

**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**

944 PROSPECT (Revised)\*  
944 Prospect Street  
Honolulu, Hawaii

REGISTRATION NO. 1763

**IMPORTANT — Read This Report Before Buying**

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

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

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

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

Issued: June 6, 1986

Expires: July 6, 1987

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 FILED WITH THE COMMISSION AS OF MAY 21, 1986. 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.

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\*A Preliminary Public Report under the name "944 Prospect" was issued under Registration No. 1587. However, since that report has since expired and the configuration of the now proposed project is substantially different, a new registration number has been assigned.

1. 944 PROSPECT is a proposed fee simple condominium consisting of eleven (11) residential apartments contained in two buildings, one of which shall have two stories and contain ten (10) apartments and one of which shall have three stories and contain one apartment. Each apartment shall have two (2) parking spaces appurtenant thereto.

2. The Developer has submitted to the Real Estate Commission for examination all documents deemed necessary for the registration of the Project and the issuance of this Preliminary Public Report.

3. The basic documents (the Declaration of Horizontal Property Regime of 944 Prospect, the By-Laws of the Association of Apartment Owners of 944 Prospect, and a copy of the approved floor plans) have not yet been filed in the office of the recording officer.

4. Advertising and promotional material has not yet 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 Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration of the Project. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock), together with the Disclosure Abstract, in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor.

7. This Preliminary Public Report automatically expires thirteen months after its date of issuance, June 6, 1987, unless a Final or Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: 944 PROSPECT

LOCATION: The land (approximately 29,000) square feet) committed to the project is located at 944 Prospect Street, City and County of Honolulu, State of Hawaii.

TAX MAP KEY: 2-2-004-034 (1)

ZONING: A-2

DEVELOPER: PROSPECT CORP., a Hawaii corporation whose principal places of business is 1154 Fort Street Mall, Suite 414, Honolulu, Hawaii 96813, and whose telephone number is 536-6451. The officers of the corporation are:

Ralph D. Cornuelle, President/Treasurer  
Daniel H. Wong, Vice President/Secretary

ATTORNEY REPRESENTING DEVELOPER: DINMAN, NAKAMURA, ELISHA & NAKATANI (ATTN: Bruce C. Dinman, Esq.), Suite 1850, 737 Bishop Street, Honolulu, Hawaii 96813; tel. no. 523-7021.

DESCRIPTION:

1. Description of Buildings. The Apartments shall be contained in two buildings. One (1) building shall be a multifamily structure which shall have two (2) stories, no basement, and shall be constructed principally of wood, concrete, glass, and related building materials, containing ten (10) 2-story apartments. The other building shall be constructed of like materials and shall contain one 3-story apartment.

2. Description of Apartments. Eleven (11) freehold estates are designated in the spaces within the perimeter walls, floors, and ceilings of the eleven (11) apartments of the Project (hereinafter referred to as "Apartments").

Each of the Apartments has two bedrooms, a living room, dining area, and two bathrooms. Apartments A through K have a net living area, measured from the interior surface of the Apartment perimeter walls, of approximately 1035.33 square feet. Apartment L contains a net living area, measured in like manner, of approximately 1145.02 square feet. Apartment A has a lanai approximately 315.94 square feet in area.

The respective Apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, interior load-bearing walls, floors, and ceilings surrounding each Apartment, or any pipes, wires, conduits, or other utility or service lines running through the Apartments which are utilized for or serve more than one Apartment, the same being deemed common elements of the Project (hereinafter referred to as the "Common Elements"), as hereinafter provided. Each Apartment shall include all of the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, ceilings, the fixtures originally installed therein, and all doors, door frames, windows, and window frames located therein or appurtenant thereto. Apartment A shall include the adjacent lanai. As used herein, "lanai" shall be deemed to mean the finished surface of the lanai and the air space contained within the lanai.

C. COMMON ELEMENTS. One freehold estate is designated in all of the remaining portions of the Project (hereinafter referred to as the "Common Elements"), which shall include the limited Common Elements described in Section D below (hereinafter referred to as "Limited Common Elements"). The Common Elements shall include without limitation the following:

1. The Land in fee simple.
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter walls, and load-bearing walls, and other structural members.
3. All yards, grounds, landscaping, planters, fences, and refuse facilities.
4. All ducts, sewer lines, electrical equipment, gas tanks, pipes, wiring, and other central and appurtenant transmission facilities which serve more than one Apartment for services such as power, light, water, gas, refuse, and the transmission of telephone, radio, and television signals.

5. All roadways, sidewalks, and driveways which are rationally intended for common use.

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

D. LIMITED COMMON ELEMENTS. Certain parts of the Common Elements are set aside and reserved for the use of less than all of the Apartments and shall constitute Limited Common Elements appurtenant thereto. Each Apartment shall have an exclusive easement for the use of the Limited Common Elements appurtenant thereto, except as otherwise provided herein. The cost of maintenance, repair, and upkeep of each Limited Common Element shall be assessed to the owner(s) of the Apartment(s) to which such Limited Common Element is appurtenant.

1. Mailboxes. The mailbox bearing the number corresponding to the number of each Apartment shall be for the exclusive use of such Apartment.

2. Parking Spaces. Each Apartment shall have appurtenant thereto two covered parking spaces located as shown on the proposed Condominium Map. Apartments B through K shall each have one full-size and one compact-size parking space, and Apartments A and L shall each have two compact-size parking spaces.

3. Carports. Apartments B through K shall each have a carport located on the first floor level thereof. Each such carport shall be appurtenant to and for the exclusive use of the occupants of the corresponding apartment, as shown on the proposed Condominium Map. Apartments A and L shall each have the exclusive use of that portion of the carport located on the first floor level of Apartment L which contains the parking stalls which are appurtenant thereto, as shown on the Condominium Map. Each of the two portions of that carport shall be appurtenant to the Apartment to which it corresponds.

4. Apartment A Lanai. The lanai on the first floor of Apartment A shall be appurtenant thereto and for the exclusive use thereof.

INTEREST TO BE CONVEYED TO PURCHASERS: Each Apartment shall have appurtenant thereto a one-eleventh (1/11) undivided interest in the Common Elements (hereinafter called the "Common Interest") for all purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Apartments are to be occupied and used as private dwellings and for no other purpose. The owners of the respective Apartments shall have the absolute right to lease such Apartments, for not less than 30 days, subject to all provisions of the Declaration, By-Laws, and House Rules. Apartments may not be rented or leased for transient or hotel purposes or used in connection with any timesharing plan. The proposed house rules contain no restrictions on pets but do prohibit barbecuing in common areas and more than four occupants per apartment.

OWNERSHIP: A preliminary title report issued by Title Guaranty of Hawaii, Inc. dated April 22, 1986 shows that legal title to the real property submitted to the Horizontal Property Regime is vested in First Hawaiian Bank, a Hawaii corporation, Successor

Trustee of the Freida J.I. Matthewman Revocable Trust dated August 26, 1980 and that equitable title is vested in the Developer pursuant to an Agreement of Sale between First Hawaiian Bank, trustee, as Vendor and the Developer as Vendee, dated March 1, 1984.

ENCUMBRANCES AGAINST TITLE:

The Preliminary Title Report issued by Title Guaranty of Hawaii, Inc. dated April 22, 1986 lists the following encumbrances:

1. Any and all real property taxes that may be due and owing. Tax key: 2-2-005-034 (1)
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. -AS TO PARCELS FIRST AND FOURTH (as to the undivided 1/4 interests in that certain parcel of land (2,519 square feet)):-  
  
Grant in favor of the City and County of Honolulu, dated November 5, 1938, recorded in Liber 1470 at Page 462; granting an easement for underground water pipeline purposes.
4. Certificate of State of Hawaii Tax Lien against Frieda J.I. Matthewman dated July 6, 1977 and recorded in Liber 12312, Page 422, in the amount of \$17,375.10
5. Terms, conditions, and provisions contained in the Frieda J.I. Matthewman Revocable Trust dated August 26, 1980, of which a Memorandum of Trust Agreement was recorded in Liber 17213, Page 767.
6. Agreement of Sale between First Hawaiian Bank, trustee, as Vendor, and Prospect Corp., as Vendee, dated March 1, 1984 and recorded in Liber 17835, Page 581.

EASEMENTS: In addition to any easements in the Limited Common Elements designated in the proposed Declaration, the Apartments and Common Elements shall also have and be subject to the following easements:

1. Each Apartment shall have appurtenant thereto non-exclusive easements in the Common Elements intended for such purposes for ingress to, egress from, utility services for, and support of such Apartment and in the other Common Elements for use according to their respective purposes, subject always to the exclusive use of the Limited Common Elements as provided herein; and in all other Apartments of the building in which such Apartment is located for support.

2. If any part of the Common Elements encroaches upon any Apartment or Limited Common Element or any Apartment encroaches upon the Common Elements, Limited Common Elements, or any other Apartment as a result of the construction, reconstruction, repair, shifting, settlement, or movement of any portion of the Project, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event that any portion of the Project shall be partially or

totally destroyed and then rebuilt, minor encroachments of the Common Elements due to construction shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

3. Each Apartment Owner shall have an easement in common with the owners of all other Apartments to use all pipes, wires, ducts, cables, conduits, utility lines, and other Common Elements located in or running through any of the other Apartments which serve such Owner's Apartment. Each Apartment shall be subject to an easement in favor of the owners of all other Apartments, to be exercised by the Board of Directors, its employees, and/or agents, for access to any Common Elements located in such Apartment.

4. The Association of Apartment Owners of 944 Prospect (hereinafter referred to as the "Association"), by and through its Board of Directors, shall have the right at any time to grant easements and rights of way under, through, or over the Common Elements for utilities, sanitary and storm sewers, cable television, and other services, and to relocate, amend, or cancel the same provided that such easements, their use, relocation, amendment, or cancellation shall not materially impair or interfere with the use and enjoyment of any Apartment.

5. The Developer shall have the right to conduct sales activities at the Project, including the use of model apartments, sales and management offices, and sales displays and activities until the closing of the sale of the last unsold apartment at the Project, provided that if the Developer is unable to sell all of the apartments within the forty-eight (48) month period commencing on the date of the recording at the Bureau of Conveyances of the State of Hawaii of the first apartment deed conveying an Apartment, such sales activities shall thereafter be conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession, and aesthetic enjoyment of the Project by the other apartment owners. In the event that the Developer's mortgage lender or any successor to or assignee of the Developer's mortgage lender shall acquire any portion of the Project in the course of any foreclosure or other legal proceeding or in the exercise of its mortgage remedies or by an assignment in lieu of foreclosure, such mortgage lender, its successors and assigns shall have the right to conduct such extensive sales activities at the Project until at least ninety-five percent (95%) of all of the apartments constructed or to be constructed have been sold and the deeds thereto have been recorded at the Bureau of Conveyances, notwithstanding the foregoing.

6. The Developer, its agents, employees, contractors, licensees, successors, and assigns shall have an easement over, under, and upon the Project as may be reasonably necessary for the completion of improvements to and correction of defects in the Project, if any. Such easement shall terminate twenty-four (24) months after the later of (a) the date of the recording at the Bureau of Conveyances of the State of Hawaii of the first apartment deed conveying an apartment, or (b) "substantial completion" (as that term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the improvement to be completed or corrected. Such period shall be extended for such additional period (not to exceed twenty-four (24) months) as may be reasonably necessary for the completion of such improvements in

the exercise of due diligence or such additional period as may become necessary if such completion is delayed by reason of force majeure.

7. The Developer, its agents, employees, contractors, licensees, successors, and assigns shall have an easement over, under, and upon the Project or any portion thereof, to create and cause noise, dust, and other nuisances created by and resulting from any work connected with or incidental to the development, construction, and sale of any apartment.

8. Apartment L shall have an exclusive easement for the use and enjoyment of that certain area of land measuring approximately 10'x32' located immediately adjacent to the rear of said Apartment, as shown on the proposed Condominium Map.

PURCHASE MONEY HANDLING: An escrow agreement dated April 30, 1986 (hereinafter called the "Escrow Agreement") detailing the manner in which purchasers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is Title Guaranty Escrow Services, Inc., a Hawaii corporation. Upon examination, the specimen sales contracts (hereinafter called "Sales Contracts") to be used by the Developer in connection with the sale of the Apartments, as well as the Escrow Agreement, have been found to be consonant with Chapter 514A, Hawaii Revised Statutes, as amended, including but not limited to Sections 514A-39, 514A-63, and 514A-65.

It is incumbent upon the prospective purchaser that he or she read with care the Sales Contract and the Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the Apartments and all sums received from any source are to be placed in trust, as well as the retention and disbursement of said trust funds.

The specimen Sales Contract contains, among other things, the following provisions:

1. No Interest On Deposits. Any and all interest received by the Developer and/or the Escrow Agent on the purchaser's payments shall become the sole property of the Developer, pursuant to the provisions of Sections 402-8 and 449-16.5 of the Hawaii Revised Statutes.

2. Warranties. DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENTS, COMMON ELEMENTS, APPLIANCES, FURNISHINGS, OR ANYTHING INSTALLED IN OR UPON THE APARTMENTS OR THE PROJECT OR USED IN CONNECTION WITH THE APARTMENTS OR THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION, OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

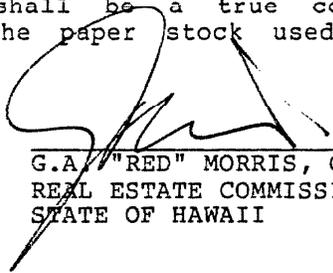
MANAGEMENT AND OPERATION: The By-Laws provide that the operation of the Project may be conducted by a managing agent. Initially, the Project shall be self-managed and shall therefore have no managing agent.

STATUS OF PROJECT: The Developer has advised the Commission that construction on the Project is scheduled to commence on or about July 1, 1986 and is to be completed on or about January 31, 1987.

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The purchaser or prospective purchaser should be cognizant of the fact that this Preliminary Public Report represents information disclosed by the Developer in the required Notice of Intention filed with the Commission on May 21, 1986.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1763, filed with the Commission on May 21, 1986.

The report when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.



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

Distribution:

Department of Finance, City & County of Honolulu  
Office of the Assistant Registrar  
of the Land Court of the State of Hawaii  
Planning Dept., City & County  
of Honolulu  
Federal Housing Administration  
Escrow Agent

Registration No. 1763

June 6, 1986

944 PROSPECT

DISCLOSURE STATEMENT

MAY 21, 1986

1. NAME OF PROJECT: 944 PROSPECT  
944 Prospect Street  
Honolulu, Hawaii 96822
2. DEVELOPER: PROSPECT CORP.  
1154 Fort St. Mall, Ste. 414  
Honolulu, Hawaii 96813  
Tel. 536-6451
3. MANAGING AGENT: None. 944 Prospect is a self-managed condominium project.
4. RESIDENTIAL USE: All apartments are to be used for residential purposes, including rental for not less than 30 days.
5. COMMERCIAL USE: No Apartment may be used for commercial purposes.
6. WARRANTIES: THE DEVELOPER MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE APARTMENTS, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.
7. ESTIMATED MAINTENANCE FEES: The estimated maintenance fees and proposed operating budget are set forth in Exhibit A attached hereto. Maintenance

fees for each apartment are estimated to be \$1,440 per annum or \$120 per month. The developer advises that costs and expenses of maintaining and operating a condominium project are difficult to estimate initially. Even if the maintenance fees have been accurately estimated, such fees may increase in an inflationary economy and as the improvements age. Maintenance fees can vary depending on the services provided to the owners. The buyer should review the proposed operating budget to see what services are included therein.

PROSPECT CORP., a Hawaii  
corporation,

By   
RALPH D. CORNUELLE  
Its President/Treasurer

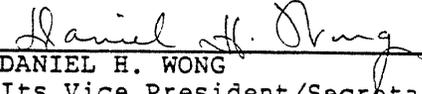
By   
DANIEL H. WONG  
Its Vice President/Secretary

EXHIBIT A  
 PROPOSED ANNUAL BUDGET  
 FOR  
 944 PROSPECT

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	MONTHLY	ANNUAL
<b>Insurance</b>		
Fire . . . . .	\$100	\$1,200
Liability . . . . .	60	720
Umbrella . . . . .	30	360
Directors and Officers . . . . .	30	360
Building Maintenance and Supplies . . . . .	150	1,800
Grounds Maintenance and Supplies . . . . .	150	1,800
Electricity (Common Areas) . . . . .	200	2,400
Water and Sewer Fees . . . . .	275	3,300
Cable T V . . . . .	75	900
Refuge Collection . . . . .	60	720
Legal and Accounting Services . . . . .	50	600
Miscellaneous Expense . . . . .	10	120
Bond . . . . .	5	60
 TOTAL MAINTENANCE . . . . .	 \$1,195	 \$14,340
 Reserves . . . . .	 125	 1,500
 TOTAL MAINTENANCE BUDGET . . . . .	 \$1,320	 \$15,840

The undersigned hereby certifies that the above Proposed Annual Budget was prepared on April 30, 1986, in accordance with generally accepted accounting principles and information available to the Developer.

PROSPECT CORP.  
 By: *Lloyd D. Russell*  
 Its President