



**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

214 and 216 KULIOUOU ROAD

214 and 216 Kuliouou Road
Honolulu, Hawaii

Registration No. 1974 (Conversion)

Issued: October 24, 1988
Expires: November 24, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 9, 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.

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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:

Each Home is a fee simple unit. Home Number One shall have appurtenant thereto a forty percent (40%) interest and Home Number Two shall have appurtenant thereto a sixty percent (60%) undivided interest in the Common Elements for all purposes, including voting.

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

6. Apartment Description

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>1</u>	<u>1</u>	<u>4/2</u>	<u>1376</u>	<u>--</u>
<u>2</u>	<u>1</u>	<u>2/3</u>	<u>1962</u>	<u>362</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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)	<u>4</u>
Guest Stalls	<u>0</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: _____	<u>0</u>
Total Parking Stalls	<u>4</u>

7. Recreational amenities: A pool appurtenant to Home Number Two.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Grace C.Y. Liu Phone: [REDACTED]
Name (Business)

Business Address
[REDACTED]

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

Real Estate Sales Agent: No sales agent has been selected. At the time of the sales, the developer will make the applicable disclosures. Name Phone: (Business)

Business Address

Escrow: Long & Melone Escrow, Ltd. Phone: (808) 395-9426
Name (Business)

6650 Hawaii Kai Drive, Suite 103
Business Address
Honolulu, Hawaii 96825

Managing Agent: None - Project is self-managed Phone: (Business)

Name
Business Address

Attorney for Developer: Dinman, Nakamura, Elisha, Nakatani & Neeley
Name
707 Richards Street, PH-1
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
 Recorded – Bureau of Conveyances – Book 22262 Page 614
 Filed – Land Court – Document Number _____

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. 1152
 Filed – Land Court Condo Map No. _____

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 22262 Page 629
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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.

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>100%</u>
House Rules	—	<u>100%</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:

N/A

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: 214 and 216 Kuliouou Road Tax Map Key: 3-8-7-26
Honolulu, Hawaii 96821 (TMK)

Address TMK is expected to change because _____

Land Area: 11,745 square feet acre(s) Zoning: R-10

Fee Owner: Grace C.Y. Liu

name

address

Subiessor: _____

name

address

C. Buildings and Other Improvements:

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

Home No. 1-1

2. Buildings: 2 Floors Per Building: Home No. 2-2

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	_____
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<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: Reasonable number of dogs, cats, and other household pets.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators 0 Stairways Home No. 2-2 Trash Chutes 0

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>1</u>	<u>1</u>	<u>4/2</u>	<u>1376</u>	<u>--</u>
<u>2</u>	<u>1</u>	<u>2/3</u>	<u>1962</u>	<u>362</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:

See Exhibit A.

Permitted Alterations to Apartments:

See Exhibit B.

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>0</u>	<u>4</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>4</u>
Guest	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Unassigned	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Extra Available for Purchase	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Other:	<u>0</u>	<u>0</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>0</u>
Total Covered & Open	<u>4</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.

Note: The two stalls assigned to each unit are as shown in the
limited common element appurtenant to each unit.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool *

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

*appurtenant to Home Number Two.

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

see report of Wendell Ching, P.E., attached hereto as Exhibit 1. No representation is made as to useful life.

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

None per verified statement of County Official dated July 29, 1988.

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

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>	_____	_____
Structures	<u> x </u>	_____	_____
Lot	<u> x </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 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.

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

described in Exhibit D

as follows:

Note: The limited common element appurtenant to each home or unit is not a legally subdivided lot.

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

Exhibit _____ describes the common interests for each apartment.

as follows: Home Number One shall have appurtenant thereto a forty percent (40%) undivided interest and Home Number Two shall have appurtenant thereto a sixty percent (60%) undivided interest in the Common Elements for all purposes, including voting.

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 August 9, 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	A foreclosure may result in termination of buyer's sale contract, but in such event buyer's deposits will be refunded.

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 project is self-managed.

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:

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

I. Construction Warranties:

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:

Unit No. 1, a one story unit, was built about 1938. Unit No. 2, a two story unit with a swimming pool, was built about 1984.

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:

N/A

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 N/A

Specimen Sales Contract

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

Escrow Agreement dated SEP 2 1988

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

No sales agent has been selected. At the time of the sales, the developer will make the applicable disclosures.

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. 1974 filed with the Real Estate Commission on September 9, 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 & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration
Escrow Agent

This Public Report is a part of Registration No. 1974 filed with the Real Estate Commission on September 9, 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.


for 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

BOUNDARIES OF APARTMENTS: The Project consists of two (2) separate and distinct freehold estates as designated in the spaces bounded by and including the undecorated or unfinished surfaces of the perimeter walls, floors and roofs of each dwelling, which dwellings are designated on the Condominium File Plan as "Home Number One" and "Home Number Two", and are sometimes referred to herein collectively as "Homes". The term "Home" as used herein shall have the same meaning as the term "Apartment" in Hawaii Revised Statutes Chapter 514A as the same may be amended from time to time.

(a) Home Number One comprises the southerly building on the Project, and contains one story in which there are four (4) bedrooms, two (2) bathrooms, a living room, kitchen, dining room, utility room and storage room. Home Number One contains a net living area of 1376 square feet.

(b) Home Number Two comprises the northerly building and contains two stories in which there are two three (3) bathrooms, (2) bedrooms, a living room, dining room, kitchen, family room, laundry room, storage area, pool bath, rumpus room, and deck. Home Number Two contains a net living area of approximately 1962 square feet exclusive of the storage area, pool bath, and deck. The storage area and pool bath immediately adjacent to the living room contain an area approximately 442 square feet. The deck on the second floor of the building and immediately adjacent to the rumpus room contains an area of approximately 362 square feet.

Home Number One is constructed of hollow tile and has a shingle roof. Home Number Two is constructed of hollow tile and has an asphalt shingle roof. Each Home shall also include all pipes, wires, conduits, and other utility and service lines contained wholly within such Home and which are utilized exclusively by and serve only such Home.

EXHIBIT B

PERMITTED ALTERATIONS TO APARTMENTS: No work shall be done by any owner of a Home or any other person which could jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement or hereditament, nor may any owner of a Home or any other person add any material structure or excavate any basement or cellar, without in every such case first obtaining the unanimous consent of the owners of all of the other Homes. All other additions to or alterations of any Home or its appurtenant limited Common Elements by the owner of such Home shall be permitted without restriction, provided that the owner making such additions or alterations shall comply strictly with all applicable laws, ordinances, and regulations of any governmental entity, and shall also obtain all necessary permits, at such owner's sole expense.

EXHIBIT C

COMMON ELEMENTS: The common elements shall consist of all portions of the Project except the Homes and shall specifically include, but not be limited to:

- (a) The land in fee simple.
- (b) The wooden fence which is located north of Home Number One and south of Home Number Two and separate the two Homes.
- (c) Without limitation, the foundation, beams, and supports, as well as all pipes, wires, conduits, and other utility and service lines which are utilized for or serve both Homes.

EXHIBIT D

Limited Common Elements. Certain parts of the Common Elements are hereby set aside and reserved for the exclusive use of each Home and shall constitute "limited Common Elements" appurtenant thereto. Each Home shall have an exclusive easement for the use of the limited Common Elements appurtenant thereto, except as otherwise provided herein. The cost of maintenance, repair, and upkeep of each limited Common Element shall be assessed to the owner of the Home to which such limited Common Element is appurtenant. The limited Common Elements shall be appurtenant to each of the Home as follows:

(a) That certain 5445 square feet, more or less, of the real property of the Project which includes the real property upon which Home Number One is situated, said property being the 1376 square feet upon which the dwelling unit is situated, the two parking spaces and the yard area adjacent to Home Number One, as is more particularly shown on the Condominium File Plan, shall constitute a limited Common Element appurtenant to and for the exclusive use of Home Number One.

(b) That certain 6300 square feet, more or less, of the real property of the Project which includes the real property upon which Home Number Two is situated, said property being the 1825 square feet upon which the dwelling unit is situated, the two parking spaces and the yard area adjacent to Home Number Two, as is more particularly shown on the Condominium File Plan, shall constitute a limited Common Element appurtenant to and for the exclusive use of Home Number Two.

(c) The swimming pool located south of Home Number Two and north of the wooden fence shall constitute a limited Common Element appurtenant to and for the exclusive use of Home Number Two.

(d) One mailbox shall be appurtenant to and for the exclusive use of each Home, as shall be designated thereupon.

(e) All pipes, wires, conduits, and other utility and service lines not contained within a Home but used exclusively by and servicing only such Home, shall be appurtenant to and for the exclusive use of that Home.

EXHIBIT E

ENCUMBRANCES AGAINST TITLE:

1. Real Property Taxes have been fully paid up to and including June 30, 1988.

Tax Key: 3-8-007-026 (1) Area Assessed: 11,745 sq. ft.

2. EASEMENT "S-26"

PURPOSE : Sewer
SHOWN : on Tax Map

3. MORTGAGE AND FINANCING STATEMENT

MORTGAGOR : GRACE CHIEH YUAN LIU, unmarried

MORTGAGEE : HONOLULU FEDERAL SAVINGS AND LOAN ASSOCIATION,
 a Federal savings and loan association

DATED : September 30, 1985
RECORDED : Liber 18972 Page 74
AMOUNT : \$130,000.00

4. Covenants and agreements contained in AFFIDAVIT dated October 3, 1985, recorded in Liber 18981 at Page 800, by GRACE C. Y. LIU, to-wit:

"(1) that the layout or use of the building will not be converted at a future date to some other layout or use which is illegal;

(2) that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the Director and Building Superintendent, City and County of Honolulu."

5. MORTGAGE

MORTGAGOR : GRACE CHIEH YUAN LIU, unmarried

MORTGAGEE : HONOLULU FEDERAL SAVINGS AND LOAN ASSOCIATION,
a Federal savings and loan association

DATED : March 21, 1988

RECORDED : Liber 21752 Page 566

AMOUNT : \$40,000.00

6. Covenants and agreements contained in AFFIDAVIT dated March 16, 1988, recorded in Liber 21862 at Page 363, by GRACE C. Y. LIU, to-wit:

"(1) that the layout or use of the building will not be converted at a future date to some other layout or use which is illegal;

(2) that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the Director and Building Superintendent, City and County of Honolulu."

END OF EXHIBIT E

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

All

NONE*

*The Project is self-managed and all common elements of the Project except the fence are limited common elements appurtenant to and for the exclusive use of the respective Homes. The owner of each Home is solely responsible for the maintenance and repair of such Home and the limited common elements appurtenant thereto. Each owner of a Home is also empowered to procure fire, comprehensive liability, and such other appropriate insurance upon his or her Home and the limited common elements appurtenant thereto as may be required by law and the Declaration of Horizontal Property Regime and By-Laws of the Project.

James C. G. L.

Date: 8/9/80

EXHIBIT G

SUMMARY OF SALES CONTRACT: The long form specimen Sales Contract contains, among other things, the following provisions:

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

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

3. TIME IS OF THE ESSENCE. Time is of the essence with regard to each of the terms of the Sales Contract, and if Buyer shall default in any payment when due, or fail to perform any other obligation required of the Buyer thereunder, Seller may notify Buyer in writing of such default and if such default shall not be cured within five (5) days after receipt of such notice, Seller may, at Seller's option, terminate the Sales Contract by written notice to Buyer. In such event, all sums paid by Buyer thereunder shall belong absolutely to Seller as liquidated damages, or at Seller's option, Seller may pursue any other remedies in law or in equity for specific performance, damages, or otherwise, and all costs, including reasonable attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

4. MODIFICATION OF DOCUMENTS. Seller reserves the right to modify the Declaration, the By-Laws, and the Deed as may be required by law, by any title insurance company, or by any institutional mortgagee, provided that no such modification shall:

- (a) increase Buyer's share of Common Expenses;
- (b) increase the cost of the Home;
- (c) require substantial physical change of the Home;
- (d) reduce the obligation of Seller for Common Expenses on the other home; or
- (e) substantially impair or modify any of the Seller's obligations to Buyer.

Seller further reserves the right to make minor changes to the Home or to the other Home and to the Common Elements. However, except as provided in the Declaration, no changes shall be made which affect the physical location or design of the Home, change the number of homes in the Project, or substantially change its exterior appearance.

EXHIBIT H

SUMMARY OF ESCROW AGREEMENT: An escrow agreement dated SEP 2 1988 (hereinafter called the "Escrow Agreement") detailing the manner in which buyers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is Long & Melone Escrow, Ltd., a Hawaii corporation (hereinafter referred to as "Escrow"). The escrow agreement, among other things, contains the following provisions:

Sale Contracts. Seller will have each buyer sign a Sales Contract (the "Sales Contract").

All Deposits Will be Paid to Escrow.

a. Payments. Seller will turn over the buyers' initial deposits to Escrow. All other payments to be made by the buyers are required to be paid to Escrow. This includes any loan payments from buyers' lenders.

b. Collection Notices. Seller will notify Escrow when a payment is due under the Sales Contract. Escrow shall then give written notice to the buyers and call for such payments to be made to Escrow.

What Will Happen to Buyers' Deposits. Escrow will accept buyers' deposits and payments and will hold them or pay them out according to the Escrow Agreement.

a. Deposit in a Trust Fund. Escrow will deposit all of the money from the buyers in a special savings account (the "Trust Fund") with a federally insured Hawaii bank or savings and loan institution. Unless any of the Sales Contracts show different instructions, the Seller will get all of the interest paid on the Trust Fund. Escrow will make the deposits into the Trust Fund at least once each week so that the funds will earn the maximum interest. If Seller tells Escrow to make a deposit more than once in a calendar week, Seller will pay Escrow a reasonable service charge for each additional deposit made during that week. Seller shall have the right to find out the status of the Trust Fund directly from the bank or savings association.

b. When a Buyer's Funds May be Removed from the Trust Fund. A buyer's funds may be taken out of the Trust Fund but only after the following have happened:

i. The Real Estate Commission has issued a final public report (the "Final Report") on the Project, and

ii. The buyer has received a copy of the Final Report together with a receipt and notice which complies with Section 514A-62 of the condominium law, and

iii. The buyer has signed the receipt and notice form and waived his or her right to cancel or thirty days have elapsed since the buyer received a copy of the final report and receipt and notice form, and

iv. Seller notifies Escrow in writing that, since the things described in (i), (ii) and (iii) above have happened, neither the Buyer nor the Seller can back out of the agreements they made in the Sales Contract, and

v. Seller's attorney advises Escrow that the Sales Contract has become effective and the requirements of Sections 514A-39, 514A-63, and 514A-65 of the condominium law then applicable to the Project have been satisfied.

Refunds to Buyers.

a. When Refunds Will be Made. The Sales Contract explains when buyers may obtain refunds. Escrow agrees to make the refunds promptly if Seller tells Escrow in writing that a refund should be made according to the Sales Contract. No refund is to be made at a buyer's request unless Escrow receives written approval from the Seller.

b. Interest on Refunds. Refunds to buyers will be made without any interest unless the Sales Contract contains different instructions.

c. Deduction of Cancellation Fees. Under the Sales Contract there are times when Escrow is to deduct cancellation fees from the refund amount. Escrow will deduct the cancellation fees from the refund unless Seller instructs Escrow not to do so. The words "cancellation fees" mean Escrow's cancellation fees which are defined in Paragraph 4.4(b) of the Escrow Agreement and any cancellation fees of the lender from whom the buyer has arranged a loan to buy the condominium unit.

d. Written Notice of Refunds. Escrow shall give each buyer entitled to a refund notice of the refund by registered or certified mail. It will be addressed to such buyer at the address shown on his or her Sales Contract. If a buyer gives Escrow another address, then Escrow will send the notice to that address.

Buyer's Default. Seller will notify Escrow in writing that a buyer has defaulted and that Seller has cancelled that buyer's Sales Contract. Escrow will then notify that buyer by registered

or certified mail that the Seller has cancelled the Sales Contract because of the default. After fifteen (15) days following the Buyer's receipt of such notice, Escrow will then treat the buyer's funds, less Escrow's cancellation fees, as belonging to the Seller.

JOB GRACE LIU JOB NO. _____

DATE 7/20/88 REV. DATE 8/4/88 LOCATION 214 and 216 Kuliouou Road

BY W. CHING SHEET NO. 1 OF 1

CHECKED _____

REPORT ON 214 and 216 KULIOUOU ROAD, HONOLULU, HAWAII 96821

Date of Report: July 20, 1988

Owner: Mrs. Grace Liu

GENERAL DESCRIPTION

There are 2 dwellings, a newer 2 story house and an older (approx. 50 years) single story house.

The newer 2 story house is about 4 years old; it has hollow tile walls covered with stucco on the 1st level and wood-frame walls for the 2nd level. The upper portion of the roof is cedar shake and the other portion is asphalt shingle. The overall condition is good, there are no repairs to be done.

The other dwelling is constructed with concrete floors with carpets and tile floor coverings. The exterior walls are wood, roof joists are wood and the roof materials are asphalt shingles. Portions of this house reflects "extensions" made over the life of the house and the functional use is considered acceptable although it is "existing non-conforming to present codes/standards"...examples are the 2nd unit's bathroom has small doors and bare concrete shower stall. However, the general condition is satisfactory.

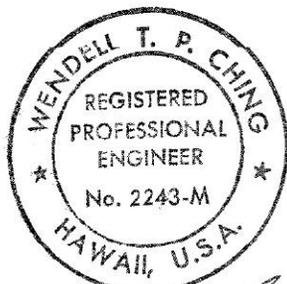
PURPOSE OF INSPECTION

The purpose of this inspection is to examine the houses as to the condition of the premises - the structural members, the electrical systems and the mechanical (plumbing) systems.

CONCLUSION

The 2 story house is in good condition - the structural members, the electrical systems and the mechanical (plumbing) systems are in good working order and in satisfactory condition. This report recommends approval.

The older dwelling is in satisfactory condition - the visible structural members are in satisfactory condition, the electrical and mechanical (plumbing) systems are in satisfactory condition. It is acceptable and this report recommends approval. The overall condition is satisfactory with routine maintenance/repairs to be done in the future because of it's approx. age and normal wear and tear.



Wendell T. P. Ching

EXHIBIT I

WENDELL T.P. CHING, P.E.
Phone 524-5000 or 521-6090

Corner of Fort Street Mall/Hotel Street
81 S. Hotel St., # 207, Honolulu, HI 96813