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

PALOLO PARTNERS CONDOMINIUM
2519, 2519A, 2519B & 2519C La'i Road
Honolulu, Hawaii 96816

Registration No. 1975 (Conversion)

Issued: January 9, 1989
Expires: February 9, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 30, 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.

XX **FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
[ ] Supersedes all prior public reports
[ ] Must be read together with _____

___ **SUPPLEMENTARY:** (pink) Updates information contained in the
[ ] Prelim. Public Report dated _____
[ ] Final Public Report dated _____
[ ] Supp. Public Report dated _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____

[ ] This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

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

Summary of Changes from Earlier Public Reports:

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

NO PRIOR REPORTS HAVE BEEN ISSUED BY THE COMMISSION.

****
*
* SPECIAL ATTENTION:
*
*
* The developer has disclosed that:
*
* 1. The carport between the dwellings at 2519 and 2519A La'i Road
*   was contructed without a building permit. (See pages 13 & 18,
*   and Exh. E.)
*
* 2. The carport of dwelling 2519B La'i Road encroaches onto the
*   side yard setback. (See pages 13 & 18, and Exh. E.)
*
* 3. There was no building permit issued for the construction made
*   beneath dwelling unit 2519A La'i Road. (See pages 13 & 18,
*   and Exh. E.)
*
* 4. The developer accepts no responsibility as to the noncompliance
*   of the above structures.
*
* 5. If the dwelling is demolished or destroyed by more than 50
*   percent of its replacement cost at the time of destruction,
*   the units can be constructed only in accordance with building
*   and zoning codes at the time of destruction. (See Exh. E.)
*
* The prospective purchaser is cautioned to carefully review the
* documents and check with the appropriate County agencies for
* further information with regard to the foregoing.
****

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages in text of report)

Interest to be Conveyed to Buyer: Fee simple; individual apartments and the underlying land will be in fee simple. Buyer will acquire an apartment consisting of a single family dwelling, an assigned parking stall, and an undivided 25% interest in the common elements.

Type of Project:

1. [ ] New Building(s) [x] 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
2519	1	2/1	608	111
2519A	1	2/1	608	none
2519B	1	2/2	1122	none
2519C	1	2/2	816	165

Total Apartments: 4

*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)	4
Guest Stalls	0
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: _____	
Total Parking Stalls	4

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Palolo Partners — Phone: 521-5337 (Business)
Name
c/o Post Office Box 2190
Business Address
Honolulu, HI 96805-2190

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

Boyce R. Brown, Jr.	General Partner
Joseph R. Larson	General Partner
Linda Alcorn	General Partner
Elizabeth Rougas	General Partner

Real Estate Sales Agent: Locations, Inc. — Phone: 737-4200 (Business)
Name
1339 Hunakai
Business Address
Honolulu, Hawaii 96816

Escrow: First Hawaii Title Corporation — Phone: 521-3411 (Business)
Name
733 Bishop Street, Suite 1190
Business Address
Honolulu, Hawaii 96813

Managing Agent: Self-managed by the Association of — Phone: (Business)
Name
Apartment Owners
Business Address

Attorney for Developer: Boyce R. Brown, Jr.
Name
c/o Post Office Box 2190
Business Address
Honolulu, HI 96805-2190

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 21,133 Page 261
[ ] 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
[x] Recorded – Bureau of Conveyance Condo Map No. 1085
[ ] 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
[xx] Recorded – Bureau of Conveyances – Book 21,133 Page 276
[ ] 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

[x] Developer does not plan to adopt house rules. By-Laws provide that the Board of Directors may adopt house rules; requires 3/4 vote.

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of apartment owners who must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	75%
House Rules	–	75%

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:

None

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: 2519, 2519A, 2519B, 2519C La'i Road
Honolulu, Hawaii 96816

Tax Map Key: 3-4-12-10 (TMK)

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

Land Area: 20,500 [x] square feet [ ] acre(s) Zoning: R-5

Fee Owner: Boyce R. Brown, Jr., Joseph R. Larson, Elizabeth Rougas and Linda Ebaugh Alcorn
name
c/o Post Office Box 2190
address
Honolulu, HI 96805

Sublessor: Not applicable (N/A)
name

address

C. **Buildings and Other Improvements:**

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

2. Buildings: 4 Floors Per Building: Two bldgs - one floor
   Two bldgs - two floors

   [ ] Exhibit _____ 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	4	[ ] Agricultural	
[ ] Timeshare/Hotel		[ ] Recreational	
[ ] Other: _____			

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

[X] Pets: No mamalian pets; e.g., dogs, cats, horses

[ ] Number of Occupants: _____

[ ] Other: _____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators none Stairways 1 Trash Chutes none

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
2519	1	2/1	608	111
2519A	1	2/1	608	0
2519B	1	2/2	1122	0
2519C	1	2/2	816	165

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

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

Boundaries of Each Apartment:

Each apartment is a single family dwelling measuring approximately 20 feet by 30 feet. Units 2519B and 2519C are two story units with additional enclosed living area on the lower levels.

Permitted Alterations to Apartments: There is no limitation on nonstructural alteration of the apartments. Structural alterations or additions are permitted only pursuant to amendment to the Declaration. Also, if any dwelling is demolished or destroyed by more than 50 percent of its replacement cost at the time of destruction, it can only be reconstructed in accordance with the code applicable at the time of destruction unless an existing use permit is obtained from the Department of Land Utilization.

7. Parking Stalls:

Total Parking Stalls: 4

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

Each apartment will have the exclusive use of at least one 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:

[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

All in good condition. Expected useful life of
Structural components: 30 years (with termite maintenance)
Mechanical installation: plumbing - 30 years
Electrical installation: 30 years

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

1. THE CARPORT BETWEEN THE DWELLINGS AT 2519 AND 2519A LA'I ROAD WAS CONSTRUCTED WITHOUT A BUILDING PERMIT.
2. CARPORT ON THE WAIMANALO SIDE OF THE DWELLING AT 2519B LA'I ROAD ENCROACHES INTO THE REQUIRED 5 FT SIDEYARD SETBACK AREAS.
3. THERE IS NO BUILDING PERMIT FOR THE CONSTRUCTION WORK BENEATH THE DWELLING AT 2519A LA'I ROAD.

REFER TO PAGE 18 AND EXHIBIT E FOR FURTHER INFORMATION.

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	X (SEE ABOVE)
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 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.

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

   [x] 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 _____ describes the common interests for each apartment.

   [x] as follows: Each unit has an undivided 25% interest in the common elements.

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

Exhibit C describes the encumbrances against the title contained in the title report dated September 6, 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.

[xx] There are blanket liens which may affect title to the individual apartments. Not to secure a construction loan. Original purchase money mortgage.
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
Second mortgage	Boyce R. Brown to Zeller Associates will be released prior to sale of any units.

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 The Board of Directors which consists of four owners will manage the project.

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

H. **Utility Charges for Apartments:**

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

[ ] Electricity [ ] Television Cable

[ ] Gas [x] Water & Sewer

[ ] Other _____

I. **Construction Warranties:**

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

1. Building and Other Improvements: None

2. Appliances: None

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

This is a conversion. All construction was completed approximately in 1959.

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: 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

[x] Specimen Sales Contract summary (Exhibit F)

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

[x] Escrow Agreement dated November 11, 1988 with First Hawaii Title Corp.

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

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's attention is directed to the letter dated October 1, 1988 from the City and County of Honolulu Building Department. It may be necessary for a Buyer to take corrective action either by obtaining an after-the-fact building permit or by removing the nonconforming structures. (SELLERS ACCEPT NO RESPONSIBILITY WITH RESPECT TO THE ITEMS STATED THEREIN.) That may necessitate the removal of the carport adjacent to Unit 2519.

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. 1975 filed with the Real Estate Commission on September 9, 1988.

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

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 hereby designated of all the remaining portions of the Project, herein refered to as "common elements", including specifically, but not limited to:

A. The land in fee simple;

B. The paved Common Driveway as so designated on the Condominium Map.

C. The Common Park Parcel as so designated on the Condominium Map.

D. The paved walkway designated on said Condominium Map as the common pedestrian walkway.

E. All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;

F. Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Horizontal Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any apartment which are filed of record.

EXHIBIT B

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are hereby designated and set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

A. The land bounded on the north by La'i Road, on the east by the Common Driveway, on the south by a line drawn along the outer wall of apartment 2519-A which is closest to La'i Road and then extended to the western boundary of the property, and on the west by the common boundary with the adjacent parcel, including the covered area designated as parking stall A, all as delineated on the Condominium Map, shall be deemed a limited common element appurtenant to and for the exclusive use of apartment 2519.

B. The land bounded on the north by the limited common element just described, on the east by the common driveway, on the south by the Common Pedestrian Walkway and on the west by the boundary with the adjacent parcel, including the covered area designated as parking stall B, all as delineated on the Conodminium Map, shall be deemed a limited common element appurtenant to and for the exclusive use of apartment 2519-A.

C. The land bounded on the north by the Common Pedestrian Walkway and the end of the Common Driveway, on the east by the common boundary with the adjacent parcel, on the south by a line drawn along the outer wall of apartment 2519-C which is closest to La'i Road and then extended to the western boundary of the property, and on the west by the common boundary with the adjacent parcel, including the covered area designated as parking stall C, but not including the area within the Common Pedestrian Walkway or the area designated as parking stall "D", all as delineated on the Condominium Map, shall be deemed a limited common element appurtenant to and for the exclusive use of apartment 2519-B.

D. The land bounded on the north by a line drawn along the outer wall of apartment 2519-C which is closest to La'i Road and then extended to the western and eastern boundaries of the property, on the east by the eastern boundary of the property, on the south by the Common

Park Parcel and on the west by the Common Pedestrian Walkway, all as delineated on the Condominium Map, shall be deemed a limited common element appurtenant to and for the exclusive use of apartment 2519-C.

D. The parking stall located adjacent to Parking Stall C and designated on the Condominium Map as "Parking Stall D" shall be deemed a limited common element appurtenant to and for the exclusive use of apartment 2519-C.

E. The structure enclosing and covering Parking Stalls C and D and the area above such structure shall be deemed a limited common element appurtenant to and for the exclusive use of apartment 2519-B.

EXHIBIT C

ENCUMBRANCES AGAINST TITLE

1. Taxes that are due and owing, reference is made to the County of Kauai, Property Tax Assessor's Office. Tax Key: 3-4-12-10 (1); area assessed: 20,500 sq. ft.

   Taxes for the fiscal year 1987/1988 in the amount of $1,231.34 have been paid in full.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

   Mortgagor: LINDA E. EBAUGH, unmarried, STEVEN SLEPIAN, unmarried, JOSEPH RONALD LARSON, unmarried, and BOYCE R. BROWN, JR., husband of Lynn Brown
   Mortgagee: FIRST HAWAIIAN BANK, a Hawaii corporation
   Dated: September 28, 1977
   Recorded: September 29, 1977
   Book: 12462
   Page: 38
   Principal Sun: $82,500.00
   The present amount due should be determined by contacting the owner of the debt.

   The foregoing mortgage was assigned by the following:

   ASSIGNMENT OF MORTGAGE

   Assignor: FIRST HAWAIIAN BANK, a Hawaii corporation
   Assignee: FEDERAL HOME LOAN MORTGAGE CORPORATION, organized by Act of Congress (P.L. 91-351)
   Dated: September 30, 1983
   Recorded: October 26, 1983
   Book: 17410
   Page: 375

4. MORTGAGE DEED

   Mortgagor: ELIZABETH ROUGAS
   Mortgagee: ESTHER D. WIESEL and BENJAMIN WIESEL
   Dated: January 1, 1987
   Recorded: May 22, 1987
   Book: 20697
   Page: 198
   Principal sun: $100,000.00
   The present amount due should be determined by contacting the owner of the debt.

5. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF HORIZONTAL PROPERTY REGIME OF "PALOLO PARTNERS"

Dated: July 7, 1987
Recorded: September 16, 1987
Book: 21133
Page: 261
Condominium map No. 1085, to which reference is hereby made.

6. By-Laws dated August 28, 1987, recorded on September 16, 1987 in the Bureau of Conveyances of the State of Hawaii in Book 21133, page 276, to which reference is hereby made.

7. SECOND MORTGAGE

Mortgagor: BOYCE R. BROWN, JR.
Mortgagee: ZELLER ASSOCIATES, a Hawaii limited partnership
Dated: March 11, 1988
Recorded: March 15, 1988
Book: 21728
Page: 726
Principal sum: $23,753.01
The present amount due should be determined by contacting the owner of the debt. Plus the undivided one-quarter interest of mortgagor.

EXHIBIT D

ALTERATION OF PROJECT

Restoration or replacement of the Project or any building thereof, or construction of any additional building or structural alteration or addition to any building, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association of Apartment Owners only pursuant to an amendment of this Declaration, in accordance with complete plans and specifications therefor first approved in writing by the Board; and promptly upon completion of such restoration, replacement or construction, the Association shall record the amendment in the Bureau of Conveyances together with a complete set of floor plans of the Project so altered, certified as built by a registered architect or professional engineer.

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

Ex88-142

October 21, 1988

Mr. Boyce R. Brown, Jr.
Attorney at Law
222 Merchant Street, Second Floor
Honolulu, Hawaii 96813

Dear Mr. Brown:

Subject: Condominium Conversion Project
2519, 2519A, 2519B, and 2519C La-I Road
Tax Map Key: 3-4-12: 10

This is in response to your letter dated October 12, 1988, requesting verification that the three one-story single-family detached dwellings and one one-story single-family dwelling at 2519, 2519A, 2519B,and 2519C La-I Road met all code requirements at the time of construction.

Our investigation revealed the following:

1. The four single-family dwellings met code requirements when they were constructed prior to 1969.

2. The carport between the dwellings at 2519 and 2519A La-I Road was constructed without a building permit.

3. The carport on the Waimanalo side of the dwelling at 2519B La-I Road encroaches into the required five-foot side-yard setback areas.

4. There is no building permit for the construction work beneath the dwelling at 2519A La-I Road.

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

EXHIBIT E

If any dwelling is demolished or destroyed by more than 50 percent of its replacement cost at the time of destruction, it can only be reconstructed in accordance to the code applicable at the time of destruction unless an existing use permit is obtained from the Department of Land Utilization.

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

Very truly yours,

HERBERT K. MURAOKA
Director and Building
Superintendent

Subscribed and sworn to
before me this 21st day of
October, 1988.

Notary Public, First Judicial Court
State of Hawaii
My commission expires: 11-14-91

EXHIBIT F

SUMMARY OF SALES CONTRACT

This sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract says:

a) Type of financing the buyer will use.

b) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price, and identifies which escrow company will be used.

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

d) An agency disclosure statement which tells the buyer who the salesperson represents (if a real estate agent is used).

EXHIBIT G

Summary of Escrow Agreement

The escrow agreement sets up an arrangement under which the deposits a buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

(a) Escrow will collect payments due pursuant to the sales contract.

(b) Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.

(c) Escrow will let buyers know when payments are due.

(d) Escrow will arrange for and supervise the signing of all necessary documents.

(e) The escrow agreement says under what conditions refund will be made to a buyer.

(f) The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.

The escrow agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT H

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months =	Yearly Total
2519	$50		$600
2519A	50		600
2519B	50		600
2519C	50		600

[ ] 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 $100 x 12 months - $1,200

Maintenance, Repairs and Supplies

- Building
- Grounds $30 x 12 mo. = $260

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance $55 x 12 mo. - $660

Reserves $15 x 12 mo. = $180

Taxes and Government Assessments

Audit Fees

Other

TOTAL $200 per month x 12 mo. = $2,400 per year

General Partner

I/We, Boyce R. Brown, Jr., co-owner, 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.

Marilyn Brown Reynolds

Date: Dec 21, 1988

attorney in fact for Boyce R. Brown, Jr.