



**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

943/943-A KAINUI DRIVE
943/943-A Kainui Drive
Kailua, Hawaii

Registration No. 1980 (Conversion)

Issued: November 28, 1988
Expires: December 28, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 19, 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. as Exhibit "F"

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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:

A fee simple interest in an individual apartment and an undivided 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>
943	1	3/1½	1,190	n/a
943-A	1	3/3	2,240	n/a
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: two (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>3</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>3</u>

7. Recreational amenities: NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: RODNEY L. PEARSON and ROSLYN J. PEARSON
Name
[REDACTED]
Business Address
[REDACTED]

Phone: [REDACTED]
(Business)

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

Real Estate
Sales Agent:

The units are not being offered for sale at this time. When the developer is ready to sell the units, he will be required to make the proper disclosures at that time.

Name

Business Address

Phone: _____
(Business)

Escrow:

To be determined later (see above)
Name

Business Address

Phone: _____
(Business)

Managing
Agent:

Project is to be self-managed
Name

Business Address

Phone: _____
(Business)

Attorney for
Developer:

ROGER V. MEEKER
Name
1188 Bishop Street, Suite 2503
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 22400 Page 399
 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. 1157
 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 22400 Page 413
 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>75%</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:

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:

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: 943 and 943-A Kainui Drive Tax Map Key: 4-3-78-88 (1st)
Kailua, Hawaii (TMK)

Address TMK is expected to change because _____

Land Area: 10,800 square feet acre(s) Zoning: R-10

Fee Owner: RODNEY L. PEARSON and ROSLYN J. PEARSON

name _____

address _____

Sublessor: _____

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 and 2

Exhibit A 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: _____

[X] Other: The apartments are restricted to residential use only

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators NONE Stairways NONE Trash Chutes NONE

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>943</u>	<u>1</u>	<u>3/1½</u>	<u>1,190</u>	<u>n/a</u>
<u>943-A</u>	<u>1</u>	<u>3/3</u>	<u>2,240</u>	<u>n/a</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" attached hereto.

Permitted Alterations to Apartments: Individual apartment owners may, at their sole discretion, remodel, expand or otherwise alter their apartment, provided same is permitted by and done in complete accordance with all applicable ordinances, codes, rules, regulations or other requirements in force at the time of said construction. Pursuant hereto, said alterations shall not require the consent or permission of other apartment owners or the Association; provided, however, that any newly-constructed improvements remain a minimum of five (5) feet from all designated perimeter and interior limited common element land area lines; and provided further that said newly-constructed improvements do not alter the essential nature and character of the Project, and do not unreasonably interfere with any other apartment owners' enjoyment of their apartment(s). (See Exhibits "G" and "H")

7. Parking Stalls:

Total Parking Stalls: 3

	<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>3</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>3</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>3</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Each apartment will have the exclusive use of at least _____ 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

Based on a report prepared by an independent registered architect, it is the Developers' opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartment are presently sound and appear to be in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE CONDOMINIUM APARTMENT.

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

The Project is a conversion of fully constructed and existing buildings to condominium status. Said buildings are in compliance with all ordinances, codes, rules, regulations, or other requirements in force at the time of their construction. No variance has been granted from any ordinance, code, rule, regulation, or other requirement in force at the time of their construction or from any other ordinance, code, rule, regulation, or other requirement.

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 (see Exhibit "H")</u>	
Lot	<u>X</u>		

NOTE: See Exhibit "E" (Bldg. Dept. letter).

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 B 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 _____ describes the common interests for each apartment.

as follows: Each apartment and its owner(s) shall have appurtenant thereto a one-half (1/2) fractional interest (50.0 percentage interest) in the common elements of the Project, for all purposes including voting, said interest being referred to as the "common interest".

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 August 12, 1988.

Blanket Liens:

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

- [] There are no blanket liens affecting title to the individual apartments.
[X] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Blanket Mortgage	Buyer's interest unaffected. Title to the individual apartments will be free and clear at the time of conveyance.

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 to be 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 checked="" 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 included in sale unless provided for in DROA

J. Status of Construction and Estimated Completion Date:

Project is a conversion of existing dwellings. Unit "943 Kainui Drive" was constructed in 1955. Unit "943-A Kainui Drive" was constructed in 1987. Ohana approval for unit "943-A Kainui Drive" was received in 1987. See Exhibit "E".

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 ANTICIPATED

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 -- standard DROA contract is being used

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

Escrow Agreement dated NONE

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Unit "943-A Kainui Drive" was constructed under an Ohana building permit. As a condition of issuance of the building permit, the Developer entered into a covenant and agreement which restricts the use and layout of the dwelling. A copy of the Affidavit, recorded in the Bureau of Conveyances in Liber 17984 at Page 296, is herein attached as Exhibit "G", and is binding on the purchasers, lessees or tenants and assigns.

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. 1980 filed with the Real Estate Commission on September 30, 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

APARTMENT DESCRIPTIONS

The Declaration of Horizontal Property Regime and plans submitted by the Developer indicate that 943/943-A KAINUI DRIVE is a fee simple condominium conversion project consisting of a total of two apartments, each apartment comprising a separate single-family structure. The apartments are described as follows:

- (a) Apartment "943 Kainui Drive" consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, one and one-half baths, living room, den, kitchen and dining area — all containing a net interior living area of approximately 1,190 square feet. Said apartment also contains an attached carport.
- (b) Apartment "943-A Kainui Drive" consists of a separate two-story hollow-tile and wood-frame structure, without basement, containing three bedrooms, three baths, living room, family room, study, dining area and kitchen — all containing a net interior living area of approximately 2,240 square feet. Said apartment also contains an attached garage and workshop area.

COMMON ELEMENTS

One freehold estate is designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;
- (c) 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 Condominium 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.

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are 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 only limited common elements so set aside and reserved are the immediate land area upon and around which each apartment is located. Said land areas are shown and designated on the Condominium Map.

NOTE: The land area upon and around each apartment unit does not represent a legally subdivided lot.

ENCUMBRANCES AGAINST TITLE

An encumbrance is a claim against or a liability on the property. The following list describes the encumbrances against the title contained in the title report dated August 12, 1988, issued by Long & Melone Escrow, Ltd.:

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Easement C (15-feet wide) along the Northwesterly boundary of said Lot 25, as shown on File Plan 553, for the purpose of canal maintenance.
3. Grant of Easement in favor of the State of Hawaii, dated February 6, 1953, over and across said Easement C, recorded in said Bureau in Liber 2669 at Page 74.
4. Mortgage in favor of BANK OF HAWAII, a Hawaii corporation, dated February 11, 1987, recorded as aforesaid in Liber 20365 at Page 131. Original consideration: \$105,000.00
5. Covenants set forth in Affidavit dated August 24, 1987, recorded as aforesaid in Liber 21123 at Page 541.
6. Real Property Taxes as may be due and owing. Check with the Office of the Property Tax Assessor, City and County of Honolulu, for further information.

SUMMARY OF SALES CONTRACT AND ESCROW ARRANGEMENTS

SALES CONTRACT: Developers are using the standard Hawaii Board of Realtors' Deposit Receipt, Offer and Acceptance (DROA) form as the intended sales contract for the project. Reference is hereby made thereto.

ESCROW ARRANGEMENTS: Inasmuch as this is a Project comprised solely of existing units being converted to condominium status, and thus involves no new construction nor any release of buyers' moneys prior to closing, there is no executed escrow agreement for this Project. The choice of an escrow agent will be made mutually by the seller(s) and buyer(s) at the time of entering a sales contract (DROA) respecting the sale of each of the three homes.

Upon examination, the DROA is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads the DROA with care.

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

Ex88-104

August 11, 1988

Mr. Roger V. Meeker
Century Square
1188 Bishop Street, Suite 2503
Honolulu, Hawaii 96813

Dear Mr. Meeker:

Subject: Condominium Conversion Project
943/943-A Kainui Drive
Tax Map Key: 4-3-78: 88

This is in reply to your letter dated July 6, 1988 requesting confirmation that the one-story single-family dwelling and the two-story single-family dwelling located at 943 and 943-A Kainui Drive met all code requirements at the time of construction.

Investigation revealed that the one-story single-family dwelling with two off-street parking spaces met the code requirements when it was constructed in 1955. The two-story single-family dwelling with two off-street parking spaces also met the code requirements when it was constructed in 1987 under Ohana Building Permit No. 244232.

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

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "Herbert K. Muraoka".

HERBERT K. MURAOKA
Director and Building Superintendent

Subscribed and sworn to
before me this 11th day of
August, 1988.

A handwritten signature in cursive script, appearing to read "Stephen M. A. Chan".
Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: 3/21/89

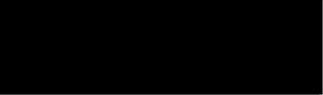
EXHIBIT "E"

DISCLOSURE ABSTRACT

**943/943-A Kainui Drive
Condominium Project**

Pursuant to Section 514A-61, Hawaii Revised Statutes
Horizontal Property Act

Developers and Project Managers

Rodney & Roslyn Pearson


Estimated Maintenance Fees/Costs per Apartment

Since there are no common elements requiring regular maintenance or repair, Developers anticipate that it will not be necessary to assess monthly maintenance fees. The regular maintenance and repair of each apartment, including all utility charges, is the sole responsibility of each respective apartment owner.

Individual Insurance: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the improvements portion of the Project. Developer anticipates that the Association will elect to obtain separate policies for each individual apartment pursuant to Section XIII(c) of the Declaration. As such, the premiums on said policies will be the individual responsibility of each apartment owner rather than common expenses of the Project.

Warranties

Apartment "943 Kainui Drive" was built in 1956. Apartment "943-A Kainui Drive" was built in 1987. Purchasers should be aware that said homes have unavoidably undergone a certain amount of "wear and tear" commensurate with their age. Accordingly, purchasers should not expect the home they desire to buy to be in "like-new" condition. NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO ANY OF THE INDIVIDUAL APARTMENTS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE APARTMENT THEY DESIRE TO BUY. THE APARTMENTS ARE SOLD "AS IS".

Use of Apartments

Both of the two apartments comprising the Project are for residential purposes only. There is no non-residential development in the Project.

Structural Components and Mechanical & Electrical Installations

Based upon a report prepared by an independent registered architect, it is the Developers' opinion that the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartment(s) appear to be sound and in satisfactory working condition. Nevertheless, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE CONDOMINIUM APARTMENT.

Code Violations

To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the City and County of Honolulu.



RODNEY LESTER PEARSON



ROSLYN JEAN PEARSON

Developers

RECORDATION REQUESTED BY:

AFTER RECORDATION RETURN TO:

TED W. MALY

7 SEP 14 P 1: 36

87-139820

21123 541

247-6866

RETURN BY: MAIL () PICKUP ()

(Space above this line for Registrar's Use)

This affidavit is presented for recordation pursuant to the provisions of Chapter 18, ROH 1978.

AFFIDAVIT

The undersigned hereby certify that we are the owners of the hereinafter described real property located in the City and County of Honolulu, State of Hawaii:

TAX MAP KEY: 4-3-76-88
443/A KAIKUA RD.

Being all of the land conveyed to us by deed dated June 24, 1984, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17984 on Page 296 and/or filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. _____ and noted on Transfer Certificate of Title No. _____.

And, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit for a new 2 story single-family OHANA unit containing one kitchen. This building shall have an interior connection between floors as shown on approved plans.

on said property, we do hereby covenant and agree:

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.

Dated this 24th day of August, 1987.

Signature of Owner Rodney Lester Pearson
Rodney Lester Pearson
(Print owner's name)

Subscribed and sworn to before me this 24th day of August, 1987.

David J. Stoenaga
Notary Public, First Judicial Circuit, State of Hawaii

My Commission Expires: 5/25/89

OHANA DISCLOSURE

RESPECTING UNIT "943-A KAINUI DRIVE"

Unit "943-A Kainui Drive" was constructed by the Developer in 1987 as an "ohana dwelling" pursuant to the provisions of Section 6.20 ("Housing: Ohana Dwellings") of the Land Use Ordinance of the City and County of Honolulu ("LUO"). At the time of its construction, said dwelling was fully conforming to the LUO.

Subsequently, on April 28, 1988, said Section 6.20 was amended to provide, among other things, that the maximum size of an "Ohana" accessory dwelling unit on a residentially zoned lot shall be restricted. Specifically, in a zoning district designated as R-10, as is this Project, the maximum permitted floor area of an Ohana accessory dwelling unit is 900 square feet.

Accordingly, unit "943-A Kainui Drive", which previously conformed to the LUO, does not now comply with Section 6.20, as amended. The dwelling is, therefore, presently considered a "non-conforming structure".

Section 3.120(B) of the LUO provides that if a non-conforming structure is destroyed to an extent of more than 50% of its replacement cost at the time of destruction, it may only be reconstructed in conformity with the provisions of the LUO. This means that were the dwelling to be destroyed to an extent of more than 50% of its replacement cost, the maximum floor area of the dwelling, if reconstructed, could only be 900 square feet. While it is possible that a zoning variance could be obtained or that the LUO could be amended to allow reconstruction to the extent of the floor area of the dwelling prior to destruction, no assurance can be given that such will in fact occur.