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

CROSTHWAITE

Kamuela, Hawaii

Registration No. 2230 (Conversion)

Issued: June 14, 1990
Expires: July 14, 1991

Report Purpose:

This report is based on information and documents ıbmitted by the developer to the Real Estate Commission as of May 10, 19 90, 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.

x **FINAL:** *(white)* The developer has legally created a condominium and has filed complete information with the Commission.

[x] 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 [x] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

[x] No prior reports have been issued by the Commission.

[ ] Changes made are as follows:

SPECIAL ATTENTION

THE DEVELOPER HAS DISCLOSED THE FOLLOWING:

1. This Public Report does not constitute an approval of the Project, nor does it ensure that all County codes, ordinances and subdivision requirements have necessarily been complied with.

2. The land area beneath and adjacent to each unit is designated as a limited common element and does not represent a legally subdivided lot.

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

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's *"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:

[x] 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) [x] Conversion
   [ ] Both New Building(s) and Conversion

2. [x] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____

3. [ ] High Rise (5 stories or more) [x] Low Rise

4. [x] Single or [ ] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
Unit A	1	2/2	1,316	n/a
Unit B	1	2/2	1,316	n/a

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:

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

7. Recreational amenities: NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: ANGEL & RUBY CROSTHWAITE
Name [redacted]

Business Address [redacted]

Phone: [redacted] (Business)

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

Real Estate Sales Agent: C & H PROPERTIES, INC.
Name

P.O. Box 1785
Business Address

Kamuela, Hawaii 96743

Phone: 885-6044 (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
[x] Recorded - Bureau of Conveyances - Book _____ Page Document No. 90-36528
[ ] 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
[x] Recorded - Bureau of Conveyance Condo Map No. 1303
[ ] 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
[x] Recorded - Bureau of Conveyances - Book _____ Page Document No. 90-36529
[ ] 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

[X] 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:

	Minimum Set by Law	This Condominium
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: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

NONE

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] 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.

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.

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

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

[ ] Other:

For Subleaseholds:

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

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

B. **Underlying Land:**

Address: Kamuela, South Kohala, Hawaii

Tax Map Key: 6-2-6:50 (3rd)
(TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 17,848 [x] square feet [ ] acre(s) Zoning: RS-15

Fee Owner: BRIAN ANDERSON
Name

P.O. Box 1237
Address

Kamuela, Hawaii 96743

Sublessor: _____
Name

_____
Address

C **Buildings and Other Improvements:**

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

2. Buildings: 1 Floors Per Building 1

   [x] Exhibit A contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [x] Wood

   [ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[x] Residential	2	[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] Recreational	
[ ] 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 2

Elevators NONE Stairways NONE Trash Chutes NONE

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
Unit A	1	2/2	1,316	n/a
Unit B	1	2/2	1,316	n/a

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. All alterations shall be completed expeditiously and in the manner set forth in said Section XVI.

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)	4						4
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	4						

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.

[x] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[ ] Other: _____

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). See Exhibit "G" attached hereto.

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

The Project is a conversion of a fully constructed and existing building to condominium status. Said building 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. [x] 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.

	Conforming	Non-Conforming	Illegal
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.

   [x] 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.

   [x] The limited common elements and the apartments which may use them are:

   [x] 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.

   [x] As follows: Each unit and its owner(s) shall have appurtenant thereto a one-half (1/2) fractional interest (50.0 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 12-28-89 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.

[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.

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage	Buyer's deposit will be returned if default and foreclosure occur before conveyance. Title to individual units will be free and clear at the time of conveyance to Buyer.

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 G 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:

[ ] Electricity

[ ] Gas

[ ] Other _____

[ ] Not applicable

[ ] Television Cable

[x] Water & Sewer

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

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

The Project is a conversion of an existing duplex structure, completed in 1989.

K. **Project Phases:**

The developer [ ] has [x] 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:

[x] Notice to Owner Occupants

[x] Specimen Sales Contract -- standard DROA contract is being used

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

[x] Escrow Agreement dated February 1, 1990

Exhibit D 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. 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. 2230 filed with the Real Estate Commission on April 16, 1990.

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

[ ] yellow paper stock [X] 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 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 CROSTHWAITE is a fee simple condominium conversion project consisting of a total of two condominium units. The units are described as follows:

(a) "Unit A", contained in the easterly half of the duplex structure, contains two bedrooms, two baths, living room, dining room, den and kitchen -- all containing a net interior living area of approximately 1,316 square feet. Said unit also contains an attached enclosed single-car garage, with laundry and storage area, of approximately 352 square feet.

(b) "Unit B", contained in the westerly half of the duplex structure, contains two bedrooms, two baths, living room, dining room, den and kitchen -- all containing a net interior living area of approximately 1,316 square feet. Said unit also contains an attached enclosed single-car garage, with laundry and storage area, of approximately 352 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 as designated on the Condominium Map;

(c) The common wall barrier (fire wall) separating Unit A from Unit B;

(d) All foundations, columns, girders, beams, floor slabs, roofs, supports and load-bearing walls (except for the inner finished surfaces within each unit;

(e) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;

(f) 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 units, and such unit(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, is deemed a limited common element appurtenant to and for the exclusive use of said "Unit A".

(b) That certain land area upon and around which "Unit B" is located, shown and designated on the Condominium Map, is deemed a limited common element appurtenant to and for the exclusive use of said "Unit B".

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 unit does not represent a legally subdivided lot.

SUMMARY OF SALES CONTRACT AND ESCROW ARRANGEMENTS

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 ARRANGEMENTS: The Escrow Agreement, dated February 1, 1990, identifies Title Guaranty Escrow Services, Inc. as Escrow for the Project. The Escrow Agreement establishes how proceeds from the sale of condominium units and all sums received from any source 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 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 of $25.00, but in no event shall exceed the agreed-upon escrow fee provided for in said Escrow Agreement, the exact amount to be commensurate with the amount of work completed at the time of cancellation.

HAWAII ASSOCIATION OF REALTORS® STANDARD FORMS
DEPOSIT RECEIPT, OFFER AND ACCEPTANCE 5/87 ("DROA")
(Standard Terms on the reverse side are part of the DROA)

If this transaction involves a sale of property at a price less than $25,000, Hawaii's Plain Language Statute may apply and this form may not comply with that statute.

Reference Date: _____

Reviewed by: _____
(Principal Broker, Broker in Charge, Authorized Signature)

DEPOSIT RECEIPT

Received from _____ herein called Buyer the sum of $ _____
in the form of _____ as an initial deposit on account of this offer. Receipt is acknowledged by (Broker)
_____ Broker's firm and address _____
_____ PHONES (Home)_____ (Bus.)_____

OFFER

1. **PURCHASE PRICE:** _____
2. **PROPERTY DESCRIPTION:** Tax Map Key Division_____/Zone_____/Sec_____/Plat_____/Parcel_____/HPR_____
(a) Realty: All of that (leasehold) (fee simple) property situated at _____
_____ Hawaii, described as follows: _____

(b) **Seller's Real Property Disclosure Statement** dated _____ (has) (has not) been reviewed and accepted by Buyer

(c) **Sale Includes:** All built-in furniture, attached fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, existing drapes, and the following items if checked: Chandelier ( ); Range ( ); Refrigerator ( ); Disposal ( ); Dishwasher ( ); Compactor ( ); Washer ( ); Dryer ( ); Air Conditioner ( ); TV Antenna ( ); TV Cable ( ); and _____
(furnishings and pool equipment per attached inventory, if any). Specifically excluded: _____

(d) **Title:** Seller agrees to convey the property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances except _____
and any other covenants, easements, reservations or restrictions now of record which do not materially affect the value of the property.

(e) **Assessments:** _____ shall be (paid by Seller at closing) (assumed by Buyer).

3. **FINANCING:** Buyer agrees to pay said purchase price as follows:
ADDITIONAL DEPOSIT: $ _____ **in cash to be made on or before** _____
$ _____ in cash at closing including all deposits herein
$ _____ by way of _____
$ _____
$ _____ Total Purchase Price (see paragraph #1 above)
4. **CLOSING:** Closing will be on or before _____, 19_____. Escrowed by _____
5. **OCCUPANCY:** Seller agrees to give Buyer occupancy at closing or on _____, 19_____.
6. **PRORATIONS:** Property taxes, lease rents, interest on assumed obligations, mortgage insurance premiums, other insurance premiums, maintenance fees, tenants' rents, if applicable, and _____ shall be prorated as of the date of closing or _____, 19_____. Tenants' security deposit, if any, shall be charged to Seller and credited to Buyer at closing.
7. **TENANCY:** Title shall vest in Buyer(s) as follows: _____
print full legal name(s) and marital status (no initials)
_____ Tenancy: _____
8. **SPECIAL TERMS:** (Please number) _____

9. **AGENCY DISCLOSURE:** By placing their initials here, Buyer: ( ) and Seller: ( ) acknowledge that _____ and all its salespeople represent the _____ and that oral or written disclosure was provided before the signing of this offer.

10. **AGREEMENT TO BUY:** Buyer agrees to buy the property on the terms and conditions contained herein including **The Standard Terms On The Reverse Side**, acknowledges receipt of a copy hereof, and agrees that this offer shall be binding if accepted by Seller before _____ AM/PM, _____, 19_____. Offer Date_____, 19_____, _____ AM/PM.

Buyer's address: _____
_____
Phones: (Home)_____ (Bus.)_____

Buyer _____
signature
SS# _____
Buyer _____
signature
SS# _____

ACCEPTANCE

11. **AGREEMENT TO SELL:** Seller agrees to sell the property at the price and terms offered above, including **The Standard Terms On The Reverse Side**, and acknowledges that he has been given a copy of this offer.

12. **SELLER'S AGREEMENT TO PAY COMMISSION:** I agree to pay to _____ a commission for the above sale of _____ in U.S. dollars. I hereby instruct escrow to pay your commission directly to you at closing. I agree that I cannot change these instructions without your written consent. Unless otherwise agreed upon, I give you permission to share this commission as you see fit with the real estate company named here in the **DEPOSIT RECEIPT** section of this agreement. In the event of Buyer's default, if I retain the deposit(s), I agree to pay you one half of the amount I retain, but you shall not be paid more than what would have been your full commission.

Date _____, 19_____, _____ AM/PM.

Seller's Name _____
print full legal name
Seller's Tax Identification # to be reported to IRS_____
Seller's Name _____
print full legal name
Seller's Tax identification # to be reported to IRS_____
Seller's Address_____
Seller's Address_____

Signature _____
Signature _____
Owner occupant ( ) Other ( )
Phones: (Home)_____ (Bus.)_____

ACKNOWLEDGEMENT OF ACCEPTANCE: The undersigned acknowledges that he has been given a copy of the acceptance of this offer.

Date_____, 19_____, _____ AM/PM. Signature _____

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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 insurance policy dated December 28, 1989, issued by Title Guaranty of Hawaii, Inc.:

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

2. Designation of Easement "E-9" (10 feet wide) for electrical and telephone purposes as shown on Map dated May 19, 1983, revised June 23, 1982, prepared by Roy T. Yama, Registered Professional Land Surveyor.

3. Grant of Easement in favor of HAWAIIAN ELECTRIC COMPANY, INC. and HAWAIIAN TELEPHONE COMPANY, now known as GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, dated August 31, 1983 and recorded in Liber 17378 at Page 732, over said Easement "E-9".

4. Designation of Easement "1" (20 feet wide) for drainage purposes as shown on File Plan No. 1883.

5. Designation of Easement "2" for drainage purposes as shown on File Plan No. 1883.

6. Setback (10 feet wide) for flowage purposes as shown on File Plan No. 1883.

7. Covenants, conditions and restrictions set forth in that certain Declaration dated November 18, 1986, recorded in Liber 20087 at Page 484, as amended by instrument dated May 25, 1987, recorded in Liber 21116 at Page 757.

8. Mortgage in favor of FIRST HAWAIIAN BANK, a Hawaii corporation, dated December 10, 1989 and recorded in Liber 24045 at Page 226. Original consideration: $183,000.00

9. Agreement of Sale by and between BRIAN ANDERSON, husband of Joan Anderson, as Seller, and LAWYER'S ASSET MANAGEMENT, INC., a California corporation, as Buyer, dated September 21, 1989 and recorded in Liber 24057 at Page 726. Amount: $253,000.00

10. Assignment of Agreement of Sale with Limited Warranties and Assignment of Warranties and Consents by and between LAWYER'S ASSET MANAGEMENT, INC., a California corporation, as Assignor, and ANGEL CROSTHWAITE and RUBY CROSTHWAITE, husband and wife, as Tenants by the Entirety, as Assignee, dated September 21, 1989 and recorded in Liber 24057 at Page 745.

11. Real property taxes due and owing, if any. Reference is made to the Office of the Tax Assessor, County of Hawaii.

Exhibit "E"

Bernard K. Akana
Mayor
Hugh Y. Ono
Chief Engineer
Bruce C. McClure
Deputy Chief Engineer

Department of Public Works

25 Aupuni Street, Rm. 202 • Hilo, Hawaii 96720 • (808) 961-8321 • Fax (808) 969-7138

December 20, 1989

ROGER MEEKER
1188 BISHOP STREET SUITE 2503
HONOLULU HI 96813

SUBJECT: CONDOMINIUM REGISTRATION INFORMATION

This is to inform you that our records on file relative to the following building permits discloses that:

1. Building Permit 890546 (TMK: 5-9-6:22) (Another project; not applicable) - Permit is still active. Field inspector has not received a final inspection request and the structure therefore is not complete.

CROSTHWAITE: 2. Building Permit 890658 (TMK: 6-2-6:50) - At the time of completion, the building complied to all building regulations. No variances granted regarding building, plumbing or electrical codes.

Should you have further questions regarding matters contained herein, please feel free to contact Wayne Onomura of this office at 961-8331.

Herbert Hayama
HERBERT T. HAYAMA
Division Chief
Building Division

WTO:cds

cc: Bldg. Inspector - Hilo
Bldg. Inspector - Kona

Exhibit "F"

DISCLOSURE ABSTRACT

Crosthwaite
Condominium Project

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

Developers and Project Managers

Angel & Ruby Crosthwaite
[redacted]

Estimated Maintenance Fees/Costs per Condominium Unit

MAINTENANCE FEES: The regular maintenance and repair of each condominium unit, including all utility charges except for water and sewer, is the sole responsibility of each respective unit owner. The only common expense requiring monthly assessments (i.e. maintenance fees) is said water and sewer service, and Developer estimates the costs of these services to be approximately $360.00 per year per unit ($30.00 per month per unit).

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

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

Warranties

Purchasers should be aware that both "condominium units" of the Project are contained in an existing duplex structure constructed in 1989. Although relatively new, said units have unavoidably undergone a certain amount of "wear and tear" commensurate with their age. Accordingly, purchasers should not expect the unit they desire to buy to be in "like-new" condition. 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. THE 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 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).

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.

Angel Crosthwaite
ANGEL CROSTHWAITE

Ruby Crosthwaite
RUBY CROSTHWAITE

Developer(s)