REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
SALT LAKE MANOR
2977 Ala Ilima Street
Honolulu, Hawaii 96818

REGISTRATION NO. 1309 (CONVERSION)

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

(1) A copy of this Report has been given to the prospective purchaser,
(2) The latter has been given an opportunity to read same, and,
(3) His receipt taken therefor.

Issued: June 3, 1980
Expires: July 3, 1981

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MAY 6, 1980 AND INFORMATION SUBSEQUENTLY FILED AS OF MAY 23, 1980. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. SALT LAKE MANOR is a proposed fee simple condominium conversion project consisting of one (1) residential building, containing seventy (70) apartments, and eighty-eight (88) parking stalls. The building was completed in 1972.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime with By-Laws of Association of Apartment Owners attached and a copy of approved floor plans) have not been recorded.

4. Advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public dissemination.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.

6. This Preliminary Public Report is made a part of the registration on SALT LAKE MANOR condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor from each purchaser or prospective purchaser.

7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, June 3, 1980, unless a Supplementary or Final Public Report is published, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: SALT LAKE MANOR

LOCATION: The project is located at 2977 Ala Ilima Street, Honolulu, Hawaii 96818, and contains 32,713.0 square feet or thereabouts. The description of the land and the reserved easements, rights, powers and privileges of the owners are more fully set forth in the proposed Declaration.

TAX KEY: First Division, 1-1-61-24

ZONING: A-3

DEVELOPER: The Notice of Intention reveals the Developer to be SLM INVESTORS, a registered Hawaii limited partnership, whose principal place of business and post office address is Suite 1625, Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813, Tel. No. 524-5414. The general partners of SLM Investors are Smith Development Corp. and Frederick A. Zane.

ATTORNEY REPRESENTING DEVELOPER: OKUMURA TAKUSHI FUNAKI & WEE, ATTORNEYS AT LAW, A LAW CORPORATION (Alfred M. K. Wong), Suite 1400 Grosvenor Center, 733 Bishop Street, Honolulu, Hawaii 96813, Tel. No. 543-9800.

DESCRIPTION OF PROJECT: The residential building of the project is a concrete block building consisting of a basement and eight (8) floors, containing a total of seventy (70) apartments, as follows:

The basement consists of a transformer vault room, a pump and switch room, a storage room and thirty-eight (38) parking stalls numbered 1 through 38. There are two parking ramps for travel between the basement and ground floor. The basement also has access to the elevators and two stairways in the building.

The ground floor consists of a rubbish room, a boiler room, a laundry room, a men's and a women's restroom, a mail box room, a manager's office and thirty-three (33) parking stalls numbered 39 through 62 and 65 through 73. (The numbers 63 and 64 have been omitted.) Outside of the building there is a recreation area, a swimming pool, an outdoor shower, a pool equipment room, two (2) loading zones and seventeen (17) parking stalls numbered 74 through 90.

The second through eighth floors each consists of ten (10) apartments, a corridor, a lobby, a vestibule and a janitor's room.

There is an elevator machine room on the roof of the building.

Seventy (70) freehold estates are designated in the spaces within the perimeter walls, floors and ceilings of each of the seventy (70) apartments of the project. There are ten (10) apartments on each of the second through eighth floors, numbered 01 through 10 preceded by the number of the floor. The apartment on the southeast end of the building is numbered 01. Proceeding counter-clockwise from 01, the apartments are numbered 02, 03, 04, 05, 06, 10, 09 08 and 07. The apartments are one of seven (7) types as follows:

a. Type A Apartments. Each Type A apartment consists of a living room, a kitchen/dining room, a bathroom and three (3) bedrooms, with a total area of approximately 806 square feet. Apartments numbered 01 are Type A apartments.

b. Type B Apartments. Each Type B apartment consists of a living room, a kitchen/dining room, a bathroom, a hall and two (2) bathrooms, with a total area of approximately 680 square feet. Apartments numbered 02 are Type B apartments.

c. Type C Apartments. Each Type C apartment consists of a living-dining room, a kitchen, a bathroom, a hall and two (2) bedrooms, with a total area of approximately 702 square feet. Apartments numbered 03, 05 and 09 are Type C apartments.

d. Type CC Apartments. Each Type CC apartment consists of a living-dining room, a kitchen, a bathroom, a hall and two (2) bedrooms with a total area of approximately 702 square feet. Each Type CC apartment is identical to a Type C apartment except that the floor plan is reversed. Apartments numbered 04 and 06 are Type CC apartments.

e. Type D Apartments. Each Type D apartment consists of a living-dining room, a kitchen, a bathroom, a hall and one (1) bedroom with a total area of approximately 640 square feet. Apartments numbered 10 are Type D apartments.

f. Type E Apartments. Each Type E apartment consists of a living-dining room, a kitchen, a bathroom, a hall and one (1) bedroom, with a total area of approximately 527 square feet. Apartments numbered 07 are Type E apartments.

g. Type EE Apartments. Each Type EE apartment consist of a living-dining room, a kitchen, a bathroom, a hall and one (1) bedroom, with a total area of approximately 527 square feet. Each Type EE apartment is identical to a Type E apartment except that the floor plans are reversed. Apartments numbered 08 are Type EE apartments.

Each apartment has immediate access to a corridor leading to two stairways and the elevators of the building.

The seventy (70) apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or of the interior loadbearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in the Declaration. Each apartment shall be deemed to include the walls and partitions which are not loadbearing and which are within its perimeter walls; doors and door frames; windows and window frames; lanais, if any; and the inner decorated or finished surfaces of walls, floors and ceilings, adjoining or connected thereto. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment is measured from the exterior face of exterior walls and the center line of party walls, and no reduction is made to account for interior loadbearing walls, ducts, vent shafts and the like, located within the perimeter walls.

COMMON ELEMENTS: The proposed Declaration states that the owners of apartments will have an undivided interest in the common elements, including specifically but not limited to:

a. Said land in fee simple.

b. All foundations, columns, girders, beams, supports, main walls, roofs, lobbies, corridors, balconies, hallways, stairways, entrances and exits of said building.

c. All driveways, yards, parking spaces and loading zones.

d. The manager's office, laundry facilities and men's and women's restrooms located on the ground floor of the building.

e. All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.

f. All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.

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

h. The recreation area and facilities, including the swimming pool and shower, located on the grounds of the project.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called "limited common elements", are reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are the parking stalls. Each of the eighty-eight (88) parking stalls in the project shall be a limited common element appurtenant to and reserved for the exclusive use of Apartment 201; PROVIDED, HOWEVER, that any or all of such parking stalls may be transferred and assigned as limited common elements appurtenant to other apartments by way of amendment to the Declaration as therein provided.

INTEREST TO BE CONVEYED TO PURCHASER: Each of the seventy (70) apartments shall have appurtenant thereto an undivided interest in all the common elements of the project, such interest being defined and referred to herein as the "common interest", and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting, as follows:

Apartment Type	Undivided Interest				Total
Type A (excepting Apt. 201) (Apts. 301, 401, 501, 601, 701 and 801)	1.7211%	x	6	=	10.3266%
Apt. 201 (Type A)	1.7212%	x	1	=	1.7212%
Type B (Apts. 202, 302, 402, 502, 602, 702 and 802)	1.4522%	x	7	=	10.1654%
Type C (Apts. 203, 303, 403, 503, 603, 703, 803; 205, 305, 405, 505, 605, 705, 805; 209, 309, 409, 509, 609, 709 and 809)	1.4990%	x	21	=	31.4790%
Type CC (Apts. 204, 304, 404, 504, 604, 704, 804; 206, 306, 406, 506, 606, 706 and 806)	1.4990%	x	14	=	20.9860%
Type D (Apts. 210, 310, 410, 510, 610, 710 and 810)	1.3666%	x	7	=	9.5662%
Type E (Apts. 207, 307, 407, 507, 607, 707 and 807)	1.1254%	x	7	=	7.8778%
Type EE (Apts. 208, 308, 408, 508, 608, 708 and 808)	1.1254%	x	7	=	7.8778%
					100.0000%

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: Article 9 (Subsections 9.01 - 9.03) of the proposed Declaration states that the purposes for which the building and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

a. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to the Declaration duly recorded, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument. PROVIDED, that any exclusive easement for the use of a parking stall may be conveyed to another apartment owner by a written instrument expressly identifying the apartment to which the parking stall is appurtenant as well as the apartment to which the parking stall will become appurtenant, which written instrument shall be denominated as an amendment of the Declaration.

b. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the Horizontal Property Act.

c. The apartments shall be used for residential purposes only, and the owners of such apartments shall not use or allow the use of their apartments as a tenement or boarding house or for or in connection with the carrying on of any business or trade whatsoever.

d. The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and By-Laws of the project; provided, however, that no apartment owner may sell, lease, rent or otherwise transfer less than the entire apartment.

e. The apartments shall not be used, leased, rented or any undivided interest therein conveyed for time-sharing purposes or under any time-sharing plan, agreement or arrangement. For the purpose of this paragraph, a time sharing plan, agreement or arrangement means any arrangement, plan, scheme or similar device, whether by membership agreement, tenancy in common, sale, lease, deed, rental, agreement, license, use agreement, security, trust, or by any other means, whereby an individual in exchange for advanced consideration receives a right to use the apartment estate and facilities on a recurring basis for a specific period of time less than a full year during any given year, but not necessarily for consecutive years, and which extends for a period of more than one year. Nothing herein contained shall prohibit an apartment estate from being owned by two or more individuals as tenants in common, provided that such tenancy in common shall not be for the purpose of establishing a time sharing plan or agreement.

NOTE: The House Rules restrict the number of occupants to no more than two (2) persons per bedroom in each apartment. Said House Rules also contain certain restrictions respecting pets and waterbeds.

OWNERSHIP OF TITLE: The Preliminary Title Report dated March 5, 1980 by Long & Melone, Ltd. confirms that title to the land is vested in SLM INVESTORS.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report reports that title to the land is subject to the following:

1. For real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Taxation Division.

2. *EXCEPTION AND RESERVATION of all artesian and other* underground water and rights thereto, unto the Trustees under the Will and of the Estate of Samuel M. Damon, deceased; as reserved in Deed dated October 7, 1965, filed as Land Court Document No. 372554. Said Trustees release all right to enter upon surface of lands to exercise said exception and reservation, including any rights of ingress and egress upon said land, by Release dated October 12, 1965, filed as Land Court Document No. 372562.

3. Declaration of Restrictive Covenants made by Clarence Thing Chock Ching, et al., dated November 23, 1965, filed as Land Court Document No. 375914, to which reference is hereby made.

4. Easement 473, as shown on Map 314, filed with Land Court Application No. 1074, for transformer vault and underground electric cable, as set forth by Land Court Order No. 24900, filed November 9, 1965.

5. Easement 474 (42 square feet), as shown on Map 314, filed with Land Court Application No. 1074, for transformer vault, as set forth by Land Court Order No. 24900, filed November 9, 1965.

6. Grant of Easement in favor of Hawaiian Electric Company, *Inc. and Hawaiian Telephone Company dated January 28, 1966, filed* as Land Court Document No. 381416, for utilities over and across Easements 473 and 474, as amended by instrument dated June 16, 1967, filed as Land Court Document No. 420571.

7. Regulatory Agreement for Multi-Family Housing Projects dated April 6, 1972, filed as Land Court Document No. 576818.

8. Mortgage in favor of Zenith Mortgage Company dated April 6, 1972, filed as Land Court Document No. 576817, as amended by instrument dated September 14, 1973, filed as Land Court Document No. 649663; said mortgage, as amended, was assigned to First Federal Savings and Loan Association of Philadelphia by instrument dated September 18, 1973, filed as Land Court Document No. 650363.

NOTE: The mortgage mentioned in item 8 above will be released prior to the issuance of an apartment deed to an individual purchaser. The Regulatory Agreement mentioned in item 7 above will be cancelled prior to the issuance of any apartment deed. The condominium project will not be governed by FHA regulations.

PURCHASE MONEY HANDLING. A copy of the Specimen Sales Contract and the executed Escrow Agreement *dated March 3, 1980 have been* submitted as part of the registration. The Escrow Agreement identifies Long & Melone Escrow, Ltd. as the Escrow. Upon examination, the Sales Contract and the executed Escrow Agreement

are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The Escrow agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said Purchaser, without interest if Purchaser shall in writing request refund of his funds and any one of the following shall have occurred: (a) Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser then held by Escrow; or (b) If a Purchaser's funds were obtained prior to the issuance of a final public report and if there is any change in the condominium building plans, subsequent to the execution of Purchaser's Sales Contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the Purchaser has given written approval or acceptance of the specific change; or (c) If a Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time the final public report is issued; or (d) If the final public report differs in any material respect from the preliminary public report, unless the Purchaser has given written approval or acceptance of the difference; or (e) If the final public report is not issued within one year from the date of issuance of the preliminary public report. Upon refund of said funds to Purchaser as aforesaid, Escrow shall return to Developer such Purchaser's Sales Contract and any apartment deed theretofore delivered to Escrow, and thereupon Escrow shall have no further obligations under the Sales Contract with respect to said Purchaser.

The Sales Contract provides, in part:

(1) Acceptance of Apartment; Building Not New; No Warranties. Buyer acknowledges that the project was completed in 1972 and accepts the Apartment and the common elements in an "as is" condition. Buyer further acknowledges that Buyer has had an opportunity to inspect the Apartment and common elements and that the purchase price takes into consideration the fact that the buildings and fixtures and appliances are 8 years old. Buyer acknowledges that Seller has made no warranties, express or implied, with respect to the property or any common element or anything installed therein. At Seller's option, an inspection program may be instituted for correction of defects agreed upon and, if so, Buyer agrees to inspect Buyer's Apartment on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the property, if any. Buyer agrees to accept possession of the property despite the existence of such defects or damages to the property regardless of extent, including but not limited to any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter. This agreement shall survive the closing. Buyer agrees to indemnify Seller for any damages or losses, including

interest and attorney's fee, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the property upon request by Seller and if Buyer shall make any such refusal, Buyer shall be deemed to be in default under the sales contract and Seller at its option shall be entitled to cancel the sales agreement and keep all payments made under the Sales Contract as liquidated damages. Buyer waives all rights of inspection and rights to Seller's cooperation and assistance if Buyer fails to inspect Buyer's Apartment on the date and time specified by Seller and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations under the Sales Contract, including without limitation the making of Payments B, C and D (on Sales Contract) and performance of Buyer's closing obligations.

(2) Subordination. The Sales Contract shall not be construed as a present transfer of any interest in the property since it is an agreement to transfer in the future. All terms and provisions of the sales contract and all of the Buyer's right, title and interest under the Sales Contract are and shall be subject and subordinate to the lien of any mortgage or mortgages heretofore or hereafter made. The subordination of Buyer's rights as provided in the Sales Contract shall be self-operating and no further instrument of subordination shall be required. In confirmation of such subordination, Buyer agrees to promptly execute and deliver any instrument that the holder of such mortgage or mortgages or its successors in interest may require to evidence such subordination, and Buyer irrevocably appoints Seller the attorney-in-fact of Buyer to execute and deliver any such instrument on behalf of Buyer, should Buyer refuse or fail to do so within five (5) days after request is made.

(3) Interest on Deposits. Buyer agrees that any interest payable on monies deposited with escrow shall belong to and be payable to Seller.

(4) Unsold Apartments. Seller expressly reserves the right to sell or lease unsold apartments free from any restrictions on such sale or lease which may under the By-Laws apply to Buyer.

(5) Representations. Buyer acknowledges that Seller or its agents have made no representations or references concerning rentals of the apartments and that no rental management arrangements are available by the Association Managing Agent, Seller or any person connected with Seller. Buyer shall be solely responsible for the use of Buyer's unit including the rental thereof. Neither Seller nor its agents make any representation regarding either economic benefits to be derived from rentals or tax treatment of the Buyer of an apartment. The tax treatment and economic benefits vary with individual circumstances and Seller and its agents recommend that the Buyer consult with his or her own attorney, accountant or other tax counsel for advice regarding tax treatment. Until such time when Seller shall have sold all apartments in the project, Buyer agrees that Buyer shall not enter into or offer to enter into any arrangement with any other apartment owner in the project whereby any rental pool of apartments or any other sharing of rental income of apartments is established.

MANAGEMENT AND OPERATIONS: The proposed Declaration discloses that the administration of the project shall be vested in the

Association of Apartment Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. URBAN MANAGEMENT CORP., a Hawaii corporation, whose principal place of business and post office address is 1711 Dole Street, Honolulu, Hawaii 96822, has been named as the initial Managing Agent and is designated as the agent to receive service of process until such time as the Board of Directors of the Association is elected.

STATUS OF PROJECT: The project was completed in 1972 and has been used for apartment rentals. Present tenants are on a month-to-month tenancy.

To the best of Developer's information and belief, the building presently built on the subject premises, is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction thereof, and no variance was granted from any ordinance, code, rule, regulation or other requirement in force at the time of the construction thereof or from any current ordinance, code, rule, regulation or other requirement. Any change to the structure in the future would be subject to any zoning requirements in effect at that time including Section 21-107, Non-Comforming Uses, of the Comprehensive Zoning Code.

The Developer makes no representations as to the expected useful life of structural components and mechanical and electrical installations material to the use and enjoyment of the condominium.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted May 6, 1980 and information subsequently filed as of May 23, 1980.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1309.

This report when reproduced shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be yellow in color.

G. A. MORRIS, MEMBER
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:
- Department of Taxation
- Bureau of Conveyances
- Department of Planning, City and County of Honolulu
- Federal Housing Administration
- Escrow Agent

Registration No. 1308

June 3, 1980