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

MOANALUA ESTATES

1745 Ala Amoamo Street
Honolulu, Hawaii

Registration No. 1810
(formerly No. 1530)
Issued: January 8, 1987
Expires: February 8, 1988

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 23, **, 19** 86 **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:

__X__ **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.

Note: This Report supercedes that issued on April 12, 1983 under No. 1530

____ **FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.

[ ] 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 _____
[ ] 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 [X] Not Required -- disclosures covered in this report.

FORM: RECO-30 286/986-350W, 150Y, 50P

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.

This condominium project was previously submitted to the Real Estate Commmission and a preliminary public report was issued on April 12, 1983. The preliminary public report expired and a final public report was not issued for the project.

The developer, Abe Lee Development, Inc., purchased the property at a foreclosure sale and is submitting for the issuance of a new Preliminary Public Report which will supercede that Report previously issued.

The Declaration of Horizontal Property Regime, as amended, By-Laws and Condominium Map have been recorded.

Developer intends to renovate the 11 existing single-family dwellings that were built in 1964 and will commence the construction of the two additional dwellings in March 1987. Developer also intends to further amend the Declaration to reserve, for a period of ten years, the right to construct an additional 6 single-family dwellings. Upon exercise, the common interest of each owner will be revised proportionately.

NOTE: Prospective buyers should read with care the City's letter of December 16, 1986 (included herein as part of Exh. L).

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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 "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 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.

Some condominium projects are leasehold. This means that the land or the land, 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.

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

(cite to appropriate pages in text of report)

Interest to be Conveyed to Buyer:

Fee simple interest in the individual apartment and percentage undivided interest in the common elements

Type of Project:

1. [ ] New Building(s) [ ] Conversion
   [X] Both New Building(s) and Conversion
2. [X] Residential [ ] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____
3. [ ] High Rise (5 stories or more) [X] Low Rise
4. [ ] Single or [X] Multiple Buildings
5. Apartment Description

Apt. Nos. ~~Type~~	Qty	BR/Bath	Net Living Area*	Lanai/Patio
1 - 11	11	3/1½	997 sq.ft.	
12 & 13	2	3/2	1,300 sq.ft.	

Total Apartments: 13

*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:

	Number of Stalls
Assigned Stalls (Individual Units)	26
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: _____	
Total Parking Stalls	26

NOTE: The basement parking ~~is~~ considered part of the apartment and the parking stalls that are adjacent to certain units are limited common elements to the respective units.

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: ABE LEE DEVELOPMENT, INC. Phone: 942-2633 (Business)
Name
2308 Lipioma Way
Business Address
Honolulu, Hawaii 96822

Names of officers or general partners of developers who are corporations or partnerships:
Abraham Lee, President
Sally Lee, Vice-President

Real Estate Sales Agent: Dempsey West Realty (as to 8 units) Phone: 488-9480 (Business)
Name
98-1247 Kaahumanu Street, Ste. 214
Business Address
Aiea, Hawaii 96701

(Note: See Exhibit "A" regarding "Additional Sales Agent")

Escrow: Long & Melone Phone: 531-3189 (Business)
Name
333 Queen Street
Business Address
Honolulu, Hawaii 96813

Managing Agent: Developer Phone: (Business)
Name

Business Address

Attorney for Developer: Glenn M. Adachi
Name
2308 Lipioma Way
Business Address
Honolulu, Hawaii 96822

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 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 project.

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded – Bureau of Conveyances – Book _____ Page _____
[X] Filed – Land Court – Document Number 1268224

Amendment date(s) and recording/filing information:

Amendment acknowledged September 10, 1986 and September 12, 1986, filed as Land Court Document No. 1401591

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. _____
[X] Filed – Land Court Condo Map No. 529

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 – Book _____ Page _____
[X] Filed – Land Court – Document Number 1268224

Amendment date(s) and recording/filing information: (Note: Bylaws attached as Exhibit "A" of Declaration)

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:
[X] 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 apartment owners who must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	75%
House Rules	–	2/3 of Board of Directors

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:

See Exhibit B

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:

[X] 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.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

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.

[ ] 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 -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often 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.

B. **Underlying Land:**

Address: 1745 Ala Amoamo Street
Honolulu, Hawaii

Tax Map Key: 1-1-32:01 (TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 3.588 [ ] square feet [X] acre(s)

Zoning: R-6

Fee Owner: See Exhibit C
name
address

Sublessor:
name
address

Note: Abe Lee Development, Inc., the developer purchased the subject property at foreclosure. See Exhibit C. The sale was confirmed on December 9, 1986. A copy of the confirmation order is on file at the Real Estate Commission.

C. **Buildings and Other Improvements:**

1. [ ] New Building(s) [ ] Conversion of Existing Building(s)
   [X] Both New Building(s) and Conversion

2. Buildings: 13 Floors Per Building: 1-2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [X] Hollow Tile [X] Wood

   [ ] Other _____

4. Permitted Uses:

		No. of Apts.			No. of Apts.
[ ]	Commercial		[ ]	Industrial	
[X]	Residential	13	[ ]	Agricultural	
[ ]	Timeshare/Hotel		[ ]	Recreational	
[ ]	Other:				

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:

[X] Pets: No livestock, poultry, other animals or pets, except for 1 dog, 1 cat, aquarium fish and a pair of small birds
[X] Number of Occupants: maximum of six persons for each 3-bedroom unit

[ ] Other: _____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 13

Elevators -- Stairways -- Trash Chutes --

Apt. Nos. ~~Type~~	Qty	BR/Bath	Net Living Area*	Lanai/Patio
1 - 11	11	3/1½	997 sq.ft.	
12 & 13	2	3/2	1,300 sq.ft.	

*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:

Each apartment shall be deemed to include the footings on which it is constructed, the exterior walls and roof, all interior walls, ceilings, floors and partitions and the finished surfaces thereto, the basement parking and patio areas, if any, and all fixtures installed therein. However, the respective apartments shall not be deemed to include any structural or service elements which are utilized by or serve more than one apartment, the same being deemed common elements as hereinafter provided.

Permitted Alterations to Apartments:

See Exhibit D

7. Parking Stalls:

Total Parking Stalls: 26

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	18	8					26
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	26						

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.

[ ] Commercial parking garage permitted in condominium project.

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

NOTE: The basement parking is considered part of the apartment and the parking stalls that are adjacent to certain units are limited common elements to the respective units.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Other: _____

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

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

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

Report Forthcoming

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

10. Conformance to Present Zoning Code See Exhibit L

a. [X] 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.

	Conforming	Non-Conforming	Illegal
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.

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 E 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.

   [ ] There are no limited common elements in this project.

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

   [X] described in Exhibit F

   [ ] 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.

   [X] Exhibit G 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 H describes the encumbrances against the title contained in the title report dated October 27, 1986.

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.

[X] There are no blanket liens affecting title to the individual apartments. All mortgages set forth in the List of Encumbrances will be paid off upon Developer's purchase.

[ ] 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.

Type of Lien	Effect on Buyer's Interest If Developer Defaults

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:

[ ] not affiliated with the Developer.

[X] 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 project. If you are delinquent 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 I contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] Electricity [ ] Television Cable

[ ] Gas [ ] Water & Sewer

[ ] Other _____

I. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

The Developer makes no representations or warranties expressed or implied; the purchaser is purchasing the unit in "As Is" condition.

2. Appliances:

The warranty that is given by the manufacturer of the appliance.

J. **Status of Construction and Estimated Completion Date:**

The 11 existing units were constructed in 1964. The construction of the two additonal units will commence in March 1987 and is scheduled to be completed by July 1987.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

The Developer intends to amend the Declaration to provide that the Developer reserves the right to construct an additional 6 single family dwellings to be included in the project. Upon exercise, the common interest of each owner will be revised proportionately.

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

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated December 18, 1986

Exhibit K contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The requirement of 100% performance bond from a bonded surety has been waived by the Commission as:

1. purchasers' funds will not be released from escrow until construction of the project is completed and the 45-day lien period has run;

   and

2. the lender has accepted the use of a material house bond.

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 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 Horizontal 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.

This Public Report is a part of Registration No. 1530 filed with the Real Estate Commission on November 26, 1986.

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

[X] 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.

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

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

Distribution:

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

EXHIBIT A

PEOPLE CONNECTED WITH THE PROJECT

ADDITIONAL SALES AGENT:

Abe Lee Realty
931 University Ave., Ste. 104
Honolulu, Hawaii 96826

942-2633

EXHIBIT B

DEVELOPER'S RESERVATION TO AMEND
DECLARATION, CONDOMINIUM MAP, BY-LAWS OR HOUSE RULES

The Declaration of Horizontal Property Regime provides that the Developer amend the Declaration in the event it exercises its right to develop Phase II of the project and further, that the Developer record any amendment, together with a complete set of the amended floor plans of the project.

Pursuant to an Amended Declaration of Horizontal Property Regime duly filed in the Land Court as Document No. 1401591, the Developer exercised its right to develop Phase II and construct an additional two units.

The Developer also intends to further amend the Declaration to reserve, for a period of 10 years, the right to construct an additional 6 single family dwellings. Upon exercise, the common interest of each owner will be revised proportionately.

Received from Abe Lee
(hereinafter "Purchaser"), the sum of $ 81,000.00 in the form of cashier's checks, said sum being not less than ten percent of the bid of $ 801,000.00, which was the highest bid on October 30, 1986, at 777 Punchbowl Street, Honolulu, HI, for the sale at auction of the property located at 1745 A-K Ala Amoamo, Honolulu, HI, that is the subject matter of the auction above reference.

Dated: Honolulu, Hawaii, October 30, 1986.

Dorothy Tam Ching, Commissioner

DISCLOSURE OF SALE TERMS SUBJECT TO CONFIRMATION

1. The property is to be conveyed by the Commissioner in the form of a Commissioner's Deed.

2. Purchaser shall be responsible for obtaining a transfer of certificate and title insurance, if required.

3. Obligation for taxes and similar charges shall be pro-rated as of the date of recording (unless otherwise ordered by the Court).

4. This bid is subject to court confirmation.

5. Purchaser and the Commissioner shall perform their obligations hereunder upon court confirmation of the sale and tender of title documents. All documents shall be filed and closing shall occur within 30 days after confirmation. Proceeds of the sale shall be disbursed upon recordation (unless otherwise ordered by the Court).

6. Purchaser shall be given occupancy upon recordation of documents (unless otherwise ordered by the Court).

7. Property is sold strictly in "as is" condition.

8. Purchaser shall pay all costs related to the sale, including, but not limited to: costs of drafting conveyance documents, notary fees, consent fees, escrow fees, conveyance tax and recordation fees. The following items are not considered costs of sale: commissioner's fees, costs such as advertising and interest and principal mortgage payments.

9. The responsibility of securing possession as of the date of recordatio is with the purchaser.

10. Escrow, if for this transaction shall be handled by Long & Melone, Attention: E II 531-3787

11. Title shall be vested as follows Abe Lee Development Company, Inc. 2308 Lipioma Way, Honolulu, HI 96822

12. The purchase price is $ 801,000.00

13. Purchaser shall pay the balance of the purchase price upon closing.

14. IF THE PURCHASER FAILS TO COMPLETE THE PURCHASE, THE COURT MAY ORDER THAT ALL OR PART OF THE 10% DEPOSIT REFERRED TO ABOVE BE FORFEITED.

DATED: Honolulu, Hawaii, October 30, 1986.

Abe Lee

Exhibit C --Developer's Foreclosure Offer

LOYALTY
ENTERPRISES, LTD.

October 31, 1986

Long & Melone
333 Queen Street
Honolulu, HI 96813

Attention: E II

Gentlemen:

Re: Civil No. 82-000
Abe Lee Development Company, Inc.
1745 Ala Amoamo, Honolulu, HI 96819

As per our telephone conversation of this morning, I am enclosing herewith checks totaling $81,000 as down payment for the purchase of 1745 Ala Amoamo, Honolulu, Hawaii.

Mr. Lee was the successful bidder in the foreclosure action for the above subject matter and he has requested that escrow be opened with your firm.

Enclosed herewith is the original of the Receipt of Downpayment.

Should you have any questions please contact me at 543-0511.

Very truly yours,

Dorothy Tam Ching
Commissioner

encls.
cc: Tom Roesser, Esq.
Sam King, Jr.
Richard Ing
Charles Kido
Abe Lee

P.O. BOX 820 • HONOLULU, HAWAII 96808 / 1060 BISHOP STREET • SUITE 600 • HONOLULU, HAWAII 96813 • (808) 543-0511

EXHIBIT D

PERMITTED ALTERATIONS TO APARTMENTS

Paragraph 16. Alteration of Project.

"Restoration or replacement of the project or any building or other facility thereof or construction of any additional building or structural alteration or addition to any building different in any material respect from said Condominium File Plan of the project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of all the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction the Association shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified as built by a registered architect or professional engineer."

Declaration of Horizontal Property Regime of Moanalua Estates, pp. 18-19.

EXHIBIT E

COMMON ELEMENTS

1. The land in fee simple;

2. All yards, grounds and landscaped areas;

3. All roadways, sidewalks, walkways and driveways of the Project;

4. All retaining walls of whatsoever kind or construction and wheresoever located within the Project, insofar as such walls are existing as retaining and supporting other elements of the common elements, to include, but not limited to, roadways;

5. All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one unit for services, such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution; and

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

EXHIBIT F

LIMITED COMMON ELEMENTS

1. The site of each unit, consisting of the land beneath and immmediately adjacent to each unit, as shown on the condominium map, which shall be limited for the exclusive use of the unit to which it is appurtenant.

2. The walkways and driveways connecting the units to the roadway of the Project shall be a limited common element for the exclusive use of the units to which said walkways and driveways are appurtenant.

EXHIBIT G

Common Interest

Unit No.	Street Address	Percentage of Common Interest
1	1745-I	7.60%
2	1745-H	7.70%
3	1745-G	7.70%
4	1745-F	7.70%
5	1745-E	7.70%
6	1745-D	7.70%
7	1745-C	7.70%
8	1745-B	7.70%
9	1745-A	7.70%
10	1745-J	7.70%
11	1745-K	7.70%
12	1745-L	7.70%
13	1745-M	7.70%

EXHIBIT H

LIST OF ENCUMBRANCES

1. Reservation of all artesian and other underground water and rights thereto in favor of the Trustees of the Estate of Samuel M. Damon, in Deed dated September 4, 1959, filed as Land Court Document No. 243918.

2. Covenants set forth in instrument dated October 10, 1961, filed as Land Court Document No. 285507.

3. Agreement of sale dated June 30, 1975, by and between Manoa Investment Company, Inc., as vendor and R.E.I.T of Hawaii, as vendee, filed as Land Court Document No. 727469, as amended by instrument dated June 30, 1980, filed as Land Court Document No. 1021323. Vendor's interest in said agreement of sale was assigned to Thrift Guaranty Corporation of Hawaii by instrument dated December 20, 1985, filed as Land Court Document No. 1341256.

4. Complaint to foreclose agreement of sale filed March 12, 1984, by Charles R. Klenske, Trustee in Reorganization for Manoa Finance Company, Inc., as Civil No. 82000, filed as Land Court Document No. 727469.

(NOTE: The Developer was the successful bidder for the subject property at an auction conducted prior to the confirmation hearing on October 30, 1986.)

5. Mortgage, Security Agreement and Financing Statement dated December 20, 1985, in favor of the State of Hawaii, filed as Land Court Document No. 1341257.

6. Mortgage, Security Agreement and Financing Statement dated December 20, 1985, in favor of Hawaii Thrift & Loan, Incorporated, filed as Land Court Document No. 1341258.

7. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Horizontal Property Regime and By-Laws attached thereto dated November 9, 1984, filed as Land Court Document No. 1268224, as amended by instrument acknowledged September 10, 1986 and September 12, 1986, filed as Land Court Document No. 1401591, and Condominium Map No. 529.

8. All real property taxes that may be due and owing.

9. Mechanics lien rights and rights of parties in possession.

EXHIBIT I

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months =	Yearly Total
1	$ 105		$ 1,260
2	105		1,260
3	105		1,260
4	105		1,260
5	105		1,260
6	105		1,260
7	105		1,260
8	105		1,260
9	105		1,260
10	105		1,260
11	105		1,260
12	105		1,260
13	105		1,260
	$1,365		$16,380

[ ] 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	$ 45		$ 540
Telephone			
Water and Sewer	424		5,088
Maintenance, Repairs and Supplies			
Building			
Grounds	290		3,480
Management			
Management Fee	110		1,320
Payroll and Payroll Taxes			
Office Expenses			
Insurance			
Fire & General Liability (common & Limited elements	250		3,000
Directors' Errors & Ommission	25		300
Reserves	200		2,400
Taxes and Government Assessments			
Audit Fees	21		252
Other			
TOTAL	$1,365		$16,380

I/We, ABE LEE DEVELOPMENT, INC., 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.

Abe Lee Pres.

Date: November 7, 1986

EXHIBIT J

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

The sales contract contains various other provisions which the buyer should become acquainted with.

EXHIBIT K

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.

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU
650 SOUTH KING STREET
HONOLULU, HAWAII 96813 • (808) 523-4411

RECEIVED
APR 15 1981
GROUP ARCHITECTS
COLLABORATIVE, INC.

EILEEN R. ANDERSON
MAYOR

MICHAEL M. McELROY
DIRECTOR

81/EU-3(BT)

April 14, 1981

Mr. Richard Sennelly
Planners Collaborative
926 Bethel Street
Honolulu, Hawaii 96813

Dear Mr. Sennelly:

Subject	:	Section 21-1.16 Existing Use
Project Name	:	Moanalua Tract Housing
Location	:	Ala Amoamo Street
Tax Map Key	:	1-1-32: 01
Owner	:	R.E.I.T. of Hawaii

The application for the subject development is approved as an existing use under Section 21-1.16 of the Comprehensive Zoning Code in accordance with the application plans marked Exhibit A, and dated June 15, 1979 and subject to the following conditions:

1. Approval is only for alterations, additions, relocation, repairs and reconstruction of the existing dwelling units and accessory uses. All proposed improvements or other proposals shall be subject to compliance and procedures of the Comprehensive Zoning Code regarding yards, heights, parking and lot coverage, Subdivision Rules and Regulations, Building Code, and other regulations;

2. The total number of dwelling units (13) for the development (10 units previously approved September 23, 1980, 80/EU-2, and 3 additional units #11, 12 and 13 under this application) shall not be increased;

3. The location of the reconstructed dwelling units #11, 12 and 13 shall be in accordance with Exhibit "A" and reconstructed in accordance with an updated foundation investigation report and certified by a registered professional engineer or architect; and

EXHIBIT L -- Copies of Letter From City Regarding Approvals and Replacement (4 pages)

4. This existing use approval does not certify that the existing structures and improvements comply with the requirements of the Comprehensive Zoning Code, Building Code or other regulations. They are subject to separate review and approval.

Very truly yours,

MICHAEL M. McELROY
Director of Land Utilization

MMM:ra

cc: Building Department

BUILDING DEPARTMENT

CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR

HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

Ex86-201

December 16, 1986

Mr. Abe Lee
Abe Lee Development Inc.
2308 Lipioma Way
Honolulu, Hawaii 96822

Dear Mr. Lee:

Subject: Condominium Conversion Project
1745 Ala Amoamo Street
Tax Map Key: 1-1-32: 01

This is in reply to your letter dated October 30, 1986 requesting confirmation that the eleven single-family dwellings located at 1745 Ala Amoamo Street met all code requirements at the time of construction.

Investigation revealed that the eleven single-family dwellings with at least eleven off-street parking spaces met the code requirements when they were constructed before 1968.

However, inspection of the premises revealed that all of the single-family dwellings have been vacant for a considerable length of time and have been damaged by vandals. Building permits should be obtained for the repair of the structures.

Existing Use Permits 81/EU-3 dated April 14, 1981 and 80/EU-2 dated September 23, 1980 have been issued. Existing Use Permit No. 81/EU-3 indicates that there are thirteen single-family dwellings on the property. However, since there are presently only eleven single-family dwellings, only eleven single-family dwellings can be replaced should any of them be demolished. No variances or other special permits were granted to allow deviations from any applicable codes.

If you have any questions regarding this matter, please contact Mr. Noboru Takèta of this office at telephone number 527-6341.

Very truly yours,

Herbert Muraoka

HERBERT K. MURAOKA
Director and Building
Superintendent

Subscribed and sworn to
before me this 18th day of
December, 1986

Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: 11/30/87