetual easement upon, across and through Easement "R-1" for the purpose of providing roadway access for the benefit of Lot 12, said easement being more particularly described therein.
8. Grantor reserves to itself, and to its successors and assigns, and such Lots shall be subject to, rights in the nature of easements for free flowage and drainage of surface waters over and along:

Easement 8 over said Lots, said Easement 8 being a portion of Keanuiomano Stream; and the Grantee of any of said Lots hereby covenants and agrees with Grantor, its successors and assigns that the Grantee shall keep and maintain that portion of said Easement 8, lying within the lot sold or conveyed by this instrument, free and clear of any structures, plantings and debris which might divert, retard or obstruct the free flowage and drainage of surface waters over and along said Easement 8"; as reserved in instrument recorded in Liber 19511, Page 79.

9. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated November 12, 1986, recorded in Liber 20454, Page 189, as the same may hereafter be amended in accordance with law of with said Declaration. (Project covered by Condominium Map No. 1054.)
10. By-Laws of the Association of Apartment Owners of the Condominium Project known as "KANEHOA LOT 14" dated November 12, 1986, recorded in Liber 20454, Page 214, as the same may hereafter be amended.
11. Terms, easements, restrictions, agreements, reservations, covenants, conditions and provisions contained in Apartment Deed dated August 21, 1987, recorded in Liber 21803, Page 616.
12. Real property taxes as may be due and owing. For more information contact County of Hawaii, Real Property Tax Assessment.

EXHIBIT D

SUMMARY OF SALES CONTRACT  
FOR HOUSE B

The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

1. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.

2. That a buyer's deposits will be held in escrow until the sales contract is closed or cancelled.

3. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. What will happen if there is a default under the sales contract.

The sales contract contains various other provisions which the buyer should become acquainted with.

EXHIBIT E

SUMMARY OF ESCROW AGREEMENT  
FOR HOUSE B

The escrow agreement sets up an arrangement under which the deposits a buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

1. Escrow will collect payments due pursuant to the sales contract.
2. Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.
3. Escrow will let buyers know when payments are due.
4. The escrow agreement says under what conditions escrow will disburse buyer's funds.
5. The escrow agreement says under what conditions buyer's funds will be refunded if buyer cancels the sales contract.
6. The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.
7. Escrow will arrange for and supervise the signing of all necessary documents.
8. The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

The escrow agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

**EXHIBIT F**  
**ESTIMATE OF INITIAL MAINTENANCE FEES**  
**AND**  
**ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**  
**FOR HOUSE B**

Estimate of Initial Maintenance Fees:

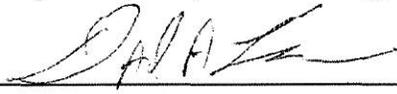
<u>Apartment</u>	<u>Monthly Fee x 12 months</u>	<u>Yearly Total</u>
B	\$200.00	\$2,400.00

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

**Estimate of Maintenance Fee Disbursements:**

	Monthly x 12 months	<u>Yearly Total</u>
Utilities and Services		
Air Conditioning		
Electricity		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Gas		
Refuse Collection		
Telephone		
Water and Sewer	\$ 150.00	\$1,800.00
Maintenance, Repairs and Supplies		
Building Grounds	50.00	600.00
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance		
Reserves		
Taxes and Government Assessments		
Audit Fees		
Other		
<b>TOTAL</b>	<b>\$ 200.00</b>	<b>\$2,400.00</b>

I/We, **David A. Levenson**, as owner and developer of House **B** 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: 7/16/72