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

KAINUI ESTATES
800 KAINUI DRIVE
Kailua, Oahu, Hawaii

Registration No. 1882

Issued: July 21, 1988
Expires: August 21, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 8, , 1988 **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.

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

1. The Declaration, By-laws and Condominium have been recorded at the Bureau of Conveyances, State of Hawaii and a First Amendment has been made to all of the foregoing.

2. There are only two bathrooms per unit and not 2 and 1/2.

3. The number of directors necessary for the Association has been decreased from nine to five.

4. Lots 1 and 2 have been consolidated and resubdivided into Lots 1-A and 2-A. Lots 6 and 7 have been consolidated and resubdivided into lots 6-A and 7-A. The foregoing occurred to keep the minimum lot size where a duplex structure is situated to 7,500 square feet.

5. Each duplex structure will receive one bill for water because each structure will have its own water meter. The individual units will not be separately metered for water.

TABLE OF CONTENTS

page

Report Purpose 1
Type of Report 1
Summary of Changes from Earlier Public Reports 2
Table of Contents 3
General Information on Condominiums 4
Summary of the Condominium Project 5

I. PEOPLE CONNECTED WITH THE PROJECT 6

Developer
Real Estate Sales Agent
Escrow Company
Managing Agent
Attorney for Developer

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS
A. Declaration 7
B. Condominium Map (File Plan) 7
C. Bylaws 7
D. House Rules 8
E. Changes to Condominium Documents 8

III. THE CONDOMINIUM PROJECT
A. Interest to be Conveyed to Buyer 9
B. Underlying Land 10
C. Buildings and Other Improvements 10
D. Common Elements, Limited Common Elements, Common Interest 14
E. Encumbrances Against Title 15
F. Management of the Common Elements 15
G. Maintenance Fees 16
H. Utility Charges 16
I. Construction Warranties 16
J. Status of Construction 17
K. Project Phases 17
L. Sales Documents Filed with the Real Estate Commission 17

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE 18

Buyer's Right to Cancel Sales Contract 19
Signature of Real Estate Commission Chairman 20

EXHIBIT A: Real Estate Sales Agents
EXHIBIT B: Kainui Estate Condominium Project
EXHIBIT C: Common Elements and Limited Common Element
EXHIBIT D: Common Interest
EXHIBIT E: Encumbrances Against Title
EXHIBIT F: Disclosure Statement
EXHIBIT G: Summary of Sales Contract
EXHIBIT H: Summary of Escrow Agreement
EXHIBIT I:
EXHIBIT J:

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:

A fee simple interest in an individual apartment and undivided percentage in the common elements of the Project.

Type of Project:

1. [X] New Building(s) [ ] Conversion
   [ ] 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. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
2-story/	duplex	16	3/2	1,338 sq.ft.	1st floor patio & 2nd floor deck

Total Apartments: 16

*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)	32
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: _____	
Total Parking Stalls	32

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Spector Holdings, Ltd.
Name
745 Fort Street, Suite 205
Business Address
Honolulu, Hawaii 96813

Phone: 531-4141 (Business)

Names of officers or general partners of developers who are corporations or partnerships:
Harold Spector - President/Secretary
JoAn Spector - Vice President/Treasurer

Real Estate Sales Agent: See Exhibit A
Name
Business Address

Phone: (Business)

Escrow: King Escrow Services Corp.
Name
900 Fort Street Mall Suite 1205
Business Address
Honolulu, Hawaii 96813

Phone: 524-0855 (Business)

Managing Agent: None at this time
Name
Business Address

Phone: (Business)

Attorney for Developer: Rodney H. S. Kim, A Law Corporation
Name
350 Richards Street, suite 303
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of 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
[X] Recorded – Bureau of Conveyances – Book 21512 Page 1
[ ] Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

First Amendment dated June 20, 1988 recorded in Book 22059, Page 696

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
[X] Recorded – Bureau of Conveyance Condo Map No. 1098
[ ] Filed – Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

Amended by First Amendment to Declaration set forth above.

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
[X] Recorded – Bureau of Conveyances – Book 21512 Page 48
[ ] Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

Amended by First Amendment dated June 20, 1988, recorded in Book 22059, Page 696

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

The House Rules for this condominium are:
[ ] Proposed [ ] Adopted

[X] 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%	65%
House Rules	–	–

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:
   a. Grant, convey, transfer, cancel, relocate and otherwise deal with any and all utility and other easements, now or hereafter located on the premises until all apartments in the Project have been conveyed;
   b. Prior to completion of sales of all apartments, approve the use of each apartment;
   c. Conduct sales activity on the Project until the earlier to occur of (1) 24 months from date of filing in Bureau of Conveyances of first conveyance of an apartment, or (2) closing of sale of last unsold apartment;
   d. Easement over and upon Project for completion of improvements to and correction of defects in the Project, which shall terminate 24 months after the later of (1) the date of filing of first conveyance of an apartment, as aforesaid, or (2) "substantial completion" of improvements as defined in Chapter 507, Part II HRS; and
   e. Filing of final "as-built" plans of the Project, as aforesaid.

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: 800 Kainui Drive
Kailua, Hawaii

Tax Map Key: 4-3-82:25,28-34 (TMK)

[X] Address [X] TMK is ~~is expected to~~ May change because of consolidation and resubdivision for readjustment of lot lines

Land Area: 68,319 [X] square feet [ ] acre(s)

Zoning: R5

Fee Owner: Spector Holdings, Ltd.
name
745 Fort Steet, Suite 205
address
Honolulu, Hawaii 96813

Sublessor: None
name

address

C. **Buildings and Other Improvements:**

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

2. Buildings: 8 duplexes & garages Floors Per Building: 2 per duplex; 1 per garage

   [X] Exhibit "B" contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [ ] Other

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[X] Residential	16	[ ] 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:

[ ] Pets: _____

[ ] Number of Occupants: _____

[X] Other: Residential use only (no hotel and/or time-sharing).

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 16

Elevators none Stairways yes Trash Chutes none

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
2-story/duplex	16	3/2	1,338 sq. ft.	1st floor patio and 2nd floor deck.

*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:

Outside surfaces of exterior walls and roof top, interior surface of common wall separating adjoining apatements and extending to roof top, and bottom surfaces of slabs, footings, foundation and supporting structures.

Permitted Alterations to Apartments:

a. Non-material structural additions or alterations upon written approval of Board of Directors of Association of Apartment Owners ("Board") and majority of apartment owners.

b. Material structural additions or alterations upon written approval of Developer, eighty per cent (80%) of the apartment owners, and mortgagees if any.

c. Any alterations or additions solely within an apartment or limited common elements appurtenant thereto upon written approval of the Board, mortgagees, if any, and all other apartment owners directly affected thereby, as determined by the Board.

7. Parking Stalls:

Total Parking Stalls: 32

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	32						32
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	32						

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.

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

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[ ] Other: _____

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

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

10. Conformance to Present Zoning Code

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 "C" 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 "C"

   [ ] as follows:

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

   [X] Exhibit "D" describes the common interests for each apartment.

   [ ] as follows:

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

Exhibit "E" describes the encumbrances against the title contained in the title report dated April 12, 1988.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage dated April 23, 1987 in favor of American Savings Bank, F.S.B.	Buyer's interest is subordinate to loan.

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.

[ ] the Developer or the Developer's affiliate.

[X] other not selected at this time

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 "F" 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: None at this time.

[ ] Electricity [ ] Television Cable

[ ] Gas [X] Water & Sewer (per duplex structure)

[ ] 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:

None, other than that expressly assigned by Developer, as provided by construction contractor and/or subcontractors thereof.

2. Appliances:

None, other than that expressly assigned by Developer, as provided by manufacturers and/or dealers thereof.

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

Construction has not commenced as of this date but is estimated to commence on or about June 1,1988 and be completed on or about May 31, 1989.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

L. **Sales Documents Filed with the Real Estate Commission:**

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

Exhibit "F" contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated September 8, 1987

Exhibit "G" contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Purchasers should be aware that this Project is a condominium project and not a subdivision. The owners of a duplex will share the yard area as delineated on the condominium map. However, the use of the yard area for a particular duplex will be limited to only the owners of that particular duplex. However each duplex structure is located on a separate subdivided parcel.

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. 1882 filed with the Real Estate Commission on September 15, 1987.

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

[ ] yellow paper stock [X] 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.

GLORIA DAMRON, 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"

REAL ESTATE SALES AGENTS

Real Estate Sales Agent: Hin Chiu Lau,
100 N. Beretania Street, Suite 210
Honolulu, Hawaii 96817
Phone: 524-6121 (Business)

Real Estate Sales Agent: Jones, Inc. dba ERA Jones Realty
1347 Kapiolani Blvd., 3rd Floor
Honolulu, Hawaii 96814
Phone: 941-2222 (Business)

Real Estate Sales Agent: Scott & Brooks Properties, Inc., dba ERA Hawaii Properties
970 North Kalaheo Ave., Suite A-306
Kailua, Hawaii 96734
Phone: 254-1511 (Business)

Real Estate Sales Agent: Thomas F. Schmidt, dba Tom Schmidt Realtors
2322 Kapiolani Blvd., #2
Honolulu, Hawaii 96826
Phone: 955-5515 (Business)

END OF EXHIBIT "A"

KAINUI ESTATE CONDOMINIUM PROJECT

EXHIBIT "B"

A. PROPERTY IN PROJECT

1. Land: Fee simple, subdivided into eight (8) separate lots, situated in Kailua, City and County of Honolulu, State of Hawaii, and more particularly described in Exhibit "A", attached to the proposed Declaration of file with the Real Estate Commission of the State of Hawaii ("Commission").

2. Building: Eight (8) duplexes, two (2) stories each, without basements, and eight (8) single story garages appurtenant thereto, containing four (4) parking stalls each, for a total of sixteen (16) apartments and thirty-two (32) parking stalls.

B. DIVISION OF PROPERTY.

1. Apartments: Two (2) stories, with the first story consisting of a living room, kitchen, dining area, bathroom, bedroom, patio, storage, entry and stairway to the second level; and the second story, a master bedroom, second bedroom, a deck, and a bathroom, for a total net living area of approximately 1,338 square feet, all as shown on the Condominium Map ("Map") on file with the Commission.

END OF EXHIBIT "B"

EXHIBIT "C"

B. DIVISION OF PROPERTY

2. Common Elements: (a) the land in fee simple and all areas, structures or facilities, within or outside buildings, which are of common use or serve more than one duplex, such as fences, retaining walls, surveillance or security systems, walkways, driveways, garages, parking stalls, refuse collection areas and mailboxes, if any; (b) all central and appurtenant installations serving more than one duplex for power, light, gas, water, sewer, refuse, telephone, radio and television signal distribution and all pipes, wires, conduits, ducts, vents and other utility lines which will serve more than one duplex, if any; (c) all other parts of the Project necessary or convenient to its existence, maintenance or safety and normally in common use, if any; all as shown on the Condominium Map; and (d) all landscaping, trees and ground covering located on or within the limited common land area of a duplex.

3. Limited Common Elements: (a) the land areas underlying, adjoining and adjacent to each duplex; (b) the garage appurtenant to each duplex of approximately 880 square feet and to be shared by the two (2) apartments thereof, (c) two (2) parking stalls in said garage, which includes, and is limited to the bottom surface of floor, the upper surface of its roof, the eves of the roof overhang and the center line thereof; (d) walkways connecting said garage to its duplex, for egress and ingress; (e) driveway connecting the public street to said garage, for egress and ingress, to be shared by the two (2) apartments thereof; (f) common wall and space separating the apartments of each duplex, other than the unfinished surface thereof; and (g) all other common elements

which are rationally related to less than all of the apartments, if any; all as shown by the Condominium Map.

END OF EXHIBIT "C"

EXHIBIT "D"

COMMON INTEREST

Apartment No.	Approximate Area *	Percentage of Undivided Interest in Common elements
1a	5,513.5 sq. ft.	8.0%
1b	5,513.5 sq. ft.	8.0%
2a	3,750.5 sq. ft.	5.0%
2b	3,750.5 sq. ft.	5.0%
3a	3,801.5 sq. ft.	6.0%
3b	3,801.5 sq. ft.	6.0%
4a	4,133 sq. ft.	6.0%
4b	4,133 sq. ft.	6.0%
5a	5,057.5 sq. ft.	7.0%
5b	5,057.5 sq. ft.	7.0%
6a	4,364 sq. ft.	6.0%
6b	4,364 sq. ft.	6.0%
7a	3,759.5 sq. ft.	6.0%
7b	3,759.5 sq. ft.	6.0%
8a	3,780 sq. ft.	6.0%
8b	3,780 sq. ft.	6.0%
		100.0%

* This is the approximate land area underlying, adjoining and adjacent to each apartment and which is a limited common element appurtenant to the apartment.

END OF EXHIBIT "D"

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

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

2. Designation of the following easements as shown on File Plan 1873:

Easement 1 (10.00 feet wide) for drainage purposes affecting Lot 1;

Easement 2 (6.00 feet wide) for electrical purposes affecting Lot 3;

Easement 3 (2.00 feet wide) for drainage purposes over and across Lots 6, 5 and 8 and affecting Lot 7;

Easement 7 (6.00 feet wide) for utility purposes over and across Lot 5.

3. GRANT OF EASEMENT

Dated:	February 6, 1953
Book:	2669
Page:	74
In favor of:	STATE OF HAWAII
Granting:	Easement Parcel 4 for canal maintenance purposes affecting Lot 1

4. GRANT OF EASEMENT

Dated:	February 1, 1966
Book:	5247
Page:	346
In favor of:	CITY AND COUNTY OF HONOLULU
Granting:	Easement N-3 for levee purposes affecting Lot 1

AMENDMENT thereof by instrument:

Dated:	May 23, 1969
Book:	6648
Page:	168
Re:	Revising the description of the easement area to include Parcel Y-4 for drainage purposes affecting Lot 1

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

5. GRANT OF EASEMENT
Dated: _____/____/ 1985
Book: 20044
Page: 262
In favor of: CITY AND COUNTY OF HONOLULU
Granting: Easement 1 for drainage purposes

6. GRANT OF EASEMENT
Dated: February 2, 1987
Book: 20463
Page: 212
In favor of HAWAIIAN ELECTRIC COMPANY, INC.
Granting: Easement 2 for transformer vaults affecting Lot 3 and Easement 7 for underground power lines affecting Lot 5

7. MORTGAGE
Dated: April 23, 1987
Recorded: April 24, 1987
Book: 20599
Page: 446
Mortgagor: SPECTOR HOLDINGS, LTD.,a Hawaii Corporation
Mortgagee: AMERICAN SAVINGS BANK, F.S.B., A federal savings bank
To secure an indebtedness of $725,000.00 and any other amounts payable under the terms thereof.

(Also affects other property)

8. Condominium Map No. 1098 filed in the Bureau of Conveyances, State of Hawaii.

9. Covenants, conditions, restructions, reservations, agreements, obligations, provisions, easements and by laws set forth in the Declaration of Horizontal Property Regime dated December 29, 1987, recorded in the Bureau of Conveyances, State of Hawaii, in Book 21512, Page 1.

10. By-Laws of the Association of Apartment Owners of Kainui Estates dated December 27, 1987 and recorded in Book 21512, Page 48.

11. For real property taxes due and owing, reference in hereby made to the Director of Finance, City and County of Honolulu, State of Hawaii.

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months =	Yearly Total
1a	$14.53		$174.36
1b	14.53		174.36
2a	9.88		118.56
2b	9.88		118.56
3a	10.02		120.24
3b	10.02		120.24
4a	10.89		130.68
4b	10.89		130.68
5a	13.33		159.96
5b	13.33		159.96
6a	11.50		138.00
6b	11.50		138.00
7a	9.91		118.92
7b	9.91		118.92
8a	9.96		119.52
8b	9.96		119.52

[ ] 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	$ 31.66	$ 379.92
Insurance	69.17	830.04
Reserves	5.00	60.00
Taxes and Government Assessments		
Audit Fees	69.17	830.04
Other	5.00	60.00
TOTAL	$180.00	$2,160.00

I/We, Spector Holdings, Ltd. (Developer), 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.

Spector Holdings, Ltd.

By _____

Date: April 26, 1988

End of Exhibit "F"

EXHIBIT "G"

SUMMARY OF SALES CONTRACT

The Sales Contract (hereinafter "Contract") provides the terms and conditions of the sale and purchase of the interest to be conveyed thereby: individual apartment in fee simple, together with its underlying land, land area adjoining and adjacent thereto and appurtenant parking stalls in covered garages as limited common elements thereof and an undivided percentage interest in the common elements of the Project (hereinafter "Apartment"). Accordingly, among other things, it provides the purchase price thereof; payment thereof, including financing, if any; escrow agreement related thereto; expenses related thereto and payment thereof by the purchaser; cancellation thereof and refund of moneys paid as a result thereof; and default thereunder and remedies as a result thereof.

More particularly, among other things, the Contract provides that:

(1) The Apartment is to be constructed with moneys paid for the purchase thereof, including but limited to that which the purchaser thereof obtains through financing sought and secured by such purchaser;

(2) The purchaser approves and accepts the plans and specifications of the Project, but authorizes changes thereof if deemed necessary or appropriate by the Developer to complete the Project;

(3) The purchaser shall apply and obtain any and all building and other permits, required for the construction of the Apartment, from governmental authorities therefor;

(4) The purchaser shall be held in default thereunder for failure to make payments when due and/or to perform other obligations, upon which the Developer may institute legal proceedings for relief, including but not limited to specific performance, damages and attorneys' fees incurred in connection therewith;

(5) The Developer may increase the purchase price of the Apartment as a result of delay in the development and construction of the Project due to events, matters or conditions beyond the control of the Developer, which increase shall be proportionately shared amongst all purchasers, based upon their common interest percentage,

EXHIBIT "G"

SUMMARY OF SALES CONTRACT

unless the increase exceeds $5,000.00, in which event any purchaser may cancel the Contract, within ten (10) days from the date of the notice of such increase by the Developer;

(6) The closing date of the sale thereof shall be forty-six (46) days after completion of the Apartment; and

(7) The Developer reserves certain rights thereunder, including but not limited to that of constructing and completing other apartments in the Project after the above closing date.

END OF EXHIBIT "G"

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") is dated September 8, 1987 and is with King Escrow Services Corp., a Hawaii corporation ("King Escrow"). Among other things, the Agreement provides that all moneys paid by any purchaser, prior to issuance of the Final Public Report, shall be deposited with and held in trust by King Escrow instead of the Developer and that King Escrow shall disburse the same on behalf of the Developer only after: (a) Developer certifies to Escrow that the purchaser's sales contract has become effective; and (b) a Final Public Report on the Project has been issued and Escrow has received a copy of the Receipt and Notice of Right to Cancel related thereto executed by the purchaser.

The Agreement also provides that disbursements shall be made by Escrow from time to time prior to completion of the Project to pay for construction costs. The Developer has agreed to instruct Escrow not to make any disbursements of a purchaser's funds until the purchaser's unit has been completed and the sale to the purchaser has been closed.

The Agreement also provides that King Escrow shall be compensated for its services, as aforesaid, in the amount of $250.00 per apartment, payable by each purchaser upon delivery of the document of conveyance of the apartment to such purchaser. King Escrow shall also be compensated in the amount of $35.00 for each sale cancelled at the request of a purchaser, but not as a result of any material change in the Project, as aforesaid, payable by such purchaser upon the refund of any moneys paid by purchaser.

END OF EXHIBIT "H"