



**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

MWP CONDOMINIUM
725 Panekai Place
Kailua, Hawaii 96734

Registration No. 1905 (Conversion)

Issued: October 14, 1988
Expires: November 14, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 12, 19 88 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - 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 Not Required -- disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

* * * * *

* SPECIAL ATTENTION *

* The developer has disclosed the following: *

* (1) The land beneath and adjacent to each unit is part of the limited common element and does not represent legally subdivided lots. *

* (2) The developer make no representation on the useful life of the structures. *

* (3) The maid's quarters, which is part of Unit B, may not be rented for compensation and may not be separately re-sold. The maid's quarters is for the benefit of the owners or occupants of Unit B and must be used for residential purposes. *

* The prospective purchaser is cautioned to carefully review the documents for further information with regard to the foregoing. *

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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: Each Unit is Fee Simple, together with an undivided 50% interest in the common elements of the project.

Type of Project:

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

5. Apartment Description

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
A	1	2/2	1295	_____
B	1	2/1	900	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

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

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

6. Parking:

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

7. Recreational amenities:

NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: MICHAEL WARD PERRY and VICTORIA LYNN PERRY Phone: [REDACTED]
Name [REDACTED] (Business)
Business Address [REDACTED]

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

Real Estate Sales Agent: DILKS & JACOBS REALTORS Phone: 261-3314
Name [REDACTED] (Business)
21 Oneawa Street
Business Address [REDACTED]
Kailua, Hawaii 96734

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: 261-4684
Name [REDACTED] (Business)
Pali Palms #C-105
Business Address [REDACTED]
Kailua, Hawaii 96734

Managing Agent: BOARD OF DIRECTORS Phone: [REDACTED]
Name [REDACTED] (Business)
Business Address [REDACTED]

Attorney for Developer: WESLEY K.C. LAU
Name [REDACTED]
45-1144 Kamehameha Highway, Suite 302
Business Address [REDACTED]
Kaneohe, Hawaii 96744

**11. 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 _____
 Filed – Land Court – Document Number 1555255

Amendment date(s) and recording/filing information:

- 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. _____
 Filed – Land Court Condo Map No. 668

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 _____
 Filed – Land Court – Document Number 1574695

Amendment date(s) and recording/filing information:

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

The House Rules for this condominium are:

Proposed Adopted

Developer does not plan to adopt house rules at this time.

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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>N/A.</u>

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

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

To adopt House Rules

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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: 725 Panekai Place Tax Map Key: 4-3-41:22
Kailua, Hawaii 96734 (TMK)

Address TMK is expected to change because _____

Land Area: 12,439 square feet acre(s) Zoning: R-5

Fee Owner: MICHAEL WARD PERRY and VICTORIA LYNN PERRY

name _____

address _____

Sublessor: N/A

name _____

address _____

C. Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building: 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> 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: _____
- Other: Commercial, Hotel or transient use
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators N/A Stairways _____ Trash Chutes N/A

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>A</u>	<u>1</u>	<u>2/2</u>	<u>1295</u>	_____
<u>B</u>	<u>1</u>	<u>2/1</u>	<u>900</u>	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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

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

Boundaries of Each Apartment:

The apartments shall be deemed to include the perimeter walls, the floors and ceilings surrounding each apartment and all fixtures originally installed therein.

Permitted Alterations to Apartments:

As may be approved by the Board of Directors

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>2</u>	<u>2</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>4</u>
Guest Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra Available for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- 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

Unit A & B - Average condition.

Developer makes no representations as to the expected useful life of the structure.

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

All code requirements met at the time of construction.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

** Refer to page 18 for further information.

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

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

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 A describes the common elements.

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

There are no limited common elements in this project.

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

described in Exhibit B

as follows:

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

Exhibit C 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 D describes the encumbrances against the title contained in the title report dated July 15, 1988 issued by Long & Melone, Ltd.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage in form of Honolulu Mortgage Company, Inc.	Buyer will be entitled to a full refund.

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 Board of Directors

Estimate of Initial Maintenance :

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 E contains a schedule of maintenance fees and maintenance fee disbursements.

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
- Gas
- Other _____
- Television Cable
- Water & Sewer

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

2. Appliances:

NONE

J. Status of Construction and Estimated Completion Date:

Construction is completed

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

NONE

L. Sales Documents Filed with the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated January 20, 1988

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

A prospective purchaser of Unit B should be advised that Unit B contains a maid's quarters. Under the Land Use Ordinance of the City and County of Honolulu, the maid's quarters may not be rented for compensation and may not be separately re-sold. The maid's quarters must be used as an "accessory" structure for the benefit of the owners or occupants of Unit B and must be used for residential purposes. (Refer to Exhibit H for further information.)

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. 1905 filed with the Real Estate Commission on February 22, 1988.

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

yellow paper stock white paper stock pink paper stock

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

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 and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

- EXHIBIT "A" -

COMMON ELEMENTS

One freehold estate is designated in all of the remaining portions of the project, herein called "common elements",

1. Said land in fee simple;
2. Access areas;
3. All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one building for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any.

- END OF EXHIBIT "A" -

- EXHIBIT "B" -

LIMITED COMMON ELEMENTS

Certain parts of the common elements herein called the "limited common elements", are designated and set aside for the exclusive use of certain building, and such buildings shall have appurtenant thereto easements for the use of such limited common elements as follows:

1. The Lot upon which the respective building is built shall be appurtenant to and for the exclusive use of such building, being designated on said condominium file plan as follows:

Unit A
Unit B

2. Covered and uncovered parking areas as designated on said condominium file plan. Each unit shall have one covered and one uncovered designated as follows:

		<u>Uncovered</u>	<u>Covered</u>
Unit A	Parking Stalls	A-1	A-2
Unit B	Parking Stalls	B-1	B-2

- END OF EXHIBIT "B" -

- EXHIBIT "C" -

DESCRIPTION OF COMMON INTERESTS FOR EACH APARTMENT

The Declaration indicates that the purchasers securing an apartment deed will obtain an apartment together with an undivided fifty percent (50%) interest in the common elements of the project. This same percentage interest for each apartment shall be used in determining each purchaser's proportionate share of all common profits and expenses of the project and shall be used for all other purposes including determining the proportionate representation for voting purposes in the Association of Apartment Owners of the project.

- END OF EXHIBIT "C" -

- EXHIBIT "D" -

ENCUMBRANCES AGAINST TITLE

A Report issued by Long & Melone, Ltd. dated July 15, 1988 lists the following encumbrances against title to the property:

1. For any taxes that may be due and owing, reference is hereby made to the Finance Director, City and County of Honolulu.

2. Grant dated March 28, 1935, filed as Land Court Document No. 32575, in favor of HAWAIIAN ELECTRIC COMPANY, INC. and HAWAIIAN TELEPHONE COMPANY, granting an easement for utility purposes along, across, and over Lot 80-F besides other land.

3. Mortgage dated September 27, 1985 made by MICHAEL WARD PERRY and VICTORIA LYNN PERRY, husband and wife, in favor of HONOLULU MORTGAGE COMPANY, INC., a Hawaii corporation filed as Land Court Document No. 1324843.

4. Declaration of Horizontal Property Regime dated December 1, 1987, filed as Land Court Document No. 1555255, Condominium Map No. 668.

5. By-Laws of the Association of Apartment Owners of MWP CONDOMINIUM dated August 18, 1988, filed as Land Court Document No. 1574695.

- END OF EXHIBIT "D" -

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
A	\$50.00	= \$600.00
B	\$50.00	= \$600.00

[] 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

40.00

480.00

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

50.00

600.00

Reserves

10.00

120.00

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$1,200.00

attorney

I/We, WESLEY K.C. LAU

, as

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.

Wesley KC Lau

Date: 2-17-88

-EXHIBIT "F"-

SUMMARY OF SALES CONTRACT
(The project is completed)

1. Description of Property to be conveyed.

Interest to be conveyed is fee simple together with a 50% interest in the common areas to be conveyed to each apartment unit. Appliances included in the sale are range, dishwasher, disposal and hot water heater.

2. Purchase Price, Method of Payment.

- a) A deposit will be paid upon execution of the sales contract, and the balance will be due upon the close of escrow.
- b) Additional sums to be paid upon close of escrow to include:
 - 1) Project start up fee of \$500.00;
 - 2) One month maintenance fee of \$50.00
- c) Purchase Agreement is subject to and in consideration of the terms and considerations as set forth in section D of the Sales contract.
- d) Purchasers receipt of preliminary Final Report prior to signing of the Sales contract is a requirement of the contract.

3. Terms and Conditions.

- a) Purchaser to apply for a mortgage within 10 days, if financing required.

4. Escrow Agreement.

Title Guaranty Escrow will be the escrow agent.

5. Acceptance of Documentations and Changes.

Purchaser shall have full opportunity to read and review all pertinent documents, including Abstract of Property Information, Apartment Deed, Declaration and By-Laws, and Escrow Agreement.

6. Reserved Rights, Project amendments.

Purchasers are informed that the apartment deed will contain limitations in voting rights and other restrictions on purchasers rights.

7. Time is of the Essence.

Upon purchasers default, Seller may claim all deposits paid by Buyer.

8. Closing Costs

- a) Seller will pay the normal closing costs assessed under the Hawaii Association of Realtor's standard form DROA.
- b) Buyer's closing cost to include 1/2 escrow fee, title insurance, if requested, costs for drafting note and mortgage, acknowledgment fee, recording costs and other applicable mortgage cost.

9. Authority of Seller.

Seller shall exercise all voting and other association rights until recordation of Purchaser's Deed

10. Warranties.

Seller makes no warranties with respect to the unit, expressed or implied, including the consumer products installed thereon, nor the common areas of the project.

11. Sellers Remedies.

- a) Upon purchasers default, seller may terminate the contract, retain all deposits and pursue other remedies available to Seller.
- b) All costs, including attorneys fees, incurred by reason of default by the purchaser shall be borne by the purchaser.

12. Notices.

All Notices may be delivered by mailing.

13. No Rental Representations.

No rental income representations or rental management services will be provided by seller.

14. Condominium Map

- a) The condominium map and building plans do not constitute a warranty by seller.
- b) The condominium map is intended to show only the layout, location, apartment number and dimension of the apartment.

-END OF EXHIBIT "F"-

- EXHIBIT "G" -

SUMMARY OF ESCROW AGREEMENT
(The Project is Completed)

Summary of the Condominium Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc., dated January 20, 1988.

1. All Payments Will Be Held By Escrow. A copy of each Sales Contract and all payments made to purchase an apartment shall be turned over to the Escrow Agent.
2. Collection Notices. Escrow will notify buyer of required payments under the contract. Buyer will be asked to make payments to Escrow on the date specified or not later than five (5) days after Buyer's receipt of Escrow instructions.
3. What Escrow Will Do With the Buyers' Payments. Escrow will hold or pay out payments as required in the escrow agreement.
4. Giving Back of Money ("refund") to Buyers. Refunds of escrow deposits may be made according to the Sales contract; no interest will be paid on refunds. Buyer may be charged a cancellation fee of \$25.00.
5. Buyers Default. Seller may cancel the Sales contract in writing if buyer defaults. Buyer may be assessed cancellation fee of \$25.00.
6. Return of Documents. If the Sales contract is cancelled, escrow will return certain documents to buyer and seller.
7. Closing. Escrow will close if relevant terms of the Sales contract have been met and documentation has been completed.
8. Escrow's Protection from Owing Any Money. Escrow will not be liable if it follows the escrow instructions.
9. Escrow Will Not Decide Disputes.
10. Seller to Indemnify Escrow.

- END OF EXHIBIT "G" -

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

Ex87-157

October 19, 1987

Mr. Michael W. Perry
689 Milokai Street
Kailua, Hawaii 96734

Dear Mr. Perry:

Subject: Condominium Conversion
725 Panekai Place
Tax Map Key: 4-3-41: 22

This is in reply to your letter dated September 10, 1987 requesting confirmation that the three structures located at 725 Panekai Place met all code requirements at the time of construction.

Investigation revealed that the two one-story single-family dwellings and a maid's quarters with two off-street parking spaces met the code requirements when they were constructed.

No variances or special permits were granted to allow deviations from any applicable codes.

The maid's quarters shall not be rented for compensation and must be utilized as an accessory structure.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at 527-6341.

Very truly yours,

A handwritten signature in black ink, appearing to read "Herbert K. Muraoka".

HERBERT K. MURAOKA
Director and Building Superintendent

Subscribed and sworn to
before me this 19th day of
October, 1987.

A handwritten signature in black ink, appearing to read "Evelyn DePue".
Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: 11/17/88

EXHIBIT H