



**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  
 THE BURROWS CONDOMINIUMS  
 Honomakau Road  
 Kapaau, North Kohala, Hawaii

Registration No. 2280 (CONVERSION)

Issued: January 24, 1991  
 Expires: February 24, 1992

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as December 20, 1990, and is issued by the Commission for informational purposes only. represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

**Type of Report:**

- PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.  
*(yellow)*
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.  
*(white)*
- SUPPLEMENTARY:** Updates information contained in the  
*(pink)*
- Prelim. Public Report dated \_\_\_\_\_
  - Final Public Report dated \_\_\_\_\_
  - Supp. Public Report dated \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- This report reactivates the \_\_\_\_\_  
 public report(s) which expired on \_\_\_\_\_

**Disclosure Abstract: Separate Disclosure Abstract on this condominium project:**

- Required       Not Required - disclosures covered in this report.

**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:

NOTE: Notwithstanding anything to the contrary in the Condominium Map or documents, the two apartment units are not situated on legally subdivided lots; rather, they are situated on one lot, each unit having an undivided common interest in such lot. A letter from the County Planning Department dated August 9, 1990 cautions buyers that certain representations shown on the site plan may give the impression that the property is subdivided into two lots and that each unit is on a separate lot. This is not the case.

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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 occupation 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 lessee (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 a 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 a 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 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	4 bdr/3 bath	3085 sq. ft.	---
Unit 2	1	3 bdr/2 bath	2387 sq. ft.	---
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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><u>4</u></b>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: ROBERT BURROWS  
Name  
P. O. Box 238  
Business Address  
Kapaau, Hawaii 96755

Phone: [REDACTED]  
(Business)

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

Real Estate Sales Agent: CECIL B. HEIBLER  
Name  
Mauna Kea Realty  
Business Address  
Kamuela, Hawaii 96743

Phone: 885-5961  
(Business)

Escrow: FIRST AMERICAN TITLE INSURANCE CO.  
Name  
Kailua Trade Center, Suite 108  
Business Address  
Kailua-Kona, Hawaii

Phone: 329-4431  
(Business)

Managing Agent: None. To be self-managed by  
Name  
Association of Apartment  
Business Address  
Owners.

Phone: \_\_\_\_\_  
(Business)

Attorney for Developer: JEANNE L. HUGHES, ESQ.  
Name  
P. O. Box 280  
Business Address  
Kapaau, Hawaii 96755

Phone: 889-6142

**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. 90-024258 on 2/20/90  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

Amendment recorded at Bureau of Conveyances  
Document No. 90 052487 on April 12, 1990.

- 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. 1296  
 Filed - Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

Site plan map amended on April 12, 1990

- 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. 90-024259 on 2/20/90  
 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>75%</u>
House Rules	--	<u>--</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:

At any time prior to the first filing in the Bureau of Conveyance of an apartment and its appurtenances to a party not a signatory hereto, the Developer may amend the Declaration.



**B. Underlying Land:**

Address: Honomakau Road, Kapaau Tax Map Key: (3)5-4-07:17  
North Kohala, Hawaii (TMK)

Address  TMK is expected to change because N/A

Land Area: 31,894  square feet  acre(s) Zoning: RS-15

Fee Owner: Robert Irwin Burrows and Cathy Ruth Davis Burrows

Name

P. O. Box 238

Address

Kapaau, Hawaii 96755

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 has 1  
2 has 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 checked="" type="checkbox"/> Commercial	<u>2 (if allowed by law)</u>	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>2</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: \_\_\_\_\_
- [x] Other: No noxious or offensive activities, no signs, no junk cars. See Paragraph 5 of Declaration and Article V, Section 4 of By-laws.
- [ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators 0 Stairways 1 <sup>in</sup> 1 Unit Two Trash Chutes 0

<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	4 bdr/3bath	3085 sq.ft.	--
Unit 2	1	3 bdr/2bath	2387 sq.ft.	--
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*\*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:**

Exterior walls of each unit.

**Permitted Alterations to Apartments:**

No additions, alterations or improvements may be made to an apartment without first obtaining consent from The Board of the Association.

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		<u>2</u>					<u>2</u>
Guest		<u>2</u>					<u>2</u>
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.

Note: Each unit has its own driveway which will accommodate parking for at least two cars.

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

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

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 the 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 all apartment owners. They are owned jointly by all apartment owners.

Exhibit \_\_\_\_\_ describes the common elements. See paragraph 3. of the Declaration.

As follows:

- a. The land in fee simple.
- b. All yards, grounds and landscaping.
- c. All building walkways, parking areas and stalls, roads and driveways.
- d. All improvements not designated as apartments of common usage.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved 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 \_\_\_\_\_ ; See paragraph 4 of the Declaration.

as follows:

Items listed under 1c and 1d above which are appurtenant to and solely for the use of a particular apartment.

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 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 A describes the common interests for each apartment.

As follows:

Note that the common interest for purposes of ownership and expenses, i.e.,

UNIT 1	65%
UNIT 2	35%

is 50-50 for purposes of voting. The Commission ascribes no legality to this deviation. SEE PAGE 18 for further explanation.

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

Exhibit B describes the encumbrances against the title contained in the title report dated November 30, 1990 and issued by First American Title Insurance Co.

**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>
First Mortgage American Savings	Buyer has right to rescind. Also, Buyer's interest may be terminated but in such event, Buyer will be entitled to a refund of deposits.
Second Mortgage GECC	

**F. Management of the Common Elements: The Association of Apartment Owners is responsible for 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 Association in managing the condominium project.**

**Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, management contract must have a term of one year or less and the parties must be able to terminate 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:**

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     E     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 checked="" type="checkbox"/> Other <u>          WATER ONLY          </u> |   |
| <input 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

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

Both units were built in May, 1988.

**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 N/A

Specimen Sales Contract

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

Escrow Agreement dated December 4, 1990

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

Other \_\_\_\_\_

#### IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

RE: COMMON ELEMENTS AND VOTING RIGHTS

The percentage of undivided interest in the common elements of unit one is .65.

The percentage of undivided interest in the common elements of unit two is .35.

For voting purposes, however, each unit has an equal .50 vote.

The reasoning behind this decision, is to insure that the larger unit pays its larger share of common expenses but at the same time, just because it is larger, it should not have a larger vote for purposes of changing the by-laws etc. ~~Since there are only two~~ units, each owner should have an equal voice in how the property is managed. If we gave unit one .65 vote, then it would always be the majority. By allowing each unit to have a .50 vote, then decisions would be unanimous.

**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. 2280 filed with the Real Estate Commission on  
July 26, 1990

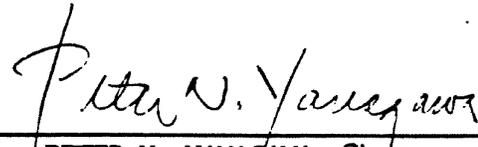
Reproduction of Report. When reproduced, this report must be on:

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 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

## EXHIBIT "A"

### Description of Buildings and Apartments

The Project consists of two existing separate structures; unit one is one story and unit two is two stories; no basements; one apartment per building; wood construction; metal roofs.

Unit one apartment has four bedrooms, 3 bathrooms, with a study, laundry room, dining room, living room, wet bar, office, storage room, kitchen and lanai with approximately 3,085 sq. ft. of living area. Included is the surrounding yard as limited common element as depicted on the Condominium Map, resulting in approximately 20,893 sq. ft. of area. Unit one has .65 interest in the common elements. Unit one will have .50 interest for voting purposes.

Unit two apartment has three bedrooms, two bathrooms, with a living, dining, kitchen area, and lanai on the second floor and a garage, office, bathroom and sitting room on the first floor with approximately 2,387 sq. ft. of living area. Included is the surrounding yard as limited common element as depicted on the Condominium Map, resulting in approximately 11,001 sq. ft. of area. Unit two has .35 interest in the common elements. Unit two will have .50 interest for voting purposes.

Each unit has its own separate cesspool and driveway for parking which are limited common elements appurtenant to their respective apartment.

The underlying lot is a common element and is not subdivided.

(See paragraphs 3 and 4 of Declaration and Condominium Map.)

EXHIBIT "B"

Description of Encumbrances

1. Mortgage dated July 18, 1990 and recorded as Document No. 90-110727 for \$170,000 in favor of GECC Financial Corp.
2. Mortgage dated September 9, 1988 and recorded at Liber 22347, Page 142, for \$208,000 in favor of American Savings Bank.
3. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
4. Real property taxes as may be due. Check with the Hawaii County tax assessor for further information.
5. Condominium Documents and easements shown thereon as noted on page 7 of this public report.

EXHIBIT "C"

Summary of Sales Contract

Seller plans to use Hawaii Association of Realtor's Standard Form Deposit Receipt Offer and Acceptance form, with all standard terms.

Special provisions include Buyer takes "as is" with no warranty on appliances or building.

Included in sales contract will be Buyer's right to cancel sales contract as described on page 19 of the "Condominium Public Report".

EXHIBIT "D"

Summary of Escrow Contract

Escrow will be with First American Title Company of Hawaii, Inc., through their Kailua-Kona office and each purchaser will agree to and approve the escrow agreement.

All deposits will be paid to escrow and escrow will maintain a trust fund with a federally insured Hawaii institution with interest of at least passbook rate, seller to get all accrued interest.

Purchaser's funds may be removed from trust fund only if certain conditions are met.

Escrow will arrange for and supervise the signing of all documents necessary in order to close the sale (except possibly mortgage documents) and will file and record the necessary documents to effect transfer of title within 5 days of closing.

EXHIBIT     E    

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
Unit 1	\$10.84 x 12 = \$130.08
Unit 2	\$ 5.84 x 12 = \$ 70.08

The project is self-managed and all common elements of the Project are limited common elements appurtenant to and for the exclusive use of the respective units. The owner of each unit is solely responsible for the maintenance and repair of such unit and the limited common elements appurtenant thereto.

The above sum of approximately \$200/year is to be used to pay the water bill for both units.

DATE January 22, 1991 SIGNED Robert D. Burrows

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