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

CONDOMINIUM PUBLIC REPORT

KAAAWA CREST

51-062 C & C-1 Olohu Road
Kaaawa, Hawaii 96730

Registration No. 2572 (Partial Conversion)

Issued: January 17, 1992
Expires: February 17, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 26, 19 91, 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

Notwithstanding anything to the contrary in the listing agreement for Apt. 1, the Condominium Map, and any other project documents, references therein to "Land Area", "Private Yard", "lot area", and the like are not to be construed as references to legally subdivided lots. They are limited common elements appurtenant to the two apartments situated on a single subdivided lot of 12,500 square feet.

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 REGARD 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.

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:

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

2. [ ] Residential [ ] Commercial [ ] Ohana
   [ ] Mixed Residential and Commercial [ ] Agricultural
   [X] Other ANY LAWFUL PURPOSE EXCEPT FOR TIME SHARE

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

4. [ ] Single or [XX] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Garage (sf)	Lanai/Patio (sf)	Total
1	1	2/2	1,605	237	73	1,915
2	1	2/2	1,724	255	168	2,147

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)	5
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other:	
Total Parking Stalls	5

7. Recreational amenities: None

*Each condominium has a single-car garage. In addition, Unit #1 has one (1) designated uncovered parking stall and Unit #2 has two (2) designated parking stalls.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: EMILY ZANTS, TRUSTEE
Name
Phone: (808) 237-8082 (Business)
P. O. Box 575
Business Address
Kaaawa, Hawaii 96730

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

None

Real Estate Broker: (Apt. 1 only) Dolman Associates, Inc.
Gracia Bell (License # RS 24973)
Name
Phone: 522-7100 (Business)
210 Ward Avenue, Suite 100
Business Address
Honolulu, Hawaii 96814

Escrow: TITLE GUARANTY ESCROW SERVICES, INC.
Name
Phone: 533-6261 (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor: None
Name
Phone: (Business)
Business Address

Condominium Managing Agent: None - Self-managed by Association of Apartment Owners
Name
Phone: (Business)
Business Address

Attorney for Developer: CHARLES W. KEY
Name DAMON KEY BOCKEN LEONG KUPCHAK
Phone: 531-8031 (Business)
1600 Pauahi Tower, 1001 Bishop St.
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 - Document No. 91-157630
Book _____ Page _____
[ ] Filed - Land Court - Document No. _____

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. 1576
[ ] 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 - Document No. 91-157631
Book _____ Page _____
[ ] 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 [XX] 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%	100%
Bylaws	65%	100%
House Rules	---	N/A

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

2. Developer:

[XX] 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

III. THE CONDOMINIUM PROJECT

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

[xx] 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 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: 51-062 C and C-1 Olohu Road Tax Map Key (TMK): (1) 5-1-14:003

Kaaawa, Hawaii 96730

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

Land Area: 13,500 [x] square feet [ ] acre(s) Zoning: R-5

Fee Owner: Emily Zants, Trustee
Name

P. O. Box 575
Address

Kaaawa, Hawaii 96730

Sublessor: _____
Name

_____
Address

C **Buildings and Other Improvements:**

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

2. Buildings: 2 Floors Per Building 2 in #1; 3 in #2

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [ ] Wood

[x] Other Stucco

4. Permitted Uses by Zoning

	No. of Apts.	Use Determined By Zoning		No. of Apts.	Use Determined By Zoning
[ ] Commercial			[ ] Industrial		
[x] Residential	2	Yes	[ ] Agricultural		
[ ] Timeshare/Hotel			[ ] Recreational		
[ ] Other:					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?
[x] 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:

[x] Pets: Dogs and cats in reasonable number and other common household pets which are confined are permitted.

[ ] Number of Occupants:

[x] Other: SEE EXHIBIT A

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 2 in #1, 3 in #2 Trash Chutes 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Garage (sf)	Lanai/Patio (sf)	Total
1	1	2/2	1,605	237	73	1,915
2	1	2/2	1,724	255	168	2,147

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:

Exterior surfaces of the structures. The appurtenant limited common element and areas designated on the Condominium Map as "Private Yards" with "lot" areas are not legally subdivided lots.

Permitted Alterations to Apartments:

The Board of Directors do not have to approve. All the owner must do is comply with all applicable laws.

7. **Parking Stalls:** Each condominium has a single-car garage. In addition, Unit #1 has one (1) designated uncovered parking stall, and Unit #2 has two (2) designated parking stalls.

Total Parking Stalls: 5

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)	2	3					5
Guest							0
Unassigned							0
Extra Available for Purchase							0
Other:							0
Total Covered & Open	5						

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

SEE EXHIBIT B

The developer is not making any representations as to the expected useful life of the structural components, mechanical, and electrical installations.

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

No violations - SEE EXHIBIT C

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.

   [ ] Exhibit _____ describes the common elements.

   [X] As follows:

   1 - The land upon which the two (2) apartments are situated

   2 - Any and all apparatus and installations existing for common use

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 D

   [ ] 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 of the two (2) apartments has an undivided fifty percent (50%) apurtenant interest in all of the common elements of the Project.

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

Exhibit E describes the encumbrances against the title contained in the title report dated October 1, 1991 and issued by Title Guaranty of Hawaii, Incorporated.

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
Mortgages	The Sales Contract would be cancelled and Buyer would receive back all deposits.

F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

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

[ ] other _____

G. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit F contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[X] Not applicable

[ ] Electricity

[ ] Gas

[ ] Other _____

[ ] Television Cable

[ ] 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:

Seller hereby discloses that Apt. #1 was moved onto the land in 1957 and certain renovations have been made from time to time. Seller was the owner-contractor as to Apt. #2. The sales contract will provide for no warranties of any nature or kind as to physical condition of the improvements. All prospective buyers are advised to have an expert assist the buyer in evaluating the physical condition of the buildings and other improvements.

2. Appliances:

No warranties.

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

Apt. 1 was moved onto the property in August, 1957, and Apt. 2 was completed in August, 1991.

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:

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated November 19, 1991

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

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The land upon which the condominium is situated is subject to that certain Declaration of Covenants, Conditions And Restrictions For Kaaawa Beach Owners Association dated August 17, 1982, recorded in the Bureau of Conveyances in Liber 16521 at Page 395. This Declaration of Covenants provides for the assessment of money from each owner of the land which is subject to the Declaration of Covenants. The current annual assessment is $48.00 per lot, and this means that each of the two owners of apartments in the project will be subject to an annual assessment of $24.00. These assessments are, of course, subject to change. A prospective buyer will be provided a copy of the Declaration of Covenants upon request.

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 Apartment Deed and Condominium Map; Declaration of Covenants, Conditions And Restrictions For Kaaawa Beach Owners Association.

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. 2572 filed with the Real Estate Commission on December 26, 1991.

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

PETER YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

SPECIAL USE RESTRICTIONS

The following is set forth in Section 3 of Article VI of the By-Laws of the KAAAWA CREST Condominium Project:

"Section 3. Use of Project.

(a) The apartment of the Project shall be used only for the purposes stated in the Declaration.

(b) The common elements and the limited common elements of the Project shall be used only for the purposes for which they were designed.

(c) Every apartment owner and occupant shall at all times keep his apartment and condo lot in a strictly clean and sanitary condition and observe and perform all terms and conditions of the Declaration and these bylaws, all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association applicable thereto.

(d) No apartment owner or occupant shall make or suffer any strip or waste of his apartment and no owner or occupant shall make or suffer any unlawful or improper use of an apartment or the Project.

(e) Each apartment owner or occupant shall exercise extreme care about making noises and in the use of musical instruments, radios, television sets and amplifiers that may disturb other occupants.

(f) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements or limited common elements of the Project outside of the disposal facilities provided for such purpose.

(g) No livestock, poultry or other animals whatsoever shall be allowed or kept in any part of the Project, except that dogs and cats in reasonable number and other common household pets which are confined, such as tropical fish or small birds, may be kept by apartment owners and occupants in their respective apartments but shall not be kept, bred or used therein for any commercial purposes nor allowed on any common elements at any time.

Notwithstanding any other rule, regulation, or restriction, the board of directors shall make reasonable accommodations in the rules, regulations, or restrictions if those accommodations may be necessary to afford a handicapped person equal opportunity to use and enjoy the condominium premises."

SUTTON CANDIA PARTNERS
ARCHITECTS & PLANNERS

680 Iwilei Road, Suite 420 • Honolulu, Hawaii 96817 • Telephone (808) 531-1657 • FAX (808) 526-0038

Charles R. Sutton, FAIA
Ted Candia

Senior Associate Partners
Ray Morris, AIA
Patrick Seguirant, AIA
Steven Kutaka, AIA

Prof. Emily Zants
P.O. Box 575
Kaaawa, HI 96730

RE: Kaaawa Crest Condominium Conversion Project
TMK: 5-1-14:003

Dear Prof. Zants:

In accordance with your request, I made an inspection of the above noted property on July 17, 1991.

The following report is a professional opinion based on the physical inspection of visible elements in reasonably accessible areas, as they appeared at the time of the inspection. The purpose of the inspection was to describe the present condition of all structural components and mechanical and electrical installations, material to the use and enjoyment of the condominium. The following opinions contain no warranty expressed or implied.

Condominium Unit No. 1:

The structure generally appears to be in sound condition and the floor plans are accurately drawn. The mechanical and electrical installations appear to be in working condition.

The parking and driveway area consists only of crushed coral base covered with zoysia grass. It appears to have held up well following last winter's storms.

Condominium Unit No. 2:

The structure is built according to plans approved by the City and County. The electrical and mechanical installations are new and in working condition.

Yours truly,

Charles R. Sutton, FAIA
Registered Architect, No. 1632-A

EXHIBIT "B"

BUILDING DEPARTMENT

CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR

HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

Ex91-92

July 24, 1991

Emily Zants, Ph.D.
P.O. Box 575
Kaaawa, Hawaii 96730

Dear Dr. Zants:

Subject: Condominium Conversion Project
51-062C, 51-062C-1 Olohu Road
Tax Map Key: 5-1-14: 03

This is in reply to your letter dated July 2, 1991 requesting confirmation that the two two-story single-family dwellings on the above-mentioned property met all code requirements at the time of construction.

Investigation revealed an existing single-family dwelling with four off-street parking spaces and a second single-family dwelling under construction with building permit No. 280785 issued on February 9, 1990. The existing dwelling met all applicable code requirements when it was relocated to this lot in 1957.

No variances or special permits were granted to allow deviations from any applicable codes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,

Herbert K. Muraoka

HERBERT K. MURAOKA
Director and Building
Superintendent

Subscribed and sworn to
before me this 25th day of
July, 1991

Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1995

EXHIBIT "C"

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

(a) The separate land area designated "Private Yard #1" as shown on said Condominium Map is a limited common element pertinent to Condominium Apartment No. 1.

(b) The separate land area designated "Private Yard #2" as shown on said Condominium Map is a limited common element appurtenant to Apartment No. 2.

(c) Condominium Unit No. 1 has an easement designated as Easement A on the Condominium Map for the cesspool used by Condominium Unit No. 1 that is situated within Private Yard #2 and for maintenance of said cesspool.

NOTE: This easement area is presently used for a cesspool. This easement area may be used as a drain pool if required by governmental authority. If the cesspool is abandoned for any reason whatsoever, it shall be the obligation of the owner of Private Yard #1 to properly fill or otherwise seal off said cesspool in accordance with all applicable laws and regulations.

(d) Condominium Unit No. 2 has a protected View Plane or View Channel over and across Condominium Unit No. 1 and Private Yard #1, and (1) no improvements or mechanisms or plants or trees of any nature or kind shall be constructed on said Private Yard #1 or otherwise placed thereon or permitted to exist on said Private Yard that have at any time a greater elevation than the house situated on Private Yard #1 existing as of this date. In addition, if the existing palm tree or breadfruit tree is ever removed, any replacements must comply with the height limitation set forth above.

(e) All other common elements of the project which are rationally related to less than both of said apartments shall be limited to the use of such apartment.

NOTE: In the event the Association of Apartment Owners incurs costs and expenses with respect to limited common elements, all limited common elements costs and expenses, including but not limited to, maintenance, repair, replacement, additions and improvements, shall be charged to the owner of the apartment to which the limited common elements are appurtenant.

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes for the Fiscal Year July 1, 1991 - June 30, 1992. (see tax statement attached)

   Tax Key: 5-1-014-003 (1) Area assessed: 13,500 sq. ft.

   As the credits in the Office of the Tax Assessor have not been posted to date, it is possible that the first installment has been paid. If so, a receipt for the same should be produced.

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

3. Covenants, conditions and restrictions set forth in DECLARATION dated August 17, 1982, recorded in Liber 16521 at Page 395.

4. GRANT

   TO : BISHOP TRUST COMPANY, LIMITED, a Hawaii corporation, Trustee under the Will and of the Estate of Georgiana Akana, deceased

   DATED : August 2, 1984
   RECORDED : Liber 18105 Page 526
   GRANTING : a nonexclusive easement to use the existing cesspool on Lot No. 193 of the "Kaaawa Beach Lots", which existing cesspool is the present means of sewage disposal for the improvements constructed on Lot Nos. 192 and 193

5. Terms, conditions and provisions contained in that certain unrecorded Declaration of Trust dated October 17, 1983.

6. MORTGAGE

MORTGAGOR : EMILY ZANTS, Trustee

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

DATED : August 20, 1984
RECORDED : Liber 18105 Page 532
AMOUNT : $72,900.00

ABOVE MORTGAGE ASSIGNED

TO : EMPLOYEES' RETIREMENT SYSTEM OF THE STATE OF HAWAII, a governmental agency of the State of Hawaii established pursuant to Chapter 88, Hawaii Revised Statutes

DATED : August 20, 1984
RECORDED : Liber 18105 Page 540

7. MORTGAGE

MORTGAGOR : EMILY ZANTS, unmarried, Trustee under that certain unrecorded Declaration of Trust dated October 17, 1983

MORTGAGEE : BANCORP FINANCE OF HAWAII, INC., a Hawaii corporation

DATED : September 6, 1990
RECORDED : Document No. 90-140320
AMOUNT : Open-ended credit agreement sums not exceed $150,000.00

ABOVE MORTGAGE (BESIDES OTHER MORTGAGES) ASSIGNED

TO : FIRST FEDERAL SAVINGS AND LOAN ASSOCIATION OF AMERICA, a federal corporation

DATED : January 4, 1991
RECORDED : Document No. 91-003478

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months = Yearly Total
1	$31.75 x 12 = $381
2	$31.75 x 12 = $381
	Total $762

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

Estimate of Maintenance Fe sbursements:

	Monthly x 12 months = Yearly Total
Utilities and Services	0
Air Conditioning	
Electricity	
[ ] common elements only	
[ ] common elements and apartments	
Gas	
Refuse Collection	
Telephone	
Water and Sewer	
Maintenance, Repairs and Supplies	0
Building	
Grounds	
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	
Hazard Insurance/Liability	$714.00
Reserves	
Taxes and Government Assessments	
Audit Fees	
Other Assessments by Kaaawa Beach Owners Association	48.00
TOTAL	$762.00

I/We, EMILY ZANTS, Trustee, developer of _____, ~~as managing agents 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.

Emily Zants
EMILY ZANTS, Trustee
Date: November 21, 1991

EXHIBIT "F"
Page 2 of 2

ADDENDUM TO SALES CONTRACT

The Developer intends for the Broker to use a standard Deposit Receipt, Offer and Acceptance ("DROA") as the sales contract. The following is a special Addendum to the DROA:

ADDENDUM TO DEPOSIT, RECEIPT, OFFER AND ACCEPTANCE

SPECIAL CONDITIONS:

The following is an addendum to that certain Deposit Receipt, Offer and Acceptance dated _____, 1991 and attached hereto, by and between EMILY ZANTS, as Trustee under that certain Declaration of Trust dated October 17, 1983, as Seller, and _____ _____, as Buyer(s), for the sale and purchase of that certain condominium Apartment No. _____ of the condominium project known as KAAAWA CREST.

Buyer and Seller hereby agree to the terms and conditions contained in the above designated agreement as well as the following additional special conditions:

1. This is a condominium project established by Declaration of Condominium Property Regime dated _____, 19___, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. _____.

2. Buyer shall be given a copy of all condominium public reports issued by the Real Estate Commission on this project.

3. Any provisions hereof to the contrary notwithstanding, it is agreed that this contract shall not become binding upon the Seller or Buyer until:

(a) The Real Estate Commission has issued an effective date for a final public report on the project, and the Seller has delivered, or caused to be delivered, to the Buyer either personally or by registered or certified mail with return receipt requested, a true copy of the final public report together with a true copy of all prior public reports on the Project, if any, which have not been previously delivered to the Buyer except that such prior public reports need not be delivered to the Buyer if the final public report supersedes such prior public reports. If, prior to entering into this Contract, the Real Estate Commission has, subsequent to its issuance of an effective date for the final public report, issued an effective date for a supplementary public report on the Project, then a true copy of such supplementary public report shall also be delivered to the Buyer in the same manner as the final public report, except that if the supplementary public report supersedes all prior public reports on the project, then only the supplementary public report need be delivered to the Buyer.

(b) The Buyer has been given an opportunity to read the reports; and

(c) The Buyer (i) executes the form of the receipt and notice which is set forth in Subsection (d) of § 514A-62 of the Condominium Property Act; and (ii) waives his right to cancel; provided that if the Buyer does not execute and return the receipt and notice within thirty days from the date of delivery of such reports, or if the Apartment is conveyed to the Buyer prior to the expiration of such thirty-day period,

the Buyer shall be deemed to have receipted for the reports and to have waived his right to cancel.

In the event Seller should cancel this Contract before it becomes binding upon both the Seller and Buyer, Buyer shall be entitled to the return of all of Buyer's funds; however, payment of interest to Buyer shall be in accordance with any agreement between Buyer and the Escrow Agent. In the event Buyer should terminate this Contract before it becomes binding upon both the Seller and the Buyer, Buyer shall be entitled to the return of all Buyer's funds, without interest, less any escrow cancellation fees and other costs, up to $250.00. In the event the Contract is cancelled under the provisions of this paragraph, both parties shall be released from all obligations with respect to this Contract.

BUYER(S):	SELLER:
_____	_____
_____(Date)	EMILY ZANTS, Trustee as Aforesaid
_____	
_____(Date)	_____(Date)

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc. sets up an arrangement under which the payments which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

(a) Escrow will let purchasers know when payments are due.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement sets forth the conditions that must be met before disbursement of a Buyer's funds.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser.

(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.