

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Myron A. Yamasato  
Address P. O. Box 2373, Kamuela, HI 96743

Project Name(\*): KANEHOA CONDOMINIUMS  
Address: Ouli, District of South Kohala, Island, County & State of Hawaii

Registration No. 2858 Effective date: June 7, 1993  
Expiration date: July 7, 1994

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

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 by the developer when complete information is filed.  
(yellow)

  X   FINAL: The developer has legally created a condominium and has filed complete information with the Commission.  
(white)  
[ X] No prior reports have been issued.  
[ ] This report supersedes all prior public reports.  
[ ] This report must be read together with \_\_\_\_\_

     SUPPLEMENTARY: This report updates information contained in the:  
(pink)  
[ ] Preliminary Public Report dated: \_\_\_\_\_  
[ ] Final Public Report dated: \_\_\_\_\_  
[ ] Supplementary Public Report dated: \_\_\_\_\_

And [ ] Supersedes all prior public reports  
[ ] Must be read together with \_\_\_\_\_  
[ ] This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

\_\_\_\_\_  
(\* ) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report       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 developer.

Changes made are as follows:

**SPECIAL ATTENTION**

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

No sale of any unit is immediately contemplated. This public report shall not be valid for any offers for sale until Developer submits to the Real Estate Commission a duly executed broker's listing agreement, an updated disclosure abstract, and written confirmation that its escrow agreement with Title Guaranty Escrow Services, Inc. dated March 9, 1993 is still in effect.

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.**



## General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 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 project's 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Myron A. Yamasato Phone: 885-1000  
Name (Business)  
P.O. Box 2373  
Business Address  
Kamuela, HI 96745

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

n/a  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker: None - No sale of the Phone: \_\_\_\_\_  
Name (Business)  
units is immediately  
Business Address  
contemplated. See note Page 2.

Escrow: Title Guaranty Escrow Services, Inc. Phone: 329-6666  
Name (Business)  
P. O. Box 1837  
Business Address  
Kailua-Kona, HI 96745

General Contractor: Unit A - Owner/Builder, Myron Yamasato Phone: 885-1000  
Name (Business)  
Unit B - Owner/Builder, Gary Ishimine  
P.O. Box 2373  
Business Address  
Kailua-Kona, HI 96745

Condominium Managing Agent: Property will be self Phone: \_\_\_\_\_  
Name (Business)  
managed by the Association  
Business Address  
of Apartment Owners

Attorney for Developer: Robert D. Triantos Phone: 329-6464  
Name (Business)  
P.O. Box 1720  
Business Address  
Kailua-Kona, HI 96745

**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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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. 93-045497  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- First Amendment to the Declaration of Condominium Property Regime of Kanehoa Condominiums (Condominium Map Amendment) dated April 12, 1993, recorded - Bureau of Conveyances, Document No. 93-059959
- 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 Conveyances Condo Map No. 1839  
 Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

First Amendment to the Declaration of Condominium Property Regime of Kanehoa Condominiums (Condominium Map Amendment) dated April 12, 1993, recorded - Bureau of Conveyances, Document No. 93-059959

- 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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. 93-045498  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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

For Subleaseholds:

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

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

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 at the lessee's expense; 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:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

**B. Underlying Land:**

Address: Ouli, District of South Kohala Tax Map Key: (3) 6-2-09:21  
Island, County and State of Hawaii (TMK)

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

Land Area: 5.956 [ ] square feet [X] acre(s) Zoning: Unplanned

Lessor  
 (Fee Owner): Myron A. Yamasato, P.O. Box 2373, Kamuela, HI 96743  
 Name  
Gary K. Ishimine, P.O. Box 383700, Waikoloa, HI 96738  
 Address  
 \_\_\_\_\_

Sublessor: \_\_\_\_\_  
 Name  
 \_\_\_\_\_  
 Address  
 \_\_\_\_\_

C. Buildings and Other Improvements:

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

2. Number of Buildings: 2 Floors Per Building 1

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete     Hollow Tile     Wood

Other \_\_\_\_\_

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Ohana	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes     No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

Pets: No livestock, poultry or any animals including dogs & cats allowed unless resolution of board authorizes keeping such animals.

Number of Occupants: No more than eight (8) persons per unit.

Other: \_\_\_\_\_

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0      Unit 1 - 2 Interior Stairways  
 Stairways: \_\_\_\_\_      Unit 2 - 2 Interior, 3 Exterior Stairways  
 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
<u>1</u>	<u>1</u>	<u>3/2</u>	<u>1,829.428</u>	<u>390.875</u>
<u>2</u>	<u>1</u>	<u>3/2 1/2</u>	<u>2,593.77</u>	<u>560</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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:

See Exhibit B

Permitted Alterations to Apartments:

See Exhibit C



11. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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

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

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

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

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

D. Common Elements, Limited Common Elements, Common Interest

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit     D    .

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit E.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit \_\_\_\_\_.

as follows:

Unit 1 - 50%

Unit 2 - 50%

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit F describes the encumbrances against the title contained in the title report dated March 1, 1993 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Buyer's interest may be terminated and Buyer will receive a refund of all deposits.

F. 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:

Each building is warranted by the general contractor for a period of one (1) year following the first publication of the owner's notice of completion for the structure. In the event that the general contractor's warranty has expired or will expire within sixty (60) days after the date of closing, Developer will give an independent warranty to cover any time period within such sixty (60) days as is not covered by the general contractor's warranty.

2. Appliances:

Manufacturer's warranties for appliances and furnishings are assigned to purchaser at closing. There are no Developer's warranties with regard to appliances and furnishings.

NOTE (AS TO 1 AND 2 ABOVE): EXCEPT AS PROVIDED ABOVE, DEVELOPER DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES, WITH RESPECT TO THE APARTMENTS, THE PROJECT OR THE COMMON ELEMENTS OF THE PROJECT.

G. Status of Construction and Estimated Completion Date:

Both Units 1 & 2 were completed November 23, 1992.

H. Project Phases:

The developer [ ] has [ X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

None.



V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract  
Exhibit   H   contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated   March 9, 1993    
Exhibit   I   contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
    - 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;
- AND
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); AND
  - C) One of the following has occurred:
    - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
    - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
    - 3) 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:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime.
  - C) Bylaws of the Association of Apartment Owners.
  - D) House Rules.
  - E) Condominium Map.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other Declaration of Covenants, Conditions and Restrictions for Kanehoa  
Subdivision recorded February 14, 1986 as Document No. 86-18048

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2858 filed with the Real Estate Commission on 4/23/93.

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

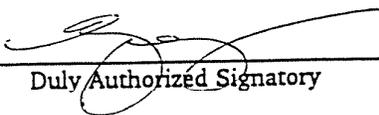
yellow paper stock                       white paper stock                       pink paper stock

C. Additional Information Not Covered Above

See Summary of Declaration of Covenants, Conditions and Restrictions for Kanehoa Subdivision attached hereto as Exhibit J.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

MYRON A. YAMASATO  
Name of Developer

By:   
Duly Authorized Signatory

3-5-93  
Date

MYRON A. YAMASATO, OWNER/DEVELOPER  
print name & title of person signing above

Distribution:

Department of Finance, County of Hawaii  
Planning Department, County of Hawaii  
Federal Housing Administration

## EXHIBIT A

### DESCRIPTION OF THE BUILDINGS:

The Project is hereby divided into the freehold estates described and designated below.

1. Description of the Building: The Project is described in the Condominium Map and consists of two (2) buildings, each consisting of one story (no basements) and constructed principally of wood, glass, reinforced concrete, concrete block and gypsum board.

2. Description of the Apartments. Each of the two (2) free standing residential structures, together with the exterior walls, floors, roofs and concrete footings, are hereby designated as a portion of the Apartment Units of the Project, as designated on the Condominium Map and as described as follows:

a. Apartment Numbers and Locations. The Apartment numbers and the location of Apartment Units are shown on the Condominium Map.

b. Layout and Area. The various Apartment Unit and their respective areas are more particularly described as follows:

(1) Apartment 1: This Apartment consists of Yard 1 as shown on the Condominium Map, together with the following structures located thereon: a free standing one (1) story building containing a net living area of approximately 1,829.428 square feet, excluding the garage and lanai, and consists of a kitchen, living room, family room, three (3) bedrooms, two (2) bathrooms, an office, a lanai of 390.875 square feet and a two-car garage of approximately 506 square feet.

(2) Apartment 2: This Apartment consists of Yard 2 as shown on the Condominium Map, together with the following structures located thereon: a free standing one (1) story building containing a net living area of approximately 2,593.77 square feet, excluding the garage and lanai, and consists of a kitchen, dining room, living room, three (3) bedrooms, two and one-half (2½) bathrooms, a lanai of 560 square feet, a gazebo, and a two-car garage containing 598 square feet.

The foregoing approximate total square footages of net living area for the enclosed portions of the Apartment Units are computed from and to the interior surfaces of the Apartment Unit perimeter walls.

END OF EXHIBIT A

**EXHIBIT B**

**BOUNDARIES OF EACH APARTMENT:**

The respective Apartment Unit shall not be deemed to include any pipes, shafts, wires, conduits or other utility or service lines which are located outside of an Apartment Unit or which are utilized for or serve more than one Apartment Unit, the same being deemed Common Elements as hereinafter provided. Each Apartment Unit shall be deemed to include (i) all portions of the residential structure, inclusive of concrete footings, (ii) all pipes, shafts, ducts, pumps, conduits, wires and other utility or service lines running through such Apartment Unit which are utilized for and serve only that Apartment Unit, and (iii) all appliances and fixtures installed therein and replacements thereof.

**END OF EXHIBIT B**

**EXHIBIT C**

**PERMITTED ALTERATIONS TO APARTMENTS:**

1. Additions or Alterations Solely Within an Apartment Unit. Each Owner of an Apartment Unit shall have the right at any time and from time to time at such Owner's sole cost and expense, and without the necessity of the consent or joinder of the Board or any other Apartment Unit Owner or the amendment of the Declaration to make any of the following alterations pertaining to the Apartment Unit as defined in Section B.2(d) above: to install, maintain, remove, and rearrange partitions and other structures from time to time within such Apartment Units, and to paint, paper, panel, plaster, tile, finish, and do or cause to be done such other work on the interior or exterior surfaces of the ceilings, floors and walls within any such Apartment Unit and to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as shall be appropriate for the utilization of such Apartment Unit by such Owner or the tenants or lessees thereof; provided, however, that nothing contained in this paragraph shall authorize any work or alteration which would jeopardize the soundness or safety of any part of the Project, reduce the value therefor, adversely affect any other Apartment Unit or affect or impair any easement or rights of any other Apartment Unit Owners.

**END OF EXHIBIT C**

**EXHIBIT D**

**COMMON ELEMENTS:**

1. Common Elements. One freehold estate is hereby designated in all remaining portions of the Project, herein called the "Common Elements", including specifically but not limited to:

a. The Land in fee simple.

b. All yards, grounds and landscaping, if any, whether within or appurtenant to the Project.

c. All ducts, sewer lines, cesspools, electrical equipment, wiring, pipes and other appurtenant transmission facilities over, under and across the Project which are outside of the Apartment Unit or which serve more than one Apartment Unit for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.

d. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

**END OF EXHIBIT D**

## EXHIBIT E

### LIMITED COMMON ELEMENTS:

1. Limited Common Elements. Certain parts of the Common Elements, herein called the "Limited Common Elements", are hereby designated, set aside and reserved for the exclusive use of certain Apartment Units, and such Apartment Units shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements as set forth herein. The costs and expenses of every description pertaining to the Limited Common Elements, including but not limited to the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements shall be charged to the Owner of the Apartment Unit to which the Limited Common Element shall be appurtenant, and if there is more than one Apartment Unit to which the Limited Common Elements shall be appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Apartment Units except as otherwise provided in this Paragraph.

a. Apartment Unit 1 shall have appurtenant to it as a limited common element the driveway to Apartment Unit 1 as shown on the Condominium Map. Apartment Unit 2 shall have appurtenant to it as a limited common element the driveway to Apartment Unit 2 as shown on the Condominium Map.

b. Apartment Unit 1 shall have appurtenant to it the area described on the Condominium Map as "Yard "1". Apartment Unit 2 shall have appurtenant to it the area described on the Condominium Map as "Yard "2". Yards referenced herein are not legally subdivided lots.

c. Each Apartment shall have appurtenant to it as a Limited Common Element the cesspool and sewer line serving that Apartment, as shown on the Condominium Map.

d. All common elements of the Project which are rationally related to less than all of said apartments shall be limited common elements appurtenant to the apartments to which they are so related.

e. All costs and expenses of maintaining the cesspools or other Limited Common Elements shall be charged to the Owner of the Apartment to which such parking area or other Limited Common Element shall be appurtenant. The Owner of an appurtenant cesspool or other Limited Common Element shall have the right and the obligation in the first instance to maintain and repair the cesspool or other Limited Common Element appurtenant to such Owner's Apartment. The Association, upon giving notice to the Owner, may repair or maintain the cesspool

or other Limited Common Element and charge the expense thereof to such Owner.

**END OF EXHIBIT E**

EXHIBIT F

**ENCUMBRANCES AGAINST THE TITLE:**

1. Real property taxes as may be due and owing. Check with the County Tax Assessor.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. A 10-foot wide "no access" planting strip along Kawaihae-Waimea Road, as shown on File Plan No. 1845.
4. Designation of Easement "6" (15 feet wide, 4,456 square feet), for waterline purposes, as shown on File Plan No. 1845.
5. Grant dated October 22, 1985, in favor of Water Commission of the County of Hawaii, recorded as aforesaid in Liber 19033, at Page 161; granting an easement over said Easement "6".
6. Covenants, conditions and restrictions set forth in Declaration dated January 20, 1986, effective February 14, 1985, recorded in said Bureau in Liber 19293, at Page 503.
7. Grant dated July 5, 1991, in favor of Hawaii Electric Light Company, Inc. and GTE Hawaiian Telephone Company Incorporated, recorded in said Bureau as Document No. 91-119891, granting right and easement to construct, reconstruct, repair, maintain and operate pole and wire lines for the transmission and distribution of electricity over Lot 21.
8. MORTGAGE  
  
MORTGAGOR : GARY KOKICHI ISHIMINE  
MORTGAGEE : MYRON A. YAMASATO  
DATED : January 16, 1992  
RECORDED : Document No. 92-011201  
AMOUNT : \$118,460.00 - on Mortgagor's undivided  
66.42042 percent interest
9. Declaration of Condominium Property Regime of KANEHOA CONDOMINIUMS dated March 9, 1993, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-045497. (Project covered by Condominium Map No. 1839.)

10. By-Laws of the Association of Apartment Owners of Kanehoa Condominiums dated March 9, 1993, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-045498.
11. First Amendment to the Declaration of Condominium Property Regime of Kanehoa Condominiums (Condominium Map Amendment), recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-059959.

**END OF EXHIBIT F**

EXHIBIT G

**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	\$142.50 X 12	=	\$1,710.00
2	\$142.50 X 12	=	\$1,710.00

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

**Maintenance Fees and Maintenance Fee Disbursements:**

**Estimate of Maintenance Fee Disbursements:**

Monthly X 12 months = Yearly Total

Utilities and Services		
Air Conditioning		
Electricity		
( ) common elements only		
( ) common elements		
and apartments		
Gas		
Refuse Collection		
Telephone		
Water		
Maintenance, Repairs and Supplies		
Pool		
Building		
Grounds	25 X 12 =	300.00
Pest		
Reserves-Long term maintenance	25 X 12 =	300.00
Management		
On-site Manager		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	10 X 12 =	120.00
Taxes and Government Assessments (Real Property Taxes)	225 X 12 =	2,700.00
Audit Fees		
Other		
TOTAL:		\$3,420.00

I/We, MYRON A. YAMASATO, as owner/developer for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Date: 3-5-93

  
\_\_\_\_\_  
MYRON A. YAMASATO

**END OF EXHIBIT G**

## EXHIBIT H

No sale of units is immediately contemplated, however, should this change, a summary of pertinent provisions of the Sales Contract and Receipt follows.

### **SUMMARY OF SALES CONTRACT AND RECEIPT:**

The unexecuted Sales Contract filed with the Commission, provides for, among other things, a description of the apartment to be sold, the purchase price, the time, manner and place of payment, the Purchaser's obligations regarding mortgage financing, Developer's warranties and disclaimers regarding the construction, fixtures and appliances, and the remedies of Developer and of Purchaser in the event of a default under the Contract.

Among other provisions, the specimen Sales Contract and the provisions of Chapter 514A, Hawaii Revised Statutes provide:

1. That said Sales Contract is only a reservation agreement until (i) a true copy of the Final Public Report (with all then issued Supplementary Public Reports, if any) is delivered to the Purchaser, the Purchaser has an opportunity to read the report(s) and executes and gives the Developer a receipt/notice for the report(s) waiving Purchaser's right to cancel, provided that if Purchaser does not execute and return the receipt/notice within thirty (30) days from the date of delivery of the report(s) and receipt/notice, or if Purchaser's Apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have accepted and waived his right to cancel, and if (and only if) there is a material change affecting (i) Purchaser's apartment or appurtenant limited common elements, or (ii) amenities of the Project available for Purchaser's use, and Purchaser executes and returns to Developer the written approval or acceptance of material change, provided that if Purchaser does not execute and return such written approval or acceptance of material change within thirty (30) days of delivery of such written approval or acceptance, or if Purchaser's apartment is conveyed to Purchaser prior to the expiration of said thirty (30) day period, then Purchaser shall be deemed to have accepted and approved such material change. Until the Sales Contract becomes binding and effective as described above, and in accordance with Chapter 514-A, Hawaii Revised Statutes, the Sales Contract may be unconditionally cancelled at any time by either the Developer or the Purchaser. Upon such cancellation by Developer, Developer shall direct Escrow Agent to refund to Purchaser, without interest earned, all deposits paid by

## EXHIBIT I

No sale of units is immediately contemplated, however, should this change, a summary of pertinent provisions of the Developer's Escrow Agreement with Title Guaranty Escrow Services, Inc. follows.

### **SUMMARY OF EXECUTED ESCROW AGREEMENTS**

A copy of the executed Escrow Agreement dated March 9, 1993 between Title Guaranty Escrow Services, Inc., as Escrow Agent, and Developer has been filed with the Commission. The Escrow Agreement provides for the deposit of Purchaser's funds pursuant to the Sales Contract and also provides for the retention or disbursement of the funds. The Escrow Agreement provides in part that any interest earned on money on deposit belongs to the Developer. In the event that the Sales Contract and Chapter 514A, Hawaii Revised Statutes entitle a Purchaser to a refund of Purchaser's Deposits held by the Escrow Agent, then Escrow Agent, upon instruction from Developer, will refund Purchaser's deposits, without interest earned and less certain cancellation fees and costs (e.g., escrow cancellation fees, loan processing fees, cost of credit reports, etc.) as provided in the Sales Contract and Chapter 514A, Hawaii Revised Statutes, as amended.

By law the total amount of such cancellation fees shall not exceed Two Hundred Fifty and No/100 Dollars (\$250.00). Under the Escrow Agreement no disbursement of funds can be made to the Developer until the Sales Contract becomes effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

It is incumbent upon a prospective Purchaser to read the executed Escrow Agreement with care.

END OF EXHIBIT I

EXHIBIT J

SUMMARY OF COVENANTS OF SUBDIVISION

The following is a summary of the material portions of the Covenants, Conditions and Restrictions of the Kanehoa Subdivision ("Covenants"). This summary is not intended to be exhaustive and the reader is urged to review the Covenants in their entirety.

1. The covenants of the subdivision provide that each lot in the subdivision can only be used for single family dwelling houses and ohana houses and no business uses will be allowed. All lots must be kept sanitary and all electric, telephone and transmission wires must be placed underground.

2. The Association of Owners shall have the rights, powers and duty to enforce the covenants and to maintain and repair the lots.

3. The Association shall procure general liability insurance for the benefit of the members .

4. The Association shall have the power to levy assessments to pay for the cost of the operation and maintenance of the subdivision. The Board of Directors shall determine an estimate of the fees and costs for the operation and maintenance of the subdivision and the assessments shall be determined from such estimate.

5. Fines and special assessments may be imposed by the Board of Directors of the Association for those lot owners who fail to pay their assessments. The Association can enforce the nonpayment by way of lien and foreclosure.

6. The Covenants can be amended only by a vote of 75% of the owners of lots in the subdivision.

7. The Covenants expire on January 20, 2006, unless extended as provided in the Covenants.

END OF EXHIBIT J