



REAL ESTATE COMMISSION  
STATE OF HAWAII  
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION  
250 South King Street Room 702  
Honolulu, Hawaii 96813

CONDOMINIUM PUBLIC REPORT

HOLIDAY TERRACE  
1655 Kanunu Street  
Honolulu, Hawaii

Registration No. 1671 (Conversion)

Issued: October 15, 1992  
Expires: November 15, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 28, 19 92, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:**  
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:**  
(white) The developer has legally created a condominium and has filed complete information with the Commission.  
 No prior reports have been issued  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- SUPPLEMENTARY:**  
(pink) Updates information contained in the  
 Prelim. Public Report dated \_\_\_\_\_  
 Final Public Report dated August 27, 1985  
 Supp. Public Report dated \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required  Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

( ) No prior reports have been issued by the Commission.

( X ) Changes made are as follows:

1. On August 27, 1985, a Final Public Report was issued on this Project. However, no sale of units were transacted.

2. Because of the numerous amendments to Chapter 514A, Hawaii Revised Statutes, since issuance of the earlier Public Reports, the contents of the Declaration of Condominium Property Regimes and the By-Laws were amended in full. Since no sales had transpired earlier, the consents of individual apartment owners were not needed for purposes of the amendments.

3. This Supplemental Report supersedes in full all prior Public Reports. However, the Developer is aware that all prospective buyers upon request, are entitled to copies of the Final Public Report for the Project. Although these have expired, they serve as a basis for comparison of changes.

4. The Developer for the Project is now Area Way of California, Inc., a California corporation.

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## GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Condominium Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

### Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

## SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

**Types of Project:**

1.  New Building(s)  Conversion  
 Both New Building(s) and Conversion
2.  Residential  Commercial  Ohana  
 Mixed Residential and Commercial  Agricultural  
 Other \_\_\_\_\_
3.  High Rise (5 stories or more)  Low Rise
4.  Single or  Multiple Buildings
5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
01	6	2/1	696	64
02	6	2/1	696	64
03	6	2/1	696	64
04	6	2/1	696	64
05	6	2/1	692	51
06	6	2/1	695	62
07	6	2/1	695	62
Total Apartments:	42	6	695	62

*\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

*Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.*

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	38
Guest Stalls	0
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: _____	0
<b>Total Parking Stalls</b>	<b>38</b>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Area Way of California, Inc. Phone: 922-2002  
Name (Business)  
2270 Kalakaua Avenue, Suite 1010  
Business Address  
Honolulu, Hawaii 96815

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

Tsuyoshi Kwabara, President  
Sachiko Kwabara, Secretary  
Horokazu Kwabara, Treasurer  
Patrick Nakamura, Assistant Secretary

Real Estate Broker: ILC International, Inc. Phone: 922-2002  
Name (Business)  
2270 Kalakaua Avenue, Suite 1010  
Business Address  
Honolulu, Hawaii 96815

Escrow: Island Title Corporation Phone: 531-0261  
Name (Business)  
1132 Bishop Street, Suite 400  
Business Address  
Honolulu, Hawaii 96813

General Contractor: \_\_\_\_\_ Phone: \_\_\_\_\_  
Name (Business)  
Business Address

Condominium Managing Agent: Investment Properties Corporation Phone: 732-2157  
Name (Business)  
1059-A 12th Avenue  
Business Address  
Honolulu, Hawaii 96816

Attorney for Developer: Kobayashi, Sugita & Goda (Kenneth Y. Sugi) Phone: 539-8700  
Name (Business)  
745 Fort Street, 8th Floor  
Business Address  
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Condominium Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances - Document No. \_\_\_\_\_  
Book 18748 Page 435  
 Filed - Land Court - Document No. 1307422

Amendment date(s) and recording/filing information:

August 5, 1992 Bureau of Conveyances - Document No. 92-129851  
Land Court - Document No. 1941135

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed  
 Recorded - Bureau of Conveyance Condo Map No. 962  
 Filed - Land Court Condo Map No. 552

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed  
 Recorded - Bureau of Conveyances - Document No. \_\_\_\_\_  
Book 18748 Page 473  
 Filed - Land Court - Document No. 1307423

Amendment date(s) and recording/filing information:

August 5, 1992 Bureau of Conveyances - Document No. 92-129852  
Land Court - Document No. 1941136

August 13, 1992 Bureau of Conveyances - Document No. 92-132750  
Land Court - Document No. 1943345

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed                       Adopted                       Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>67%</u>
House Rules	---	<u>Action by Board of Directors</u>

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

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

Developer has expressly reserved the right to successively amend the Declaration without the consent or joinder of persons then owning or leasing the apartments, (i) as may be necessary to redesignate any or all of the parking stalls as limited common elements appurtenant to certain apartments other than the apartment to which it is assigned as hereinbefore set forth, provided that no conveyance shall have previously been issued conveying such stall; or (ii) as may be required by law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the project, or any institutional lender lending funds on the security of the project or any of the apartments thereof; provided, however, that no such amendment (other than an amendment redesignating any or all of the parking stalls as limited common elements appurtenant to certain apartments) which would change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment shall be made without the consent to and joinder in such amendment by the owner of such apartment and all others, if any, having any interest therein.

Developer has expressly reserved the right to amend the By-Laws before the Association has been duly organized and before any apartment in the Project has been conveyed.





4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>42</u>	<u>yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____				_____	_____

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

Yes                       No

5. Special Use Restrictions:

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

Pets: No Pets permitted.

Number of Occupants: limit of five (5) persons per apartment.

Other: Residential Use only.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 1                      Stairways 1                      Trash Chutes 1

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>01</u>	<u>6</u>	<u>2/1</u>	<u>696</u>	<u>64</u>
<u>02</u>	<u>6</u>	<u>2/1</u>	<u>696</u>	<u>64</u>
<u>03</u>	<u>6</u>	<u>2/1</u>	<u>696</u>	<u>64</u>
<u>04</u>	<u>6</u>	<u>2/1</u>	<u>696</u>	<u>64</u>
<u>05</u>	<u>6</u>	<u>2/1</u>	<u>692</u>	<u>51</u>
<u>06</u>	<u>6</u>	<u>2/1</u>	<u>695</u>	<u>62</u>
<u>07</u>	<u>6</u>	<u>2/1</u>	<u>695</u>	<u>62</u>

Total Apartments: 42

*\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.*

*Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.*

Boundaries of Each Apartment:

Forty-two (42) freehold estates have been established in the spaces within the perimeter walls, floors and ceilings of the forty-two (42) apartments in one building. Each apartment includes the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; and all fixtures originally installed therein. The forty-two (42) apartments do not include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing 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 of the Project.

Permitted Alterations to Apartments: None

7. Parking Stalls:

Total Parking Stalls: 38

	Regular		Compact		Tandem		TOTAL
	partially covered	open	covered	open	covered	open	
Assigned (for individual units)	38						38
Guest Unassigned							0
Extra Available for Purchase							0
Other:							0
Total							
Partially Covered & Open	<u>38</u>		<u>0</u>		<u>0</u>		

\* Each apartment will have the exclusive use of at least one parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

\*Except for Apts. 205,303,403 and 503, which have no assigned stall.  
[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit A contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Storage Area

[ ] Recreation Area

[ ] Laundry Area

[ ] Tennis Court

[X] Trash Chute

[ ] Other: \_\_\_\_\_  
\_\_\_\_\_

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

Based upon a report prepared by an independent Hawaii licensed architect, the Developer believes that the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the condominium are satisfactory. **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.**

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

The project is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction. No variance has been granted from any ordinance, code, rule, regulation or other requirement in force at the time of the project's construction or from any current ordinance, code, rule, regulation or other requirement. **ANY CHANGE TO THE STRUCTURE IN THE FUTURE WOULD BE SUBJECT TO THE ZONING REQUIREMENTS IN EFFECT AT THAT TIME** including section 3.120, NONCONFORMITIES, OF THE LAND USE ORDINANCE.

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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

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

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

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

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

\* When the building was built in 1966, the zoning for the Lot was B-2 under the zoning ordinance of the City and County of Honolulu in effect at that time. Since that time of construction, the zoning for the Lot has been changed to BMX-3 under the Land Use Ordinance of the City and County of Honolulu ("LUO"). Because of the changes in zoning and the zoning codes, the building is a non-conforming use. Section 3.120(B) of the LUO provides that a non-conforming structure containing multi-family dwelling units which is "destroyed by accidental means, including destruction by fire, other calamity, or Act of God, may be restored to its former condition, provided that such restoration is permitted by the Building Code and Flood Hazard Regulations and is started within two years."

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit   B   describes the common elements.

As follows:

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

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit   C  

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit   D   describes the common interests for each apartment.

As follows:

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

Exhibit  E  describes the encumbrances against the title contained in the title report dated  August 13 , 1992  and issued by  Island Title Corporation .

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
First Mortgage	Buyer's interest would be cancelled and Buyer may be entitled to a refund of deposits.

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

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

The initial managing agent for this condominium is:  Investment Properties Corporation

[X] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

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

[ ] other \_\_\_\_\_



J. Status of Construction and Estimated Completion Date:

The building was constructed in 1966.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated  August 13, 1992

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

Other \_\_\_\_\_

**IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

None

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

**Preliminary Report:** Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

**Supplementary Report to a Preliminary Report:** Same as for Preliminary Report.

**Final Report, Supplementary Report to a Final Report:** Sales made by the Developer are binding if:

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

**Material Change:** Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

**B. Rights Under the Sales Contract:**

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other \_\_\_\_\_

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is part of Registration No. 1671 filed with the Real Estate Commission on  
March 20, 1985.

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

yellow paper stock                       white paper stock                       pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary public Report is issued or unless the Commission issues an order extending the effective period for the report.

  
\_\_\_\_\_  
MARCUS NISHIKAWA, Chair  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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

**EXHIBIT A**

The apartments are constructed according to seven (7) different floor plans. The type of floor plan, number of rooms, approximate interior area and approximate lanai area for each apartment are as follows:

Apartment Number	Floor Plan	Number of Rooms	Interior Area (square feet)	Lanai Area (square feet)
201, 301, 401, 501, 601, 701	01	5	696	64
202, 302, 402, 502, 602, 702	02	5	696	64
203, 303, 403, 503, 603, 703	03	5	696	64
204, 304, 404, 504, 604, 704	04	5	696	64
205, 305, 405, 505, 605, 705	05	5	692	51
206, 307, 406, 506, 606, 706	06	5	695	62
207, 307, 407, 507, 607, 707	07	5	695	62

NOTE: The floor areas described above are approximate net living areas measured from the interior surfaces of the apartment perimeter walls.

The parking spaces indicated below are limited common elements appurtenant to and for the exclusive use of the respective apartment next to which the parking space is listed.

Apartment Number	Parking Space Number	Common Interests
201	16	.023913
202	18	.023913
203	28	.023913
204	10	.023913
205	NONE	.023378
206	38	.023818
207	22	.023818
301	15	.023913
302	17	.023913
303	NONE	.023913
304	19	.023913
305	20	.023378
306	21	.023818

Apartment Number	Parking Space Number	Common Interests
307	23	.023818
401	30	.023913
402	29	.023913
403	NONE	.023913
404	27	.023913
405	26	.023379
406	25	.023818
407	24	.023818
501	8	.023913
502	9	.023913
503	NONE	.023913
504	11	.023913
505	12	.023379
506	13	.023818
507	14	.023818
601	37	.023913
602	36	.023913
603	35	.023913
604	34	.023913
605	33	.023379
606	32	.023818
607	31	.023818
701	1	.023913
702	2	.023913
703	3	.023913
704	4	.023913
705	5	.023379
706	6	.023818
707	7	.023818

## **EXHIBIT B**

### **COMMON ELEMENTS**

One freehold estate is designated in all of the portions and appurtenances of the project remaining after excluding the Apartments, including specifically, but not limited to:

1. The land in fee simple.
2. All foundations, floor slabs, floor supports, columns, girders, beams, supports, balconies, elevators, stairways, roof, unfinished perimeter, party and load-bearing walls, entries, entrances and exits of the building.
3. All lobby areas, mailboxes, storage lockers, storage areas, trash chutes, switch room and other similar areas not located inside apartments;
4. All yards, grounds and landscaping, roads, walkways, parking areas, loading areas, driveways and all trash enclosures.
5. All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities, installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.
6. Any and all 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.

## EXHIBIT C

### LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called and designated "limited common elements", are set aside and 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 as follows:

1. There will be **thirty-eight (38)** covered, compact parking stalls located in the Project, numbered 1 through 38, all located on the ground floor. All **thirty-eight (38)** parking stalls are designated limited common elements. All parking stalls, as designated and assigned to each apartment, as shown on said Condominium Map and said Condominium File Plan, shall be a limited common element appurtenant to and reserved for the exclusive use of some of the respective apartments, as designated in **EXHIBIT A** of this Condominium Public Report.

2. There will be **forty-two (42)** mailboxes located in the Project, numbered identically with the apartment numbers. The mailbox bearing the same number as the apartment number shall be a limited common element appurtenant to and reserved for the exclusive use of the designated apartment.

3. All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

## **EXHIBIT D**

### **COMMON INTEREST TO BE CONVEYED TO BUYER**

Each apartment has appurtenant to it an undivided percentage interest in all the common elements of the project (the "**common interests**") and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

The common interest for each apartment is set forth in **EXHIBIT A** of this Condominium Public Report.

The common interest is based upon the ratio the square footage of each apartment bears to the square footage of the total number of all apartments in the project.

## EXHIBIT E

### ENCUMBRANCES AGAINST TITLE

A Preliminary Report prepared by Island Title Corporation dated August 13, 1992, indicates that the title to the land is subject to the following:

1. Title to all minerals and metallic mines reserved to the State of Hawaii.
2. **As to Parcel Second Only:** Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in that certain Deed dated April 16, 1963, filed on May 8, 1963, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 308021.
3. **Condominium Map No. 552**, filed with the Assistant Registrar of the Land Court of the State of Hawaii and **Condominium Map No. 962**, filed in the Bureau of Conveyances of the State of Hawaii.
4. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in that certain Declaration of Horizontal Property Regime dated June 13, 1985, filed on July 1, 1985, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1307422, and also recorded on July 1, 1985, in the Bureau of Conveyances of the State of Hawaii in Book 18748, at Page 435; said Declaration being amended in full by that certain Amended Declaration of Condominium Property Regime dated August 5, 1992, filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1941135, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-129851.
5. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of Holiday Terrace dated June 13, 1985, filed on July 1, 1985, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1307423, and also recorded on July 1, 1985, in the Bureau of Conveyances of the State of Hawaii in Book 18748, at Page 473, as amended by instrument dated August 5, 1992, filed as aforesaid as Document No. 1941136, and also recorded as aforesaid as Document No. 92-120852; said Bylaws being amended in full by that certain Amended By-Laws of the Association of Apartment Owners of Holiday Terrace dated August 13, 1992, filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1943345, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-132750.
6. An easement for sewer pipeline, in favor of Glenn Michio Kagihara, husband of Joyce Nobue Kagihara, and Bruce Nobuo Kagihara, husband of Yvonne Midori Kagihara, dated June 13, 1985, filed on July 2, 1985, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1307782, and also recorded on July 2, 1985, in the Bureau of Conveyances of the State of Hawaii in Book 18753, at Page 181.
7. Mortgage dated July 9, 1990, from **RISE INTERNATIONAL, INC.**, a Hawaii corporation, as Mortgagor, to **THE BANK OF TOKYO, LTD**, a Japan corporation, as Mortgagee, filed on July 17, 1990, with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1747323, and also recorded on July 17, 1990, in the Bureau of Conveyances of the State of Hawaii as Document No. 90-108177, to secure the repayment of \$1,600,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof.

EXHIBIT     F    

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

**Estimate of Maintenance Fees:**

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
201, 202, 203, 204 301, 302, 303, 304 401, 402, 403, 404 501, 502, 503, 504 601, 602, 603, 604 701, 702, 703, 704	\$155.82 x 12 months = \$1,869.84
205, 305, 405, 505, 605, 705	\$152.33 x 12 months = \$1,827.96
206, 306, 406, 506, 606, 706 207, 307, 407, 507, 607, 707	\$155.20 x 12 months = \$1,862.40

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

Estimate of Maintenance and Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only

270.00

3,240.00

common elements  
and apartments

Gas

Refuse Collection

690.00

8,280.00

Telephone

85.00

1,020.00

Water and Sewer

1,556.00

18,672.00

Maintenance, Repairs and Supplies

Building

2,165.00

25,980.00

Grounds

450.00

5,400.00

Management

Management Fee

630.00

7,560.00

Payroll and Payroll Taxes

.00

.00

Office Expenses

60.00

720.00

Insurance

375.00

4,500.00

Reserves

100.00

1,200.00

Taxes and Government Assessments

25.00

300.00

Audit Fees

90.00

1,080.00

Other

-20.00

240.00

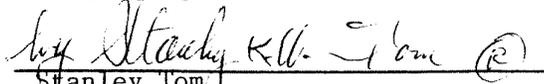
TOTAL

6,516.00

78,192.00

We, Investment Properties Corp., as  
managing agents for the condominium project, hereby certify that the above estimates of initial  
maintenance fee assessments and maintenance fee disbursements were prepared in accordance  
with generally accepted accounting principles.

Investment Properties Corp.,  
Managing Agent

  
Stanley Tom

Date: 8/13/92

## EXHIBIT G

### SALES CONTRACT PERTINENT PROVISIONS

1. The Sales Contract identifies the apartment, the common interest, the Purchase Price, the method of payment, the initial maintenance fees.

2. The Sales Contract provides the following for sales not covered by Chapter 514A, Part VI, Hawaii Revised Statutes, relating to sales to owner-occupants:

(1) Within five (5) working days after acceptance of this Contract by Seller, Buyer shall apply to NORTH AMERICAN MORTGAGE COMPANY (the "Lender") for the loan and apply for eligibility and credit approval necessary for the loan. Buyer shall have the Lender inform Seller that application for the loan has been made. After the application has been made, Buyer will, on request, promptly execute and deliver all documents and take all steps necessary to complete the loan. If Buyer does not make the loan application within said five (5) working day period, Buyer shall forfeit Buyer's deposit and this Contract shall be cancelled.

(2) Within ten (10) calendar days after acceptance of this Contract by Seller, Buyer shall secure a preliminary approval from the Lender.

(3) Within forty-five (45) calendar days after acceptance of this Contract by Seller, Buyer shall secure an irrevocable loan commitment from the Lender.

(4) Within ten (10) working days after the date of the irrevocable loan commitment, Buyer shall close the purchase of the Apartment, unless Seller shall, in Seller's absolute discretion, set a later time.

If the application for such loan or eligibility and credit approval therefor is rejected by the Lender at any time, or not approved, or an irrevocable commitment is not issued by such Lender in a form satisfactory to Seller, within forty-five (45) calendar days after acceptance of this offer by Seller, Seller has the option to terminate this Contract and cause Escrow Agent to refund to Buyer all monies previously paid without interest less the cost of any credit reports and all other costs including but not limited to escrow charges incurred by Seller. Seller shall give written notice of such termination, and a copy thereof shall be given to Escrow Agent.

3. The Sales Contract provides the following for sales covered by Chapter 514A, Part VI, Hawaii Revised Statutes, as amended, relating to sales to owner-occupants:

b. If this Contract is made under Chapter 514A, Part VI, Hawaii Revised Statutes, as amended, and if the Buyer wishes a mortgage loan on the Apartment for the payment of a portion of the Purchase Price described in Paragraph J.2 above, Buyer shall apply to NORTH AMERICAN MORTGAGE COMPANY (the "Lender"), for such loan and for eligibility and credit approval necessary therefor. Buyer shall have the Lender inform Seller that application for loan has been made. After the application is made, Buyer will, upon the Lender's request, promptly execute and deliver all documents and take all steps necessary to complete such loan.

Seller or Buyer may cancel this Contract and Seller shall cause Escrow to refund to purchaser all moneys previously paid without interest less the cost of any credit reports and all other costs including but not limited to escrow charges incurred by Seller, in the event that Buyer shall not secure

adequate financing, or a commitment for adequate financing not later than fifty (50) calendar days from the date of this Contract; or

Buyer shall reaffirm at closing of escrow the Buyer's intent to be an owner-occupant as set forth in Section 514A, Part IV, Hawaii Revised Statutes, as amended. In the event that Buyer is unable to make such reaffirmation, Buyer shall be required to rescind this Contract. In such event, the Seller may retain the Buyer's deposit up to an amount not to exceed the greater of five percent of the deposit or actual damages and the balance of the deposit shall be refunded to the Buyer.

The party terminating this Contract shall give written notice of such termination, and a copy thereof shall be given to Escrow Agent.

4. The Sales Contract provides that the Buyer has the right to cancel the Sales Contract at any time prior to the earlier of (1) the conveyance of the apartment to Buyer or (2) midnight of the thirtieth (30th) day following the date of execution of the Sales Contract unless Buyer waives Buyer's right to cancel in writing prior to such time. Should Buyer cancel the Sales Contract within such time, the amounts paid by Buyer, less any escrow cancellation fee and other costs associated with the purchase up to maximum of \$250.00, will be returned to Buyer and all rights and liabilities of Buyer under the Sales Contract will cease and terminate. Upon expiration of the time upon which Buyer may cancel, the Sales Contract shall be binding upon Buyer.

5. The Sales Contract provides that the Buyer shall pay, at the time of pre-closing, all closing fees and costs, including, but not limited to, the cost of preparing the Apartment Deed, all notary fees, the conveyance tax, recording fees, cost of credit report, cost of preparing note(s) and mortgage(s), if any, loan finance fees, the cost of a certificate of title, the cost of any title insurance required by the Lender, all of the escrow fee, and Buyer's share of maintenance fees payable to the Association of Apartment Owners (the "Association") including the first month's fee and start-up fee equal to two months' maintenance fees.

6. The Sales Contract provides that any interest payable on monies deposited with Escrow Agent shall belong to and be payable to Developer.

7. The Sales Contract provides that all of the Buyer's rights, title and interest in the Sales Contract are subject and subordinate to the lien of any mortgage or mortgages now or later made in acquiring the fee simple interest in the land and other associated costs of the Project and to all advances made thereon.

8. The Sales Contract provides that the Buyer's funds may be disbursed from the Trust Fund only after the following have happened:

**c. When Buyer's Funds May be Removed from the Trust Fund.** Buyer's funds may be disbursed only after the following have happened:

(1) the Real Estate Commission has issued a Supplementary Public Report (the "Supplementary Public Report") on the Project,

(2) the Buyer has received a copy and given the Seller a receipt for it,

(3) two full working days have gone by since Seller notifies Escrow that Buyer has received the receipt,

(4) Seller notifies Escrow in writing that all of the requirements of Section 514A-39 and 514A-63, Hawaii Revised Statutes, then applicable to the Project, have been satisfied, and

(5) Seller notifies Escrow in writing that the Sales Contract for the Buyer has become a binding sales contract and that the Seller's and Purchaser's rights of cancellation as provided in Section D.23 of the Sales Contracts have lapsed or have become void.

f. **Payment to Seller.** The Buyer's deposit, together with the payments made at Closing, as described in this Contract, shall be paid to Seller when Buyer's Apartment Deed has been recorded or filed for record.

9. The Sales Contract provides from and after the time that the Sales contract shall become binding upon Seller and Buyer, if Buyer shall default in any payment when required, or fail to perform any other obligation required of Buyer hereunder including the obligations of Buyer under Paragraph J.3 of the Sales Contract, and Seller shall notify Buyer in writing of such default and such default shall not be cured within five (5) calendar days after receipt of such notice, the Sales Contract may, at Seller's option be terminated by written notice to Buyer and all sums paid by Buyer hereunder shall belong absolutely to Seller as liquidated damages, or at Seller's option, Seller may pursue any other remedy in law or equity for specific performance or for damages or otherwise, and all costs, including reasonable attorney's fees, incurred by reason of default by Buyer shall be borne by Buyer, subject to any limitations and requirements of Act 50 relating to sales to certain owner-occupants.

## EXHIBIT H

### ESCROW AGREEMENT PERTINENT PROVISIONS

1. The Escrow Agreement by and between the Seller (the Developer of the condominium project) and Island Title Corporation dated August 13, 1992, establishes how proceeds from sales of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

2. The Escrow Agreement provides that Buyer shall be entitled to a refund of Buyer's funds, and Escrow shall pay said funds to said Buyer, without interest, if Buyer shall in writing request refund of Buyer's funds in accordance with the following provisions:

**6. Refunds to Buyers.**

a. **When Will Refunds be Made.** The Sales Contract explains when Buyers may obtain refunds of their Escrow deposits. Escrow agrees to make the refunds promptly if Seller tells Escrow in writing that a refund should be made according to the Sales Contract. No refund is to be made at a Buyer's request unless Escrow receives written approval from the Seller.

b. **Interest.** The refunds will be made without any interest as stated in the Sales Contract.

c. **Deduct Cancellation Fees.** Under the Sales Contracts there are times when Escrow is to deduct cancellation fees from the refund amount. Escrow will deduct the cancellation fees from the refund unless Seller instructs Escrow not to do so. The words "cancellation fees" mean Escrow's cancellation fees which are defined in Paragraph 11.b of this Agreement and any cancellation fees of the lender from whom the Buyer has arranged a loan to buy the apartment.

d. **Notice of Refunds.** Escrow shall give each Buyer entitled to a refund notice of the refund by registered mail. It will be addressed to such Buyer at Buyer's address shown on Buyer's Sales Contract. If Buyer gives Escrow another address, then Escrow will send the notice to that address.

e. **Owner/Occupant Refunds.** Escrow will also refund a Buyer's deposits as required by Part IV of the Condominium Law, if the Buyer and the Seller request it in writing and if the Buyer is on the Developer's reservation list as an intended owner/occupant under Section 514A-104 of the Condominium Law and

(1) the Developer does not offer such Buyer a Sales Contract; or

(2) the Buyer fails to obtain financing satisfactory to Developer within the time required by Part VI of the Condominium Law.

Except for the refunds under subparagraph (1) above, Escrow will first deduct cancellation fees from the refund. Such refund shall be without interest less the cost of any credit reports and all other costs incurred by Seller.

In the event that Buyer is unable to reaffirm at closing of escrow the Buyer's intent to be an owner-occupant as set forth in Section 514A, Part IV, Hawaii Revised Statutes, as amended, Buyer shall be required to rescind the Sales Contract. In such event, the Seller may retain the Buyer's deposit up to an amount not to exceed the greater of five percent of the deposit or actual damages and the balance of the deposit shall be refunded to the Buyer.

The party terminating the Sales Contract shall give written notice of such termination, and a copy thereof shall be given to Escrow Agent.

3. The Escrow Agreement provides that Escrow may disburse the Buyer's funds under the following terms and conditions:

**5. Buyers' Deposits and Payments.**

a. **Escrow's Holding of Buyers' Deposits.** Escrow will accept Buyers' deposits and payments and will hold them or pay them out according to this Escrow Agreement.

b. **When Buyer's Funds May be Removed from the Trust Fund.** Buyer's funds may be disbursed only after the following have happened:

(1) the Real Estate Commission has issued a final public report (the "**Final Report**") on the Project,

(2) the Buyer has received a copy and given the Seller a receipt for it,

(3) two full working days have gone by since Seller notifies Escrow that Buyer has received the receipt,

(4) Seller notifies Escrow in writing that all of the requirements of Section 514A-39 and 514A-63, Hawaii Revised Statutes, then applicable to the Project, have been satisfied, and

(5) Seller notifies Escrow in writing that the Sales Contract for the Buyer has become a binding sales contract and that the Seller's and Buyer's rights of cancellation as provided in Section D.23 of the Sales Contracts have lapsed or have become void.

(6) Paragraph 5c has been satisfied and performed.

c. **The Balance May Be Paid to Seller.** The balance of any Buyer's money left in Account as well as any payments made at closing as described in the Sales Contract, shall be paid to Seller when Buyer's Apartment Deed has been recorded or filed for record.

d. **Seller's Funds.** Seller's funds may be released from Escrow and disbursed without any of the above limitations.

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