

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

465 KAPAHULU
465 Kapahulu Avenue
Honolulu, Oahu, Hawaii

REGISTRATION NO. 1494 (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 2, 1982

Expires: July 2, 1983

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED ON THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 16, 1982, AND INFORMATION SUBSEQUENTLY FILED AS OF MAY 27, 1982, THE DEVELOPER BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. 465 KAPAHULU is a proposed fee simple condominium conversion project consisting of one existing residential and commercial apartment building approximately fifteen (15) years old with five (5) stories, with forty-eight (48) Apartments. There will be parking stalls on the ground level of the building for forty-nine (49) automobiles.
2. The Developer of the Project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners) were executed on March 18, 1982, and have been recorded in the Office of Land Court of the State of Hawaii as Document No. 1110209. A copy of the floor plans has been filed as Condominium Map No. 474.
4. No advertising or promotional matter has been submitted pursuant to the Rules and Regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the 465 KAPAHULU registration 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 of securing a signed copy of a receipt therefor.
7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, June 2, 1982, unless a Supplementary Public Report issues or the Commission, upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: 465 KAPAHULU

LOCATION: 465 Kapahulu Avenue, Honolulu, Hawaii.

The site comprising 22,445 square feet, is located in Honolulu, Oahu, Hawaii.

TAX MAP KEY: First Division: 3-1-22: 6, 9, and 10

ZONING: B-2, Community Business

DEVELOPER: FAIRWAY 40 PARTNERS, a Hawaii limited partnership, whose principal place of business is Suite 1907, 615 Piikoi Street, Honolulu, Hawaii 96814. The General Partner of the limited partnership is:

PROFESSIONAL REALTY CORP.
(Attn.: Mr. Marshall Goldman)
Suite 1907, 615 Piikoi Street
Honolulu, Hawaii 96814

ATTORNEYS REPRESENTING DEVELOPER: WOO, KESSNER & DUCA (Attention: Vernon Y. T. Woo, Esq.), Suite 300, James Campbell Building, 828 Fort Street Mall, Honolulu, Hawaii 96813 (Telephone: (808) 524-0955).

DESCRIPTION OF PROJECT: Declaration of Horizontal Property Regime and the plans submitted by the Developer indicate that the improvements shall consist of one existing concrete and steel residential and commercial apartment building of five (5) stories, one elevator, two (2) stairways and forty-nine (49) parking stalls situated on the ground level of the building. There are forty-eight (48) Apartments consisting of ten (10) Apartments on each of the second, third, fourth and fifth levels of the building (numbered "2A, 2B, 2C, 2D, 2E, 2F, 2G, 2H, 2J, 2K", "3A, 3B, 3C, 3D, 3E, 3F, 3G, 3H, 3J, 3K", "4A, 4B, 4C, 4D, 4E, 4F, 4G, 4H, 4J, 4K", and "5A, 5B, 5C, 5D, 5E, 5F, 5G, 5H, 5J, 5K" respectively), and eight (8) Apartments (numbered "101 - 108") on the first level of the building. NOTE: Apartment 108 includes a one room loft space on each of the first, second, third, fourth, and fifth levels of the building. Because of its designation on the first level of the building, Apartment 108 has not been included in the determination of Apartments on each of the second, third, fourth, and fifth levels of the building. The Apartments on the first level of the building are numbered as follows: the first digit of an Apartment number denotes the level of the building and the next two digits denote its location on the floor. The Apartments located on the 2nd through 5th levels of the building are numbered as follows: the first digit of an Apartment number denotes the level of the building and the alphabetical letter denotes its location on the floor. In addition, the improvements include a security entrance, lobby and manager's office (Apartment 108), electrical room, storage room, mechanical room, trash room, two (2) stairways, and elevator.

The Project consists of twenty (20) basic types of Apartments, each Apartment type being typical of all other Apartments of the same type.

The Apartment types are designated according to floor level and type, as follows:

Apartment 101 consists of a one room open loft space and half bath (water closet and sink). The net floor area of the Apartment is approximately 588 square feet.

Apartment 102 consists of a one room open loft space and half bath (water closet and sink). The net floor area of the Apartment is approximately 351 square feet.

Apartment 103 consists of a one room open loft space and half bath (water closet and sink). The net floor area of the Apartment is approximately 402 square feet.

Apartment 104 consists of a one room open loft space and half bath (water closet and sink). The net floor area of the Apartment is approximately 638 square feet.

Apartment 105 consists of a one room open loft space and half bath (water closet and sink). The net floor area of the Apartment is approximately 639 square feet.

Apartment 106 consists of a one room open loft space and half bath (water closet and sink). The net floor area of the Apartment is approximately 635 square feet.

Apartment 107 consists of a one room open loft space and half bath (water closet and sink). The net floor area of the Apartment is approximately 949 square feet. It is encumbered with an existing long-term lease extending to May 4, 1985.

Apartment 108 consists of a one room open loft space. The net floor area of the Apartment is approximately 138 square feet, consisting of approximately 54 square feet on the ground floor, and in addition, Apartment 108 has similar one room open loft space of approximately 21 square feet on each of the second through fifth levels of the building, all for a total of 138 square feet.

Apartments "2A, 2B, 2C, 2E, 2F, 2G, 2J, and 2K" consist of one-bedroom, a combined living/dining/kitchenette area, and one full bath. The net floor area of Apartments 2A, 2B, 2C, 2J, and 2K is approximately 600 square feet. The net floor area of Apartments 2E and 2F is approximately 607 square feet. The net floor area of Apartment 2G is approximately 644 square feet.

Apartment "2H" consists of one-bedroom, a den/bedroom, a combined living-dining/kitchenette area, and one

full bath. The net floor area of of Apartment 2H is approximately 832 square feet. Apartment "2D" consists of one-bedroom, a combined living/dining/den/kitchenette area, and one full bath. The net floor area of Apartment 2D is approximately 798 square feet.

Apartments "3A, 4A, and 5A; 3B, 4B, and 5B; 3C, 4C, and 5C; 3J, 4J, and 5J; 3K, 4K, and 5K" consist of one bedroom, a combined living/dining area, kitchen, one full bath, and adjoining lanai. The net floor area of each of the above-mentioned model apartments is approximately 556 square feet. The adjoining lanai is approximately 44 square feet. The net floor area of the Apartment and lanai is approximately 600 square feet. The third, fourth, and fifth floor level Apartments described in this paragraph differ from the second floor level Apartments of the same letter description in that they contain lanais and have a larger kitchen. There are fifteen (15) of the above-mentioned apartments, five on each of the third, fourth, and fifth floor levels.

Apartments "3E, 4E, and 5E; 3F, 4F, and 5F" consist of one bedroom, a combined living/dining area, kitchen, one full bath, and adjoining lanai. The net floor area of Apartments 3E, 4E, 3F, and 4F is approximately 548 square feet. The adjoining lanai is approximately 59 square feet. The net floor area of the Apartment and lanai is approximately 607 square feet. The net floor area of Apartments 5E and 5F is approximately 548 square feet. The adjoining lanai is approximately 69 square feet. The net floor area of the Apartment and lanai is approximately 617 square feet. The third, fourth, and fifth floor level Apartments described in this paragraph differ from the second floor level Apartments of the same letter description in that they contain lanais and have a larger kitchen. There are six (6) of the above-mentioned apartments, two on each of the third, fourth, and fifth floor levels.

Apartments "3D, 4D, and 5D" Apartments consist of one bedroom, a combined living-dining/den area, kitchen, one full bath, and an adjoining lanai. The net floor area of Apartments 3D and 4D is approximately 670 square feet. The lanai totals approximately 128 square feet. The net floor area of the Apartment and lanai is approximately 798 square feet. The net floor area of Apartment 5D is approximately 670 square feet. The lanai totals approximately 150 square feet. The net floor area of the Apartment and lanai is approximately 820 square feet. The third, fourth, and fifth floor level Apartments described in this paragraph differ from the second floor level apartment of the same letter description in that they contain lanais.

Apartments "3G and 4G" consist of one bedroom, a combined living/dining area, kitchen, one full bath, and adjoining lanai. The net floor area of each of the above-mentioned Apartments is approximately 515 square

feet. The adjoining lanai is approximately 128 square feet. The net floor area of the Apartment and lanai is approximately 643 square feet. The third and fourth floor level Apartments described in this paragraph differ from the second floor level Apartments of the same letter description in that they contain lanais.

Apartment "5G" consists of one bedroom, a combined living/dining area, kitchen, one full bath, and adjoining lanai. The net floor area of the Apartment is approximately 517 square feet. The adjoining lanai is approximately 151 square feet. The net floor area of the Apartment and the lanai is approximately 668 square feet.

Apartments "3H and 4H" consist of one bedroom, a den/bedroom, a combined living/dining area, kitchen, one full bath, and an adjoining lanai. The net floor area of each of the above-mentioned apartments is approximately 729 square feet. The adjoining lanai is approximately 102 square feet. The net floor area of the Apartment and lanai is approximately 831 square feet. The third and fourth floor level Apartments described in this paragraph differ from the second floor level Apartments of the same letter description in that they contain lanais.

Apartment "5H" consists of one bedroom, a den/bedroom, a combined living/dining area, kitchen, one full bath, and adjoining lanai. The net floor area of the Apartment is approximately 729 square feet. The adjoining lanai is approximately 120 square feet. The net floor area of the Apartment and the lanai is approximately 849 square feet. The fifth floor level Apartment described in this paragraph differs from the third and fourth floor level Apartments of the same letter type description in that it contains a larger lanai.

The Apartments will be numbered in the manner shown on the Condominium Map. All Apartment square footage figures are approximate and are based on net living area, as measured from the interior surface of the Apartment perimeter walls. Areas of lanais are computed and reported separately from the enclosed Apartment area.

There will be parking stalls for forty-nine (49) automobiles, of which thirty-three (33) are for standard cars and sixteen (16) are for compact cars. Each Apartment shall have the right to use an unassigned parking stall, except for Apartments 101-108, which shall have the sole and exclusive right to use parking stalls designated in the schedule set forth on page 9 herein.

Each Apartment shall include all of the areas or spaces enclosed by the walls, floor and ceiling which determine apartment boundaries as established hereafter and by the Condominium Map. Where a unit is bounded by walls, its boundaries shall be the inner decorated or finished surfaces of all boundary walls, whether or not load-bearing, and the inner surfaces of the floor and ceiling of each Apartment. Each Apartment shall include all interior non-load-bearing walls or partitions within its boundaries, all fixtures originally installed within its boundaries, all glass windows, panels, or doors along the perimeter, vestibules, and all plumbing, electrical or other utility, serving only that apartment or limited common elements thereof. No Apartment shall include any of the following:

(a) The undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, the undecorated or unfinished floors and ceilings surrounding each Apartment; the foundation, the exterior walls, roof, beams and columns of the building of the Project;

(b) All pipes, wires, conduits, and other utility or service lines which are utilized for or serve another or more than one Apartment. (the same being deemed common elements as hereafter provided).

All of the apartments will have immediate access to a corridor leading to two (2) stairways of the building located at each end of the building. The stairways lead from the second, third, fourth, fifth and rooftop levels of the building to the ground level, ground level parking stalls, the common elements and grounds of the Project. Commercial apartment numbers 101, 102, 103, 104, 105, 106, 107, and 108 will have direct access to the Project grounds and common elements, being on the ground level.

COMMON ELEMENTS. The common elements shall include the limited common elements described below and all other portions of the Property, excluding those items defined as part of any Apartment hereof, but including both the building and the portions of the land on which the building is located and all elements mentioned in the Act which are actually constructed on the land and specifically shall include but not be limited to:

- (a) The land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, support, bearing walls, roof, stairs, stairways, landings, elevators, walkways, hallways, corridors, entrances and exits;

- (c) Storage, mechanical, electrical and trash chute rooms located on the ground level;
- (d) All yards, grounds, planter and planting areas and landscaping;
- (e) All driveways and parking areas excepting parking stalls 33, 34, 35, 29, 27, 25, 23, and 28 which are limited common elements to Apartments 101-108 respectively;
- (f) All ducts, trash chutes, electrical and mechanical equipment and wiring and other central and appurtenant installations for services including power, lights, cold and hot water, elevator and refuse;
- (g) Rooftop amenities section as shown on the Condominium Map;
- (h) All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

6. Limited Common Elements.

(a) The limited common elements of the Project consist of Parking Stalls numbered 33, 34, 35, 29, 27, 25, 23, and 28, which are for the sole and exclusive use of Apartments 101-108, respectively.

(b) The cost and expense for the maintenance and repair of the limited common elements shall be allocated fairly to those Apartment owners enjoying their sole and exclusive use, but their replacement and/or improvement shall be an expense of the Association.

Percentage of Undivided Interest. The percentage of undivided interest (the "common interest"), in the common elements appertaining to each Apartment, for all purposes, including voting, shall be as follows:

<u>Apartment Type No.</u>	<u>Square Feet</u>	<u>Lanai</u>	<u>Percentage of Common Interest</u>	<u>Parking Stalls</u>
101	588	None	1.40%	33
102	351	None	0.80%	34
103	402	None	1.00%	35
104	638	None	1.48%	29
105	639	None	1.48%	27
106	635	None	1.48%	25
107	1949	None	2.16%	23
108	138	None	0.20%	28
2A	600	None	2.00%	Unassigned
2B	600	None	2.00%	Unassigned
2C	600	None	2.00%	Unassigned
2D	798	None	3.25%	Unassigned
2E	607	None	2.00%	Unassigned
2F	607	None	2.00%	Unassigned
2G	644	None	2.00%	Unassigned
2H	832	None	3.25%	Unassigned
2J	600	None	2.00%	Unassigned
2K	600	None	2.00%	Unassigned
3A	556	44	2.00%	Unassigned
3B	556	44	2.00%	Unassigned
3C	556	44	2.00%	Unassigned
3D	670	128	3.25%	Unassigned
3E	548	59	2.00%	Unassigned
3F	548	59	2.00%	Unassigned
3G	515	128	2.00%	Unassigned
3H	729	102	3.25%	Unassigned
3J	556	44	2.00%	Unassigned
3K	556	44	2.00%	Unassigned
4A	556	44	2.00%	Unassigned
4B	556	44	2.00%	Unassigned
4C	556	44	2.00%	Unassigned
4D	670	128	3.25%	Unassigned
4E	548	59	2.00%	Unassigned
4F	548	59	2.00%	Unassigned
4G	515	128	2.00%	Unassigned
4H	729	102	3.25%	Unassigned
4J	556	44	2.00%	Unassigned
4K	556	44	2.00%	Unassigned
5A	556	44	2.00%	Unassigned
5B	556	44	2.00%	Unassigned
5C	556	44	2.00%	Unassigned
5D	670	150	3.25%	Unassigned
5E	548	69	2.00%	Unassigned
5F	548	69	2.00%	Unassigned
5G	517	151	2.00%	Unassigned
5H	729	120	3.25%	Unassigned
5J	556	44	2.00%	Unassigned
5K	556	44	2.00%	Unassigned

EASEMENTS. The Apartments, parking stalls, and common elements shall also have and shall be subject to the following easements:

(a) Each Apartment shall have appurtenant thereto non-exclusive easements; (i) for ingress to and egress from the elevator and stairways of the building; (ii) for ingress to and egress from utilities for the servicing, support, maintenance and repair of the Apartments; (iii) in the other common elements for use according to their respective purposes, subject always to the exclusive or limited use of the limited common elements as provided herein; and (iv) in all other Apartments and limited common elements of the building.

(b) If any part of the common elements or any part of any Apartment encroaches upon any other Apartment or limited common element thereto or if any part of any Apartment shall encroach upon any common element, or, in either case, if such encroachment shall occur as a result of any settling or shifting of the Project or any part thereof, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall and does exist so long as the building in which such Apartment is located shall stand. In the event any Apartment or building of the Project shall be partially or totally destroyed and then rebuilt, the encroachment of any parts of the common elements upon any Apartment or of any parts of the common elements upon any Apartment or of any Apartment upon any other Apartment or upon any portion of the common elements due to such rebuilding shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist for so long as the building or Apartment rebuilt shall stand.

(c) The Association of Apartment Owners shall have the right, to be exercised by its Board of Directors or the Managing Agent, to enter each Apartment and the limited common elements at reasonable times when necessary for the operation of the Project or for making emergency repairs therein which may be necessary to prevent damage to any other Apartment or to the common elements.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE. The Apartments may be occupied and used for any purposes that are permitted from time to time under applicable statutes, ordinances, rules and regulations, governmental determinations and restrictions of the appropriate agencies of the City and

County of Honolulu, and State of Hawaii; provided, however, that all Apartments located above the second floor of the Project shall be subject to the following additional restrictions: (a) no such apartment may be occupied by more than four (4) persons and (b) such Apartments may be occupied and used only for private dwelling purposes, by the respective owners thereof, their tenants, families, domestic servants and social guests. Apartments on the 1st and 2nd levels of the building shall be occupied and used for commercial purposes only and in conformance with required uses consistent with the B-2 zoning of the project. The owners of the respective Apartments shall have the absolute right to lease such Apartments. The owner of each Apartment shall be subject to the restrictions, limitations, covenants and conditions contained in this Declaration and the By-Laws.

The proposed House Rules provide in part that (1) no livestock, poultry or other animals or pets whatsoever shall be allowed or kept in any part of the Project; (2) waterbeds or similar objects of potential threat to cause extensive damage to other apartments or common areas shall first be registered with the resident manager and the managing agent; and (3) no inflammable oils or fluids shall be stored in any part of the project.

OWNERSHIP OF TITLE. A Preliminary Title Report issued by Title Guaranty of Hawaii, Inc., dated March 24, 1982, indicates that title to the land is vested in Fairway 40 Partners, a Hawaii limited partnership.

ENCUMBRANCES AGAINST TITLE. Said Preliminary Title Report dated March 24, 1982, lists the following encumbrances:

1. Real Property Taxes that are due and owing; reference is made to Office of the Tax Assessor.
2. -AS TO PARCEL FIRST (LOTS 1-C, 1-D, 1-E and 1-H)-
 - (A) Unrecorded Commercial Space Lease dated May 5, 1979, entered into by and between George C. C. Lum and Harriet C. S. Lum, as Landlord, and Young Ae Lessing, as Tenant as amended by unrecorded Amendment of Commercial Space Lease dated October 25, 1980, the interest of the Tenant thereunder having been assigned to K. Joon Market, Inc. a Hawaii corporation, by unrecorded Assignment of Lease dated April 30, 1980.

(B) MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : FAIRWAY 40 PARTNERS, a Hawaii limited partnership

MORTGAGEE : BANK OF HAWAII, a Hawaii banking corporation

Dated : April 9, 1981
Filed : Land Court Document No. 1065283
Amount : \$1,000,000.00 - on fee title to Lots 1-C, 1-D, 1-E and 1-H

(C) MORTGAGE

MORTGAGOR : FAIRWAY 40 PARTNERS, a Hawaii limited partnership

MORTGAGEE : GEORGE CHEONG CHOW LUM and HARRIET CHEW SIN LUM, husband and wife, as Tenants by the Entirety

Dated : April 22, 1981
Filed : Land Court Document No. 1065282
Amount : \$1,445,000.00 - on fee title to Lots 1-C, 1-D, 1-E and 1-H

BY STAND-ASIDE AND SUBORDINATION AGREEMENT AND LIMITED POWER OF ATTORNEY dated ----- (acknowledged April 9, 1981), filed as Document No. 1065284, said above Mortgage, Security Agreement and Financing Statement was subordinated to the lien of that certain Mortgage filed as Document No. 1065283.

SUPPLEMENT TO PURCHASE MONEY MORTGAGE AND SECURITY AGREEMENT dated October 27, 1981, filed as Document No. 1100509.

3. -AS TO PARCEL SECOND (Lot 1-I)-

(A) ADDITIONAL CHARGE MORTGAGE AND ADDITIONAL SECURITY MORTGAGE AND SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : FAIRWAY 40 PARTNERS, a Hawaii limited partnership

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

Dated : September 25, 1981
Filed : Land Court Document No. 1086746
Amount : \$190,000.00

(B) ADDITIONAL SECURITY MORTGAGE

MORTGAGOR : FAIRWAY 40 PARTNERS, a Hawaii limited partnership

MORTGAGEE : GEORGE CHEONG CHOW LUM and HARRIET CHEW SIN LUM, husband and wife, as Tenants by the Entirety

Dated : October 27, 1981
Filed : Land Court Document No. 1100510
Re : Lot 1-I given as additional security to Mortgage filed as Document No. 1065282, as supplemented

4. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated March 18, 1982, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1110209, and to the By-Laws attached thereto, as the same are or may hereafter be amended in accordance with law, said Declaration or said By-Laws. (Project covered by Condominium Map No. 474.)
5. APPLICATION FOR MECHANIC'S LIEN; NOTICE OF MECHANIC'S LIEN AND DEMAND FOR PAYMENT; AFFIDAVIT; NOTICE OF HEARING AND ORDER OF SERVICE - M. L. 3830 (PENDING)

CLAIMANT : SANDWICH ISLAND CONSTRUCTION
(Attorney - Stanley Edward Levin)

vs.

FAIRWAY 40 PARTNERS, GEORGE CHEONG SHOW LUM, HARRIET CHEW SIN LUM, YONG AE LESSING, JON K. MARKET, INC., and BANK OF HAWAII

FILED : March 4, 1982, in the Circuit Court of the First Circuit, State of Hawaii
AMOUNT : \$230,954.85 - for work, materials, etc. furnished for construction of improvements located at 465 Kapahulu Avenue, etc.

(Not noted on Transfer Certificates of Title)

NOTE: THE DEVELOPER STATES THAT DELINQUENT REAL PROPERTY TAXES AND APPLICATION FOR MECHANIC'S LIEN (ENCUMBRANCES NUMBERED 1. AND 5.) SHALL BE PAID AND/OR RELEASED BEFORE CONVEYING APARTMENT TO INDIVIDUAL BUYERS.

PURCHASE MONEY HANDLING. An executed Escrow Agreement, dated January 20, 1982, identifies Title Guaranty Escrow Services, Inc. as the Escrow Agent. Upon examination, the executed Escrow Agreement and Specimen Sales Contract are found to be in conformance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Sections 514A-37, 514A-39, 514A-40, and 514A-63 through 66. Among other provisions, the Escrow Agreement provides that the Escrow Agent shall refund to purchaser all of purchaser's funds, without interest, less a cancellation fee of \$25.00, if purchaser shall request refund of his funds and any one of the following shall have occurred:

(a) Developer has requested Escrow Agent in writing to return to purchaser the funds of purchaser then held under the Escrow Agreement by Escrow Agent; or

(b) Developer has notified Escrow Agent of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Owner; or

(c) Developer has notified Escrow Agent that there is a material change in the condominium building plans for purchaser's apartment or the common elements of the Project subsequent to the execution of the sales contract requiring approval of a county officer having jurisdiction over issuance of permits for construction of buildings, unless in either case the purchaser has given written approval or acceptance of the specific change; or

(d) The Final Report differs in a material respect from the Preliminary Report and the purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived or has not been deemed to have waived his right to a refund.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing purchaser's funds.

Among other provisions, the Specimen Sales Contract provides that the Developer makes no warranty as to any defects in the Apartments, and the common elements of the Project. The Purchaser is to inspect the Project and understand and agree that he is buying the property sold in an "as is" condition without warranty of any nature from the Developer, except for new warrantable appliances.

ALL OF PURCHASER'S RIGHT, TITLE AND INTEREST ARE AND SHALL BE SUBJECT AND SUBORDINATE TO DEVELOPER'S OBTAINING SATISFACTORY INTERIM MORTGAGE FINANCING THROUGH AN INSTITUTION OF DEVELOPER'S CHOOSING, WHICH AMOUNT SHALL NOT EXCEED \$1,500,000.00, AND TO THE LIEN OF A PURCHASE MONEY MORTGAGE WITH THE DEVELOPER OF THE REAL PROPERTY IN THE APPROXIMATE AMOUNT OF \$1,800,000.00.

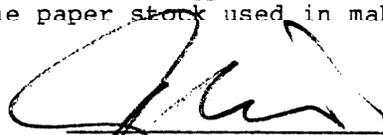
NOTE: All apartments located above the first level of the building shall have a range and hood, disposal and refrigerator and all apartments above the second level of the building shall have in addition, a stack washer-dryer unit. There will be no appliances for apartments on the first level of the building and no stack washer-dryer units for apartments on the second level of the building.

MANAGEMENT OF PROJECT. The By-Laws which are incorporated in the proposed Declaration provide that the operation of the Project shall be conducted for the Association under the direction of its Board of Directors by a responsible corporate managing agent. The Developer has submitted a copy of an executed Management Agreement to the Commission dated February 16, 1982, identifying W. E. Denison Corporation whose principal place of business is 735 Bishop Street, Suite 327, Honolulu, Hawaii, 96813 as its initial Managing Agent.

STATUS OF REPORT. The Project was constructed in 1967 and is presently operating as a residential apartment building with commercial storefronts on the ground level. The Project will be sold in "as is" condition without warranties from the Developer. To the best of Seller'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 variances were granted from use and parking ordinances, codes, rules, and regulations. The Project improvements are expected to be ready for occupancy by the purchasers on or about June 1, 1982.

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 April 16, 1982, and information subsequently filed as of May 27, 1982.

This is the PRELIMINARY HORIZONTAL PROPERTY REGIMES CONDOMINIUM PUBLIC REPORT which is made a part of REGISTRATION NO. 1494, filed with the Commission on April 16, 1982. 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.



G. A. "RED" MORRIS, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF FINANCE
BUREAU OF CONVEYANCES
PLANNING COMMISSION, CITY & COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 1494

June 2, 1982

DEVELOPER'S DISCLOSURE ABSTRACT

Name and Address of Project:

Name: 465 KAPAHULU
Address: 465 Kapahulu Avenue
Honolulu, Hawaii 96815

Name, Address and Telephone Number of Developer and Project Manager:

Developer: FAIRWAY 40 PARTNERS
A Hawaii limited partnership
Suite 1907, 615 Piikoi Street
Honolulu, Hawaii 96814
(808) 955-5533
(Attn.: Marshall Goldman)

Project Manager:
W. E. DENISON CORPORATION
735 Bishop Street, Suite 327
Honolulu, Hawaii 96813
(808) 524-3671

Breakdown of Maintenance Fees: The breakdown of the annual maintenance fees and the monthly estimated costs for each apartment, as determined by generally accepted accounting principles, are attached hereto as Exhibit "A".

Use: The Project contains forty-eight (48) fee-simple Apartments. There are four (4) one-bedroom and den/bedroom Apartments, four (4) one-bedroom and den Apartments, thirty-two (32) one-bedroom Apartments and eight (8) are open space loft Apartments. The Project contains forty-nine (49) parking stalls, thirty-three (33) of which are standard stalls and sixteen (16) of which are compact stalls. Forty-one (41) stalls are unassigned, with eight (8) stalls assigned to the eight (8) open space loft Apartments. The Apartments shall be used only for purposes consistent and in conformance with the required uses for the zoning of the Project and with the aforesaid Declaration.

Warranties: The building was completed in 1967, and is approximately fifteen (15) years old. No warranties exist, except for warrantable new appliances.

Disclosure: Based upon the report of an independent registered engineer, the Developer represents that the building and all of its structural components and mechanical and electrical installations material to the use and enjoyment of the condominium are in accordance with the plans and specifications originally filed with the Building Department of the City and County of Honolulu; are in satisfactory condition; and contain the following new components: plumbing and electrical fixtures and related piping and wiring. The Developer further represents the building to be constructed of concrete floors and masonry bearing walls, which are subject to wear and tear from movement, but with proper maintenance, can last indefinitely. The mechanical and electrical installations are expected to last beyond twenty (20) years with proper maintenance. NO OTHER REPRESENTATIONS CAN BE MADE REGARDING THE EXPECTED USEFUL LIFE OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS.

Major improvements are being made to the building relating to exterior design and Apartment interior. These improvements, as determined by the Architect and by the engineers in charge of the improvements, will not impair, weaken, or in any other way affect the existing structural, electrical, and mechanical components of the building.

The Developer knows of no outstanding notices of uncured violations of building codes or other municipal regulations regarding the building or the Project.

Dated this 2nd day of May, 1982.

FAIRWAY 40 PARTNERS

By Marshall J. Goldman
President of Professional
Realty Corp., its General
Partner



W. E. DENISON CORPORATION 715 BISHOP STREET, SUITE 127, HONOLULU, HAWAII 96813 • PHONE 524-1671

465 KAPAHULU CONDOMINIUM

MONTHLY MAINTENANCE FEES

<u>UNIT TYPE</u>	<u>PERCENTAGE OF COMMON INTEREST</u>	<u>MONTHLY MAINTENANCE FEE PER UNIT</u>
Commercial		
C-101	.0275	\$109.06
C-102	.0175	\$ 69.40
C-103	.0175	\$ 69.40
C-104	.0175	\$ 69.40
C-105	.0200	\$ 79.32
One Bedrooms		
A,B,C,E,F,G,J,K	.0200	\$ 79.32
Two Bedrooms		
D,H	.0325	\$128.89

Monthly Maintenance Fees based upon Annual Budget plan attached.

The estimated Maintenance Fees and Budget figures are based upon the latest information available. They are subject to revision based upon actual costs.

We certify the Monthly Maintenance Fees and Projected Budget are based upon generally accepted accounting principles.

W.E. DENISON CORPORATION

by: 
Its President

1/27/81



W. E. DENISON CORPORATION 715 BISHOP STREET, SUITE 327, HONOLULU, HAWAII 96813 - PHONE 524-1671

465 KAPAHULU

Start-Up Expenses

When the condominium project goes into operation, there are expenses and obligations which need to be recognized. These are: (1) to purchase insurance; (2) to purchase necessary equipment and supplies; and (3) to provide initial operating capital.

To satisfy these needs, it is customary to provide a "start-up fund." When shared equally by all purchasers, the expense is nominal to each of them.

1. Insurance

Policy coverage includes fire, lighting, extended coverage, special extended coverages, inflation-guard endorsement, comprehensive general liability and property damage.

2. Equipment

Custodial and grounds care equipment and supplies.

3. Initial Operating Expenses

Insurance	\$2,759.00
Equipment and Supplies Purchase	400.00
Operating Expenses	<u>841.00</u>
Total Estimated Expenses	\$4,000.00

"Start-up fee" for each apartment purchaser = 1 Month Maintenance Fee

This is a one-time fee and should be collected at escrow. Each initial owner paying this will provide for financial solvency of the project.

1/27/81



W. E. DENISON CORPORATION 735 BISHOP STREET, SUITE 127, HONOLULU, HAWAII 96813 • PHONE 524-3671

465 KAPAHULU CONDOMINIUM

PROJECTED ANNUAL BUDGET

<u>INCOME</u>	
Maintenance Fees	<u>\$ 47,589.00</u>
<u>EXPENSES</u>	
General & Administrative:	
Payroll	
Manager's Salary	\$ 11,400.00
Related Taxes & Insurance	2,759.00
Audit Fees	950.00
Legal Fees	300.00
Office Supplies	360.00
Management Fee	6,000.00
Taxes & Licenses	180.00
Insurance:	
Fire & Liability	\$ 2,960.00
Repairs & Maintenance:	
Building Repairs & Maintenance	\$ 1,800.00
General Supplies	600.00
Elevator Maintenance	2,400.00
Refuse	1,200.00
Inspections (OSHA, fire equipment;	120.00
Utilities:	
Electricity	\$ 3,120.00
Water & Sewer	4,740.00
Cablevision	5,100.00
Reserves:	\$ 3,600.00
TOTAL EXPENSES	<u>\$ 47,589.00</u>

DATED: January 28, 1981

W. E. DENISON CORPORATION

by: [Signature]
Its President

