

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

**PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT**

ON
KA'AI'NA'OLU (SWEETLAND)
66-386 C, D, E, F, G Haleiwa Road
and 66-392 B, C, D Haleiwa Road
Haleiwa, Hawaii
Registration No. 1498 (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: April 7, 1983
Expires: May 7, 1984

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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED APRIL 26, 1982 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF MARCH 29, 1983. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. KA'AINA'OLU (SWEETLAND) is a proposed fee simple condominium project consisting of eight (8) apartment units contained in eight (8) existing single-family detached apartments (or dwellings). There are carports attached to three of the apartments. Parking for the other five apartments shall be within the yard which is appurtenant to each apartment.
2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of this 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 and a copy of the Condominium Map) have not yet been recorded in the Bureau of Conveyances of the State of Hawaii.
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 of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. The Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, April 7, 1983, unless a Final or Supplementary Public Report is published, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. The Preliminary Public Report is made part of the registration of KA'AINA'OLU (SWEETLAND) condominium project. The Developer shall be responsible for placing this Preliminary Public Report (yellow paper stock) together with Disclosure Abstract in the hands of all purchasers and prospective purchasers, and for securing a signed receipt therefor.

NAME OF PROJECT: KA'AINA'OLU (SWEETLAND)

LOCATION: The approximately 30,535 square feet of land and one-fifth (1/5) interest in a 12-foot roadway lot committed to the project is located in Haleiwa, City and County of Honolulu, State of Hawaii.

TAX KEY: First division, 6-6-8-36.

ZONING: R-6, under the ordinances of the City and County of Honolulu.

DEVELOPER: Dayle Leroy Pescaia of 2122 Puna Street, Honolulu, Hawaii, phone 595-4666 & Kenneth Quon of 725 Kalanipuu Street, Honolulu, Hawaii, phone 949-1011.

ATTORNEY REPRESENTING DEVELOPER: JOSEPH ATANGAN TANEGA, Attorney at Law, 98-211 Pali Momi Street, Suite 640 A, Aiea, Hawaii 96701 (Telephone: 808-487-8066).

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and the plans submitted by the Developer reflect that the project is to consist of eight (8) residential apartments, arranged throughout eight (8) separate buildings numbered 1 through 8.

Apartment 1, contained in Building 1, consists of a living room, kitchen, 2 bedrooms, 1 bathroom and contains a floor area of approximately 604 net square feet;

Apartment 2, contained in Building 2, consists of a living room, kitchen, 2 bedrooms, 1 bathroom and contains a floor area of approximately 604 net square feet.

Apartment 3, contained in Building 3, consists of a living room, kitchen, 2 bedrooms, 1 bathroom and contains a floor area of approximately 604 net square feet.

Apartment 4, contained in Building 4, consists of a living room, kitchen, 2 bedrooms, 1 bathroom and contains a floor area of approximately 604 net square feet.

Apartment 5, contained in Building 5, consists of a living room, kitchen, 2 bedrooms, 1 bathroom and contains a floor area of approximately 540 net square feet with a carport of approximately 220 square feet.

Apartment 6, contained in Building 6, consists of a living room, kitchen, 2 bedrooms, 1 bathroom and contains a floor area of approximately 600 net square feet with a carport of approximately 150 square feet.

Apartment 7, contained in Building 7, consists of a living room, kitchen, 2 bedrooms, 1 bathroom and contains a floor area of approximately 600 net square feet.

Apartment 8, contained in Building 8, consists of a living room, kitchen, 2 bedrooms, 1 bathroom and contains a floor area of approximately 600 net square feet with a carport of approximately 250 square feet.

The respective apartments shall not be deemed to include any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all interior and exterior walls and partitions, all foundations, supports, floors, ceilings and roofs, halls, stairways, door and door frames, windows and window frames, entrances and exits, the appurtenant garage, if any, all service lines or utility installations for the sole use of said apartment, and all fixtures originally installed therein. Each building is constructed principally of wood.

COMMON ELEMENTS: The proposed Declaration reflects that the common elements shall include all remaining portions of the project other than the apartments, including specifically but not limited to:

- (a) The land in fee simple;

- (b) All yards, grounds and landscaping;
- (c) All roads, driveways, easements, accessways;
- (d) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any;
- (e) 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.

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

- (a) All yards, grounds, landscaping, driveways, walkways, steps and other installations included within the boundary designated "Yard 1" on the Condominium File Plan, including undesignated parking thereon, and containing approximately 2,626 square feet of land, shall be appurtenant to and for the exclusive use of Apartment 1;
- (b) All yards, grounds, landscaping, driveways, walkways, steps and other installations included within the boundary designated "Yard 2" on the Condominium File Plan, including undesignated parking thereon, and containing approximately 3,315 square feet of land, shall be appurtenant to and for the exclusive use of Apartment 2;
- (c) All yards, grounds, landscaping, driveways, walkways, steps and other installations included within the boundary designated "Yard 3" on the Condominium File Plan, including undesignated parking thereon, and containing approximately 2,746 square feet of land, shall be appurtenant to and for the exclusive use of Apartment 3;
- (d) All yards, grounds, landscaping, driveways, walkways, steps and other installations included within the boundary designated "Yard 4" on the Condominium File Plan, including undesignated parking thereon, and containing approximately 3,491 square feet of land, shall be appurtenant to and for the exclusive use of Apartment 4;
- (e) All yards, grounds, landscaping, driveways, walkways, steps and other installations included within the boundary designated "Yard 5" on the Condominium File Plan, including a carport thereon, and containing approximately 3,877 square feet of land, shall be appurtenant to and for the exclusive use of Apartment

5;

- (f) All yards, grounds, landscaping, driveways, walkways, steps and other installations included within the boundary designated "Yard 6" on the Condominium File Plan, including a carport thereon, and containing approximately 2,693 square feet of land, shall be appurtenant to and for the exclusive use of Apartment 6;
- (g) All yards, grounds, landscaping, driveways, walkways, steps and other installations included within the boundary designated "Yard 7" on the Condominium File Plan, including undesignated parking thereon, and containing approximately 2,740 square feet of land, shall be appurtenant to and for the exclusive use of Apartment 7;
- (h) All yards, grounds, landscaping, driveways, walkways, steps and other installations included within the boundary designated "Yard 8" on the Condominium File Plan, including a carport thereon, and containing approximately 3,627 square feet of land, shall be appurtenant to and for the exclusive use of Apartment 8;

The owner of each apartment shall be individually responsible for the proper repair and maintenance of such limited common elements appurtenant to his respective apartment and shall at all times keep the same in good order and condition, and maintain and keep the land of such area and all land adjacent thereto in a neat and attractive condition and all trees and shrubs and grass therein in good cultivation and replant the same as may be necessary, and repair and make good all defects in the same of which notice shall be given by the Board of Directors or Managing Agent, within thirty (30) days after the giving of such notice. The owner of each apartment shall make, build, maintain and repair all fences, sewers, drains, roads, curbs, sidewalks and parking areas which may be required by law to be made, built, maintained and repaired upon or adjoining or in connection with or for the use of his individual apartment or the limited common elements appurtenant thereto.

In addition, each apartment owner shall be individually responsible for the proper repair and maintenance of the exterior of his apartment, and may, with the approval of the Board of Directors, make such improvements or alterations in the external appearance as may reasonably be proper and permitted by law.

INTEREST TO BE CONVEYED TO PURCHASER: Each purchaser of an apartment shall receive a Condominium Deed which shall convey to such purchaser fee simple ownership of the apartment purchased by such purchaser together with an undivided interest in the Land included within the project. The land interest of each purchaser shall be equal to the percentage interest in the common elements appurtenant to such purchaser's apartment.

The proposed Declaration provides that each apartment shall have appurtenant thereto an undivided percentage interest in all same common elements of the project as set forth below and the same proportionate share in all common profits and expenses of the

project including voting.

<u>Apt. No.</u>	<u>Percentage of of common interest</u>
1	10.455903%
2	13.199283%
3	10.933705%
4	13.900060%
5	15.436990%
6	10.722675%
7	10.909815%
3	14.441569%

PURPOSE OF BUILDINGS AND RESTRICTIONS TO USE: The proposed Declaration provides that the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days or, (b) any rental in which the occupants of the apartments are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes 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.

The House Rules provide, in part, that (1) No pets, livestock, poultry, rabbits and other animals whatsoever shall be allowed or kept on any part of the project unless approval and consent has been received from the Board of Directors, and (2) No owner or occupant shall use or permit to be brought into any apartment or common areas anything deemed hazardous to life, limb or property, including without limitation, gasoline, kerosene, or other explosives, without the prior written consent by the Board in each and every instance.

OWNERSHIP OF TITLE: A Commitment for Title Insurance issued on February 1, 1983, by T.I. of Hawaii, Inc., shows that title to the property is held by Dayle Leroy Pescaia, husband of Daryl Jean Pescaia, and Kenneth Quon, husband of Gertrude C. Quon, as Tenants in Common, under that certain Deed, dated March 31, 1981, recorded in the Bureau of Conveyances, State of Hawaii, in Book 15448, Page 501.

ENCUMBRANCES AGAINST TITLE: Said Commitment for Title Insurance dated February 1, 1983 states that title to the property is subject to the following encumbrances:

1. Any taxes that may be due and owing and a lien on the land, reference is hereby made to the Office of the Tax Assessor of the First Division, City and County of Honolulu, Hawaii.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. As to the 1/5 interest in the 12-foot road right of way, a Grant of Easement in favor of:

HAWAIIAN ELECTRIC COMPANY, LIMITED, and HAWAIIAN TELEPHONE COMPANY, both Hawaii corporations, dated March 21, 1951 in BOOK 2446, PAGE 458, granting an easement for utility purposes.

4. GRANT OF EASEMENT in favor of:

HAWAIIAN ELECTRIC COMPANY, LIMITED, and HAWAIIAN TELEPHONE COMPANY, both Hawaii corporations, dated December 10, 1951 in BOOK 2528, PAGE 477, granting an easement for utility purposes.

5. Mortgage dated September 8, 1981, by and between Dayle Leroy Pescaia, husband of Daryl Jean Pescaia, and Kenneth Quon, husband of Gertrude C. Quon, as "mortgagor", and John Chun and Rachel Chun, husband and wife, Tenants by the Entirety, as "mortgagee", recorded in the Bureau of Conveyances, State of Hawaii, in Book 15802, Page 771.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated March 31, 1982, between the Developer, as "Seller", and Pacific Islands Escrow, Inc., as "Escrow", has been submitted to the Commission as part of the registration. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and particularly Sections 514A-37, 514A-39, 514A-40, and 514A-63 through 514A-66.

The provisions of the Escrow Agreement should be carefully read and understood. It provides, among others, that a purchaser shall be entitled to the return of his funds, and Escrow shall pay such funds to such purchaser, without interest, less cancellation fee of \$50.00, promptly after purchaser has requested such return if Escrow shall have received from the Developer a written notice that any one of the following has occurred:

1. Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held hereunder by Escrow; or
2. With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits unless the purchaser has otherwise consented in writing; or
3. With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the Final Report differs in any material respect from the Preliminary Report, and the purchaser's written approval of such change shall have not been obtained, or
4. The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report.

The provisions of the Sales Contract should also be carefully read and understood. It provides among other things, that:

1. Notwithstanding any provisions of the Sales Contract to the contrary, it is expressly understood and agreed that unless and until Seller: (i) obtains the issuance by the Real Estate Commission of the State of Hawaii of the Final Public Report on the project; and (ii) has received from Buyer a fully executed receipt for the Final Public Report; and until Seller has obtained valid and enforceable (as determined by Seller in its sole discretion) sales contracts for at least seventy-five percent (75%) of the apartments in the project, then the Sales Agreement shall represent only a reservation by the Buyer and shall not be binding upon Seller, and until such time, said Sales Agreement may be terminated at any time and without cause by Seller in its sole discretion. In the event of such termination, Seller shall cause Escrow to refund to Buyer all payments previously made by Buyer, and neither party shall have any other or further liability. If the Sales Agreement is entered into after issuance of the Final Public Report, it shall be fully binding upon Buyer and Seller upon Buyer's signing a receipt of the Final Public Report.
2. Buyer agrees to subordinate his interest to the lien(s) of any interim mortgage(s) securing loans from any lender for the development of the project and to any and all advances, whether contractually or voluntarily made pursuant to said mortgage, and to any and all sums which may become a lien pursuant to the terms of said mortgage or any other agreement relating to said mortgage.
3. Buyer understands and agrees that Buyer may not and will not assign or transfer the Sales Contract or any of Buyer's rights thereunder, and that any assignment or transfer of the Sales Contract by Buyer shall be null and void and shall constitute a default of the Sales Contract by Buyer.
4. Seller and its agents and representatives make no representation or statement as to the rental or investment potential of the Property or income to be derived therefrom or any other economic benefit, including applicability of Federal or State tax laws, that may be derived from ownership or rental of the Property; and Buyer understands that (subject to limitations imposed by the Declaration, By-Laws and House Rules) Buyer is free to use the Property as Buyer chooses, and that Buyer may rent it, either directly or through any agent Buyer may select.
5. Buyer understands that the improvements in the project were originally constructed before 1935 (Apartments 1 through 5) or 1949 (Apartments 6 through 8) and that each of the apartments is to be conveyed in an "As Is" and "Where Is" condition and that in the event of destruction, or if construction of modifications or additions to the project or any apartment were desired, no reconstruction or other construction could be undertaken without governmental approval, which approval might not be attainable.

NOTE: the subject premises are subject to an existing use permit issued December 10, 1982 by the Department of Land Utilization, City and County of Honolulu, which states that "the subject development is approved as an existing use under section 21-1.16 of the Comprehensive Zoning Code in

accordance with the application plans marked Exhibit A, and dated February 12, 1982 and subject to the following conditions:

1. Approval is only for alterations, additions, repairs and reconstruction of the existing dwelling units and accessory uses. All proposed improvements or other proposals shall be subject to compliance and procedures of the Comprehensive Zoning Code regarding yards, heights, parking and lot coverage, Subdivision Rules and Regulations, Building Code, and other regulations. Reconstruction shall be in compatible design as the existing and surrounding structures and in the same general location except as approved by the Director of Land Utilization;
2. Future additions, alterations and reconstruction shall be subject to compliance with State Department of Health regulations and obtaining approval by the State Department of Health prior to issuance of building permits;
3. The number of dwelling units (8) shall not be increased; and
4. This existing use approval does not certify that the existing structures and improvements comply with the requirements of the Comprehensive Zoning Code, Building Code or other regulations. They are subject to separate review and approval."

MANAGEMENT AND OPERATION: The By-Laws state that the Board of Directors shall have the powers and duties necessary for the administration of the affairs of the project and shall at all times employ a responsible managing agent to manage and control the property, subject at all times to the discretion of the Board. The initial Managing Agent shall be JOHNSON ASSOCIATES, INC., dba ASSOCIATED MANAGEMENT, a Hawaii corporation, subject to the provisions of section 514A-84(a) of the Hawaii Horizontal Property Act, which states that a Developer can contract for this initial Managing Agent only for a term of one year, and that the contract must be terminable on sixty (60) days written notice by either party.

STATUS OF PROJECT: The Buyer should review the Disclosure Abstract and Sales Contract which state that:

1. The buildings were built in compliance with zoning and building codes in effect at the time of their construction and the development is under an existing use permit issued December 10, 1982, by the Department of Land Utilization, City and County of Honolulu.
2. In the event of the destruction of any building, reconstruction could not be made without complying to that certain existing use permit issued December 10, 1982, by the Department of Land Utilization, City and County of Honolulu and would have to comply with existing building and zoning codes.
3. All improvements on the project are sold in "As Is" and

"Where Is" condition.

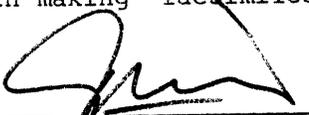
4. A letter dated July 28, 1982 from the Building Department, City & County of Honolulu, states that based on their inspection of the project, all eight dwellings are extensively damaged by rot and termites and the dwellings were built or relocated prior to the present zoning code and consequently are nonconforming.

NOTE: PROSPECTIVE PURCHASERS SHOULD BE AWARE THAT THE IMPROVEMENTS ARE LEGAL BUT NONCONFORMING UNDER PRESENT ZONING CODES. IN THE EVENT OF DESTRUCTION OF ANY OF THE DWELLINGS COMPRISING THE IMPROVEMENTS PORTION OF THE PROJECT, SAID PERMITTED NONCONFORMING USE, MAY NOT BE PERMITTED THEREAFTER. ANY REPAIRS, REBUILDING OR RECONSTRUCTION CAN BE MADE ONLY IN CONFORMANCE WITH THE CURRENT ZONING CODE IN EFFECT AT THE TIME OF SAID REPAIRS, REBUILDING OR RECONSTRUCTION. EACH PROSPECTIVE PURCHASER SHOULD REVIEW THE PROVISIONS CONTAINED IN THE CITY AND COUNTY OF HONOLULU'S ORDINANCES RELATING TO NONCONFORMING USES.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted April 26, 1982 and information subsequently filed on March 29, 1983.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made part of REGISTRATION NO. 1498 filed with the Commission on April 26, 1982.

This report, when reproduced, shall be a true copy of the Commission's Public Report. In making facsimiles, the paper stock shall be yellow in color.



G. A. "Red" Morris, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

DISTRIBUTION:

Department of Finance
Bureau of Conveyances
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

REGISTRATION NO. 1498

DATED: April 7, 1983

DISCLOSURE ABSTRACT

KA'AINA'OLU (SWEETLAND) CONDOMINIUM PROJECT

The KA'AINA'OLU (SWEETLAND) condominium project is located at Haleiwa, Honolulu, Hawaii 96712. The Developers of the project are Dayle Leroy Pescaia and Kenneth Quon whose addresses are 2122 Puna Street, Honolulu, Hawaii 96817 and 725 Kalanipuu Street, Honolulu, Hawaii 96825 respectively, and whose telephone numbers are 595-4666 and 949-1011, respectively. It is anticipated that JOHNSON ASSOCIATES, INC. dba ASSOCIATED MANAGEMENT, a Hawaii corporation, will serve as initial Managing Agent of the project, subject to the provisions of Section 514A-84, Hawaii Revised Statutes.

The KA'AINA'OLU (SWEETLAND) condominium project contains eight (8) residential apartments.

Attached hereto as Exhibit "1" is a breakdown of the estimated annual maintenance fees and monthly costs for each apartment in the project, prepared by JOHNSON ASSOCIATES, INC. dba ASSOCIATED MANAGEMENT, as of FEBRUARY 2, 1983, and certified to have been based upon generally accepted accounting principles.

Attached hereto as Exhibit "2" is a statement from the Building Department of the City and County of Honolulu regarding the construction of the individual apartments and the common elements. The project and all apartments are offered and will be conveyed strictly in "As Is and Where Is" condition, without any warranties express or implied, including but not limited to any implied warranties of merchantability, habitability or fitness for particular purpose.

Attached hereto as Exhibit "3" is a report prepared by an independent registered architect or engineer describing and the present condition of all structural components and mechanical and electrical installation material to the use and enjoyment of the project and the expected useful life of each item.

In addition, the prospective purchaser's attention is drawn to the fact that, in the event of damage or destruction of the project or any apartment thereof, reconstruction may not be permitted by the Building Department without complying to that certain existing use permit issued December 10, 1982, by the Department of Land Utilization, City and County of Honolulu or obtaining other special permission.

CERTIFICATE OF MAINTENANCE FEE SCHEDULE FOR
KA'AINA'OLU (SWEETLAND)

I the undersigned, under oath, depose and affirm as follows:

1. That I am Property Manager of JOHNSON ASSOCIATES, INC., dba ASSOCIATED MANAGEMENT, a Hawaii corporation.

2. That I have personally and/or under my supervision had reviewed and prepared the annual maintenance fee budget for the KA'AINA'OLU (SWEETLAND) CONDOMINIUM as set forth in Exhibit "1" attached hereto and hereby incorporated herein by reference.

3. That I certify that the review and preparation of the said budget and said schedules were based upon generally accepted accounting principles, and the costs and fees therein are estimates as of February 2, 1983.

DATED: Honolulu, Hawaii this 2nd day of February, 1983.

JOHNSON ASSOCIATES, INC.,
dba ASSOCIATED MANAGEMENT

By *Dorothy C. Cook*
DOROTHY C. COOK
Property Manager

Subscribed and sworn to
before me this 2nd day of
February, 1983.

[Signature]
Notary Public, State of Hawaii

My Commission Expires: 4-2-83

ASSOCIATED MANAGEMENT

SUITE 1900
700 BISHOP STREET
HONOLULU, HAWAII 96813
TELEPHONE 521-8714

April 19, 1982

KA AINA OLU

PRELIMINARY CASH OPERATING BUDGET

<u>EXPENSES</u>	<u>MONTHLY</u>	<u>ANNUAL</u>
INSURANCE	\$ 10.00	\$ 120.00
WATER-SEWER & REFUSE COLLECTION	100.00	1,200.00
GARDENING & DRIVE UPKEEP	18.00	216.00
MANAGEMENT - PROFESSIONAL	32.00	384.00
TOTAL EXPENSES	\$ 160.00	1,920.00

INCOME

MAINTENANCE FEE PER UNIT (See Attached Exhibit A)	\$ 160.00	\$1,920.00
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Each new buyer to be assessed a \$50.00 start up fee (including resales) to be for a reserve maintenance fund.

I hereby certify that the foregoing budget was prepared in accordance with generally accepted accounting principles.

Dorothy C. Cook, Property Manager


Associated Management
700 Bishop St. Ste 1900
Honolulu, Hawaii 96813

EXHIBIT A

KA'AINA'OLU (SWEETLAND)

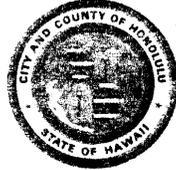
Apt. No.	Percentage of of common interest	Monthly Common Element Maintenance Expense
1	10.455903%	\$16.73
2	13.199283%	\$21.12
3	10.933705%	\$17.49
4	13.900060%	\$22.24
5	15.436990%	\$24.70
6	10.722675%	\$17.16
7	10.909815%	\$17.45
8	14.441569%	\$23.11

JOHNSON ASSOCIATES, INC. dba ASSOCIATED MANAGEMENT, a Hawaii corporation, certifies that the above fees and costs are based upon generally accepted accounting principles. Should you have any questions, please feel free to contact our office at Suite 1900, 700 Bishop Street, Honolulu, Hawaii 96813, Telephone: (808) 521-8714.

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

EILEEN R. ANDERSON
MAYOR



ROY H. TANJI
DIRECTOR AND BUILDING SUPERINTENDENT

Ex82-129

July 28, 1982

Mrs. Lani Akana
JKL Properties, Inc.
1481 South King Street, Suite 428
Honolulu, Hawaii 96814

Dear Mrs. Akana:

Subject: Haleiwa Condominium Project
66-386 C, D, E, F, G and
66-392 B, C, D Haleiwa Road
Tax Map Key: 6-6-08: 36

This is in reply to your letter dated June 24, 1982 requesting confirmation that the Haleiwa project met all code requirements at the time of construction.

Investigation revealed that the eight one-story detached dwelling units with four off-street parking spaces met the code requirements when they were constructed.

Inspection showed all eight one-family detached dwellings are extensively damaged by rot and termites. The foundations are extensively damaged and the floors in the dwellings deflect when stepped on. Seven occupied dwellings have roofs that are sagging. The vacant structure (66-386-E Haleiwa Road) is damaged to such an extent that it should be demolished.

For your information, these eight detached dwelling units on a 30,535 square foot lot which is zoned R-6 Residential District are nonconforming use of structures. They were built or relocated prior to the present zoning. Repairs can be made only in conformance with the current zoning code.

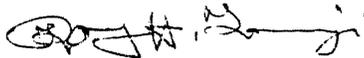
Mrs. Lani Akana
Page 2
July 28, 1982

Should any of the dwellings be destroyed by any means, they can only be rebuilt in conformance with the current zoning code.

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

If you have any questions regarding this matter, please contact Mr. Noboru Taketa or Mr. Robert Yakabe of this office at telephone number 523-4573.

Very truly yours,



ROY H. TANJI
Director and Building
Superintendent

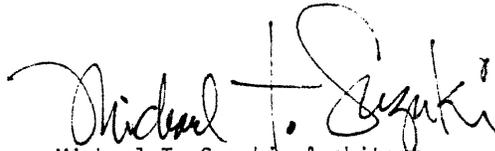
DISCLOSURE STATEMENT

The property is located in Haleiwa at the following addresses,
66-386C-G and 66-392B-D Haleiwa Road.

In total, eight homes are located on the property. One home, 66-386E,
is being renovated and the physical condition of the remaining seven is
listed below.

The homes are all approximately 40 years old, show visible signs of
termite damage, leaking roofs, water damage, wood rot, old electrical wiring,
old water heaters, disfunctioning plumbing and general disrepair.
From a latent viewpoint, there is no knowledge of the condition of the
supporting structures of these homes.

The homes are all being offered for sale in their present "as is"
condition. "As is" for the purpose of this offering includes both visible
and latent known and unknown faults in these homes. In this regard, the
developers offer no guarantees on these homes and indemnifies themselves
from any and all situations arising out of the conditions of these homes.


Michael T. Suzuki, Architect

No. 1428-A

January 10, 1983

EXHIBIT "3"