



**REAL ESTATE COMMISSION
STATE OF HAWAII**
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

1974 JUDD HILLSIDE

1974 Judd Hillside Road
Honolulu, Hawaii 96822

Registration No. 1756

Issued: October 6, 1986
Expires: November 6, 1987

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 19, 1986 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. This report must be read together with _____

- SUPPLEMENTARY:**
(pink) Changes information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated _____
 - Supp. Public Report dated _____

- And Supersedes all prior public reports
- Must be read together with _____

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.

1. House Rules have been amended to allow 8 occupants in four bedroom units.

2. One encumbrance to title has been deleted and one added.
(See Exhibit B)

3. Maintenance fees will be assessed. (See Exhibit C)

4. The Declaration was amended to correct a typographical error respecting the common interest for Unit 2.

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Appendix I: People Connected with the Project

Attached only if there are additions or changes to information contained in the body of the report.

GENERAL INFORMATION ON COND. NIUMS

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

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 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 condominiums, 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 or encumbered, and they may be disposed of by will or gift.

Your apartment will, however, be part of the group of apartments that comprise the condominium. 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

The Association of Apartment Owners is the means through which apartment owners may take action with regard to the administration, management, and operation of the condominium. 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 control of the administration and operation of the condominium will in most cases be limited to your right to vote as an 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.

PEOPLE CONNECTED WITH THE PROJECT

Developer: Abe Lee Development, Inc. Phone: 942-2633
Name (Business)
2308 Lipioma Way
Business Address
Honolulu, Hawaii 96822

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

Abrahan Lee, President/Treasurer
Sally Lee, Vice-President/Secretary

Real Estate Sales Agent: Abe Lee Realty Phone: 943-0233
Name (Business)
931 University Ave., #104
Business Address
Honolulu, Hawaii 96826

Escrow: Island Title Corporation Phone: 526-9171
Name (Business)
841 Bishop Street, #1930
Business Address
Honolulu, Hawaii 96813

Managing Agent: None Phone: _____
Name (Business)

Business Address

Attorney for Developer: Glenn M. Adachi, Esq.
Name
2308 Lipioma Way
Business Address
Honolulu, Hawaii 97822

Appendix I may be attached to this report. If so, it will list additional people connected with the project or changes that may have been made to the above information after this public report was issued.

**CREATION OF THE CONDOMINIUM
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

- Proposed
- Recorded — Bureau of Conveyances — Book 19355 Page 691
- Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

- B. Condominium Map (File Plan) shows the elevation and layout of the condominium. It also shows the floor plan for each apartment.

The Condominium Map for this condominium is:

- Proposed
- Recorded — Bureau of Conveyances — Map No. 997
- Filed — Land Court — File Plan No. _____

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium. 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 will be governed.

The Bylaws for this condominium are:

- Proposed
- Recorded — Bureau of Conveyances — Book 19355 Page 723
- Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

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. 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 recorded or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of apartment owners who 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>65%</u>
House Rules	—	<u>2/3 vote of Board of Directors</u>

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

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

Developer reserves right to amend By-Laws, Declaration and Condominium Map prior to recording first conveyance.

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.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 Month Year.

- Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners) either (1) remove or dispose of the building and other improvements; or (2) convey the building and improvements to the lessor at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
 Month Year.

- Other:

For Subleaseholds:

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

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators -- Stairways -- Trash Chutes --

<u>Apt. #</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>1</u>	<u>1</u>	<u>4/2½</u>	<u>1,573</u>	<u>_____</u>
<u>2</u>	<u>1</u>	<u>2/2</u>	<u>1,183</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

*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 floor area may have been used.

Boundaries of Each Apartment:

The dwelling comprising the apartment unit, including but not limited to: 1) the perimeter walls, floors, foundations and roofs, and 2) all pipes, wires, conduits, or other utility and service lines in or outside such dwelling if not utilized for more than one apartment.

Permitted Alterations to Apartments:

Each unit owner has the right, at his sole option to improve, renovate, remodel, make additions to, remove, replace or restore the improvements to or in the unit.

7. Parking Stalls:

	<u>Number of Stalls</u>
Assigned Stalls (For Individual Units)	<u>4</u>
Guest Stalls	<u> </u>
Unassigned Stalls	<u> </u>
Other: _____	<u> </u>
Total Parking Stalls	<u>4</u>

Each apartment will have the exclusive use of at least 2 parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

	regular	compact	tandem
Number of covered stalls	<u>3</u>	<u> </u>	<u> </u>
Number of open stalls	<u>1</u>	<u> </u>	<u> </u>

Commercial parking garage permitted on condominium.

Exhibit _____ contains additional information on parking stalls for this condominium.

8. Recreational and Other Common Facilities: None

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> Swimming pool | <input type="checkbox"/> Storage Area |
| <input type="checkbox"/> Recreation Area | <input type="checkbox"/> Laundry Area |
| <input type="checkbox"/> Tennis Court | <input type="checkbox"/> Trash Chute |
| <input type="checkbox"/> Other: _____ | |
| _____ | |

9. Present Condition of Improvements N/A
 (For conversions of residential apartments in existence for five years):

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

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

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 (for conversions only)

	<u>Conforming</u>	Non-Conforming	
		<u>Legal</u>	<u>Illegal</u>
Uses	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

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

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

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

Exhibit A describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments. The limited common elements and the apartment which may use them are:

described in Exhibit _____

as follows:

A. The site of each unit consisting of the land beneath and immediately adjacent thereto, as shown and delineated on the condominium map, including without limitation, any private areas.

B. The parking garages and parking pad adjacent to each of the respective units.

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 ~~-----~~ describes the common interests for each apartment.

<u>Unit No.</u>	<u>Common Interest</u>
1	50%
2	50%

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

Exhibit B describes the encumbrances against the title contained in the title report dated September 2, 1986.

Blanket Liens:

[] 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>
Mortgage in favor of GECC Financial Corporation	Buyer's interest may be terminated in which event Buyer will receive refund of deposit.

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. 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.

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:

- None
- [] not affiliated with the Developer.
- [] the Developer or the Developer's affiliate.
- [] other _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium. If you are late in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit C contains a schedule of maintenance fees and maintenance fee disbursements.

Maintenance Fees will be collected by the Board of Directors of the Association.

H. Separate Utility Charges for Apartments:

Except for the utilities indicated below, each apartment will be billed separately for utilities:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. Construction Warranties

1. Building and Other Improvements:

Standard Contractor's Warranty of one-year

2. Appliances:

Warranty as provided by the manufacturer of the appliances

J. Status of Construction and Estimated Completion Date

Notice of Completion published July 5 & 12, 1986

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:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit D contains a summary of the provisions of the sales contract.

Escrow Agreement dated April 14, 1986

Exhibit E contains a summary of the provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer 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 a copy of the Final Public Report and all prior public reports not previously delivered to the buyer; and
2. The buyer is given an opportunity to read the reports; and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the reports and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the reports were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the reports 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 (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; and
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. Declaration of Horizontal Property Regime.
2. Bylaws of the Association of Apartment Owners.
3. House Rules.
4. Escrow Agreement.
5. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
6. 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 are available for \$ ~~2.50~~ 1.75 at the Department of Commerce and Consumer Affairs.

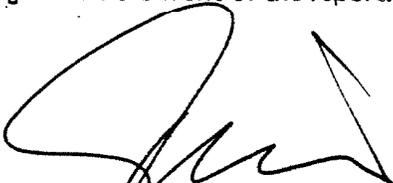
This Public Report is a part of Registration No. 1756 filed with the Real Estate Commission on April 11, 1986.

The Developer is responsible for delivering a true copy of this report to all purchasers and prospective purchasers and for securing a signed receipt for the report. When reproduced, this report must be on:

yellow paper stock white paper stock pink paper stock

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.

Supplementary Public Reports expire on the expiration date given on the front of the report.



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

Separate Disclosure Abstract on this condominium:

Required Not Required — disclosures covered in this report

Distribution:

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

EXHIBIT "A"

Common Elements

- (a) Said land in fee simple;
- (b) All yards, grounds, planters, planting areas and landscaping;
- (c) All electrical and mechanical equipment and wiring and other central appurtenant installations for services, including power, lights and water;
- (d) All other parts of the Project existing for the common use where necessary to the existence, maintenance and safety of the Project.

EXHIBIT "B"

LIST OF ENCUMBRANCES

1. Title to all mineral and metallic mines reserved to the State of Hawaii.

2. Excepting and reserving to Hawaiian Trust Company, Limited, as Trustee under the Will of Emily C. Judd, Deceased, its successors in trust and assigns, the right to enter the said granted premises from time to time for the purpose of laying under ground across the same at any place or places within (5) feet from any boundary line thereof, pipes and conduits for the conveyances of water, sewage, gas and electricity for telephone and power, and for any such or other useful purposes and to excavate, place and maintain at all times such pipelines and conduits, from time to time to enter and renew or replace the same, but upon the conditions that reasonable notice will be given in each case to the Grantees and that the previous surface conditions will be promptly restored, as excepted and reserved in Deed dated July 23, 1975, recorded in the Bureau of Conveyances, in Book 10827, Page 567.

3. An easement for transformer vaults being with Lot 2, in favor of Hawaiian Electric Company, Inc., dated September 24, 1980, recorded in the Bureau of Conveyances, in Book 15024, Page 185.

4. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Deed, dated February 3, 1981, recorded in the Bureau of Conveyances, in Book 15345, Page 717.

5. Terms, provisions, covenants and conditions of that certain Partition Agreement dated January 8, 1985, recorded in the Bureau of Conveyances, in Book 18398, Page 30.

6. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration of Restrictive Covenants, dated November 4, 1985, recorded in the Bureau of Conveyances, in Book 19056, Page 128.

7. An easement for transmission of electricity in favor of Hawaiian Electric Company, Inc., dated May 15, 1986, recorded in the Bureau of Conveyances, in Book 19633, Page 135.

8. Condominium Map No. 997, filed in the Bureau of Conveyances.

9. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in the Declaration of Horizontal Property Regime of 1974 Judd Hillside dated March 6, 1986, recorded in the Bureau of Conveyances, in Book 19355, Page 691. Said Declaration was amended by instrument dated May 1, 1986, recorded in Book 19510, Page 465, in said Bureau of Conveyances.

10. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in the By-Laws of The Association of Apartment Owners of 1974 Judd Hillside dated March 6, 1986, recorded in the Bureau of Conveyances in Book 19355, Page 723.

11. Financing Statement with Slenk's Builders as debtor, and Amfac Distribution Hawaii, Inc. as Secured Party, covering certain fixtures, recorded in the Bureau of Conveyances in Book 19492, Page 92.

12. Mortgage dated May 16, 1986, in favor of GECC Financial Corporation recorded in the Bureau of Conveyances in Book 19510, Page 468.

13. Financing Statement with Abe Lee Development, Inc. as debtor, and GECC Financial Corporation as Secured Party, covering certain fixtures, recorded in the Bureau of Conveyances in Book 19510, Page 478.

14. Real property taxes as may be due and owing.

NOTE: The developer has advised that since the September 2, 1986 title report was issued, one encumbrance shown therein has been released (mortgage in favor of Joseph W. Phillips was released September 10, 1986) and a new encumbrance created (Grant of Easement in favor of Hawaiian Electric Company, Inc. for electrical purposes dated May 15, 1986, recorded in the Bureau of Conveyances in Book 19633, Page 135).

EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
#1	\$ 40.00	\$ 480.00
#2	40.00	480.00
		<hr/>
		<u>\$ 960.00</u>

[] Revised on _____

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance \$ 60.00 \$ 720.00

Reserves

Taxes and Government Assessments

Other
Audit 20.00 240.00

\$ 960.00

TOTAL

I/We, Abe Lee Development, Inc., as ~~manager~~ ^{developer} ~~agent~~ for the condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Abe Lee Development, Inc.

Abe Lee
Its President
Date: SEPTEMBER 30, 1986

EXHIBIT "D"

Summary of Sales Contract

The sales contract contains the price description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract says:

(a) What a buyer must do to qualify for a loan if the buyer wants a mortgage loan to cover part of the purchase price.

(b) That a buyer's money will be held in escrow, under the terms of the escrow agreement.

(c) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(d) That seller gives standard one-year contractor's warranty and warranties on appliances are as provided by the manufacturer of the appliances.

(e) What will happen if there is a default under the sales contract.

EXHIBIT "E"

Summary of Escrow Agreement

The escrow agreement sets up an arrangement under which the deposits which a buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

(a) Escrow will collect payments due pursuant to the sales contract.

(b) Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.

(c) Escrow will let buyers know when payments are due.

(d) Escrow will arrange for and supervise the signing of all necessary documents.

(e) The escrow agreement says under what conditions refund will be made to a buyer.

(f) The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.

The escrow agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.