



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

EMMELUTH LANE

921, 921A, 923, 925 Emmeluth Lane
Honolulu, Hawaii 96817

Registration No. 2002

Issued: August 21, 1989
Expires: September 21, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 28, 1989 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 report has been issued by the Real Estate 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.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Eddie Gum and Celina Gum Phone: 595-7116
Name (Business)
2528 Waolani Avenue
Business Address
Honolulu, Hawaii 96817

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

Real Estate Sales Agent: Century 21 Realty Specialists Corporation Phone: 949-6322
Name (Business)
1585 Kapiolani Bl., Suite 1530
Business Address
Honolulu, Hawaii 96814

Escrow: Fidelity Escrow Services Corporation Phone: 537-6799
Name (Business)
AMEAC TOWER, Suite 1015, 700 Bishop Street
Business Address
Honolulu, Hawaii 96813

Managing Agent: Self-managed Phone: _____
Name (Business)
Business Address

Attorney for Developer: Arthur K. Nakagawa
Name
Pacific Tower, Suite 925
Business Address
1001 Bishop Street, Hon., Hi. 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 22789 Page 295
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

First Amendment to Declaration of Horizontal Property Regime: filed at the Bureau of Conveyances of the State of Hawaii on July 14, 1989 in Liber 23402, at Page 663; said First Amendment is dated July 11, 1989.

- 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. 1176
 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 22789 Page 320
 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	—	Majority of Board of Directors to either adopt or amend.

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:

1. Changes to the Declaration and By-laws and the Condominium Map may be changed to reflect changes in size, dimensions and layout of the units only with the consent of the apartment owners and lien holders.
2. Developer has reserved the right in the Sales Agreement to make such amendments to said Declaration and By-laws as may be required by the Horizontal Property Act and the Real Estate Commission before the recordation of the first apartment. If any changes are made which are substantial or affect the value or interest or price of the apartments, Buyers of the apartments affected will be informed of such changes. Buyer, upon receipt of such notice, will be given an opportunity to either accept and waive their right to cancellation or they may cancel the sale.

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: 921, 921A, 923, 925 Emmeluth Lane Tax Map Key: 1-6-07:101 &102
Honolulu, Hawaii 96817 (TMK)

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

Land Area: 23,397 [x] square feet [] acre(s) Zoning: R-5

Fee Owner: Eddie K.K. Gum & Celina S.M. Gum (as to Parcel First: (1-6-07:102).
name
2528 Waolani Avenue (As to Parcel Second: 1-6-07:101, the owners
address are: Eddie K.K. Gum, Celina S.M. Gum, Thomas
Honolulu, Hawaii 96817 S.F. Chun, Yin Fong Chun, Ruby S.N.
Sublessor: Pang, Wai Ching Wong, Siu Man Leung,
name Yun Hung Yeung, Annie Kit Shang Fong,
address and Laurie K.L. Chun. Consent to HPR
attached to Declaration of Horizontal
Property Regime and By-laws attached.)

C. Buildings and Other Improvements:

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

2. Buildings: 4 Floors Per Building: 2
[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [x] Hollow Tile [x] Wood
[] Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[x] Residential	<u>4</u>	[] Agricultural	_____
[] Timeshare/Hotel	_____	[] Recreational	_____
[] Other:	_____		_____

5. Special Use Restrictions:

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

- Pets: _____
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators 0 Stairways 0 Trash Chutes 0

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
Unit 921	1	6/4	3,000	
Unit 921A	1	6/4	3,000	
Unit 923	1	6/4	2,304	
Unit 925	1	6/4	2,304	

*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 of the four units is bounded by the exterior surfaces of the perimeter walls, the exposed surfaces of the roof and the bottom surfaces of concrete slabs.

Permitted Alterations to Apartments:

No alterations permitted to common structural members. All other alterations permitted with approval of the Board of Directors.

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

Apartment Nos. 921 and 921A are presently under construction. No statement is made as to the "expected useful life". All materials and components are new and should present no immediate or near term problems upon completion.

Apartment Nos. 923 and 925 are completed. Construction was of new material and Developer has no information upon which to make an estimation of "expected useful life". Accordingly, Developer makes no statement as to such "expected useful life" of these units.

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

Developer in acquiring the property did not discover any violations or was informed in the title search of any such violations having been issued prior to the acquisition. Further, Developer has provided a letter, dated February 25, 1988, from the Building Department stating that at the time the Project was built, code requirements were met and no variances or special permits were granted. No violations are outstanding.

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>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements, or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. **Common Elements:** Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit A describes the common elements.

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

There are no limited common elements in this project.

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

described in Exhibit B

as follows:

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

Exhibit _____ describes the common interests for each apartment.

as follows: Apartment: 921 27%
921A. . . . 31%
923 22%
925 20%

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 June 8, 1989.

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	If default occurs before recordation of the deed to Buyer, then Mortgagee has the right to foreclose.

NOTE: Developer, at the time of closing any sale, will deliver to Buyer a deed free and clear from the encumbrance(s) of any mortgage taken out by the Developer, or Developer will deliver the deed to Buyer and record a Release from the mortgagee releasing the apartment from the mortgage.

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 None. Project will 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 D 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 <u>(All utilities shall be separately metered.)</u> | |

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:

The individual dwellings will be warranted by Developer against defects in material and workmanship for a period of one year. The one year warranty period shall begin from the date of closing or the date of occupancy, whichever shall first occur.

2. Appliances:

Manufacturer's warranties shall be delivered to Buyers at the time of occupancy.

J. Status of Construction and Estimated Completion Date:

Apartments 923 and 925, both new, two story, single family, detached dwellings are completed.

Apartments 921 and 921A are under construction and are expected to be completed on or before December 31, 1989.

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:

L. Sales Documents Filed with the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated November 10, 1988

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

Other Specimen Apartment Deed, Specimen Reservation Agreement and Specimen Sales Agreement.

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

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 Condominium 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.

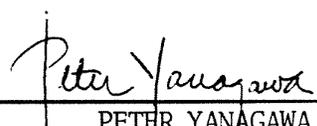
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

This Public Report is a part of Registration No. 2002 filed with the Real Estate Commission on
December 2, 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.



PETER YANAGAWA, 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

EMMELUTH LANE

919, 921, 923, and 925 Emmeluth Lane
Honolulu, Hawaii 96817

B. COMMON ELEMENTS. One fee simple estate is hereby designated in all of the remaining portions and appurtenances of the Project, herein called the "common elements", including specifically but not limited to:

1. Said land in fee simple;
2. All yards, grounds, landscaping, and other appurtenances;
3. All driveways and parking areas;
4. All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, and installations which is used by more than one apartment for services such as power, light, water, gas, refuse, telephone and radio and television signal distribution.
5. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety and normally in common use.

EXHIBIT B

LIMITED COMMON ELEMENTS

EMMELUTH LANE

921, 921A, 923, and 925 Emmeluth Lane
Honolulu, Hawaii 96817

LIMITED COMMON ELEMENTS. Certain parts of the common elements, hereinafter called and designated "LIMITED COMMON ELEMENTS", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments 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:

1. The respective entry of each apartment shall be reserved and appurtenant to each of the apartments served thereby.

2. The land immediately surrounding each of the four apartment units, together with the parking spaces designated as being appurtenant to the respective units, as shown and delineated on the Condo Map filed at the Bureau of Conveyances shall be appurtenant to and reserved for the exclusive use of such apartment.

3. All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments to which such common elements are rationally related.

EXHIBIT C

ENCUMBRANCES AGAINST TITLE

EMMELUTH LANE

919, 921, 923, and 925 Emmeluth Lane
Honolulu, Hawaii 96817

AS TO PARCEL FIRST.

SUBJECT TO THE FOLLOWING ENCUMBRANCES:

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

2. Easement "1" (area 442 square feet), for sanitary sewer purposes as shown on survey of Walter P. Thompson, Inc., by James R. Thompson, Registered Professional Surveyor No. 3627-S, Honolulu, Hawaii, dated July 11, 1988.

3. A road widening setback line along Emmeluth Lane, as shown on survey of Walter P. Thompson, Inc., by James R. Thompson, Registered Professional Land Surveyor No. 3627-S, Honolulu, Hawaii, dated July 11, 1988.

4. Mortgage dated October 25, 1988 recorded in Book 22502, at Page 550, made by Eddie K.K. Gum and Celina S.M. Gum, husband and wife, to Standard Financial Corp., a Hawaii corporation, as mortgagee therein, to secure the repayment of \$350,000 and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagors therein referred to.

5. Affidavit executed by Creative Industries, Inc. in favor of the Building Department of the City and County of Honolulu, recorded in the Bureau of Conveyances aforesaid in Book 20943, Page 605, to which reference is hereby made.

AS TO PARCEL SECOND.

SUBJECT TO THE FOLLOWING ENCUMBRANCES:

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

2. Easement "2", containing an area of 1,090 square feet, for ingress and egress in favor of Lot A, as disclosed in that Warranty Deed dated August 16, 1988 and recorded at the Bureau of Conveyances for the State of Hawaii in Book 22314, Page 447, to which reference is hereby made.

3. Road widening setback line along Emmeluth Lane, as disclosed in that Warranty Deed dated August 16, 1988 recorded as aforesaid in the Bureau of Conveyances in Book 22314, Page 447, to which reference is hereby made.

4. Affidavit dated July 31, 1987, made by Creative Industries, Inc. in favor of the Building Department, City and County of Honolulu, subject to the provisions contained therein, recorded in the Bureau of Conveyances aforesaid in Book 20976, Page 87, to which reference is hereby made.

5. Affidavit executed by Eddie K.K. Gum, dated May 10, 1989, in favor of the Building Department of the City and County of Honolulu recorded in the Bureau of Conveyances aforesaid in Book 23166, Page 543, to which reference is hereby made.

6. Affidavit executed by Eddie K.K. Gum, dated May 10, 1989, in favor of the Building Department of the City and County of Honolulu recorded in the Bureau of Conveyances aforesaid in Book 23166, Page 544, to which reference is hereby made.

AS TO BOTH PARCELS FIRST AND SECOND.

SUBJECT TO THE FOLLOWING:

1. Declaration of Horizontal Property Regime dated November 28, 1988, recorded on January 20, 1989 in said Bureau of Conveyances in Book 22189, Page 295.

2. Condominium Map No. 1176 filed in the Bureau of Conveyances, State of Hawaii.

3. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by laws set forth in the Declaration of Horizontal Property Regime dated November 28, 1988, recorded in the Bureau of Conveyances, State of Hawaii, in Book 22789, Page 295.

4. By-laws of the Association of Apartment Owners of EMMELUTH LANE dated November 28, 1988 and recorded in Book 22789, Page 320.

5. For real property taxes that may be due and owing, reference is made to the Office of the Assessor, City and County of Honolulu.

EXHIBIT D

DISCLOSURE ABSTRACT

EMMELUTH LANE

Date: November 25, 1988

PROJECT: EMMELUTH LANE
921, 921A, 923 and 925 Emmeluth Lane
Honolulu, Hawaii 96817

DEVELOPER: EDDIE K.K. GUM and CELINA S.M. GUM
2528 Waolani Avenue
Honolulu, Hawaii 96817

Developer's Agent:

Arthur K. Nakagawa, Esq.
Pacific Tower, Suite 1100
1001 Bishop Street
Honolulu, Hawaii 96813
Tel: 526-1511

MAINTENANCE FEES EMMELUTH LANE involves the sale of a fee simple condominium development consisting of four apartments. (Four single family, two story, detached residential units.)

The apartments which make up the Project are serviced by a reinforced concrete paved driveway. The concrete paved parking area is not believed by the Developer to involve any substantial maintenance costs in the near future and the owners of the apartments are to maintain and keep their respective apartment units and common elements appurtenant to their units in good repair.

Accordingly, no provisions for maintenance costs are provided.

1. All costs and expenses of maintenance are to be borne by the respective apartment owner(s).
2. All utilities are separately metered.

WARRANTIES: The Developer will warrant the residential structure against defective work and materials for a period of one year commencing from the date of closing the sales transaction. Warranties on appliances, as applicable, will be those of the manufacturer's, which will be delivered to Buyer at the time of occupancy.

USE OF PROPERTY: The Development is for residential use only, and no commercial or other non-residential uses will be permitted.

OTHER DISCLOSURES: One of the owners Developer is a licensed real estate agent in the State of Hawaii.

DATED: Honolulu, Hawaii, November 28, 1988.

Eddie K.K. Gum
EDDIE K.K. GUM

Celina S.M. Gum
CELINA S.M. GUM

Developers

STATE OF HAWAII)
CITY AND COUNTY OF HONOLULU) ss.

On this 28th day of November, 1988, before me personally appeared EDDIE K.K. GUM and CELINA S.M. GUM, to me known to be the persons described in and who executed the foregoing instrument, and who acknowledged that they executed the same as their free act and deed.

Gail C. Segawa L.S.
Notary Public, First Judicial
Circuit, State of Hawaii

My commission expires: 7/23/90

[DISCLOSURE ABSTRACT, EMMELUTH LANE (a fee simple condominium). Developer: Eddie K.K. Gum and Celina S.M Gum]

EXHIBIT E

SUMMARY OF SALES CONTRACT

EMMELUTH LANE

919, 921, 923, and 925 Emmeluth Lane
Honolulu, Hawaii 96817

1. CONDITIONS OF SALE. Buyer understands and agrees:

(a) From the time of the first publication of the Pre-Sale Notice to Owner Occupants is first published until ten (10) days after the issuance of the Final Public Report by the Real Estate Commission, all sales must be made to "owner occupants".

(b) Buyer agrees to sign an Affidavit of Intent to be such an owner occupant.

(c) It is a violation of law if a false statement is made in the Affidavit of Intent. But no false statement of intent is made if circumstances, such as serious illness of the individual making the statement or of a member of that individual's family, job or military transfer, unforeseeable change in marital status, or the birth of a child, after the execution of the affidavit causes the person making the affidavit to be unable to occupy the residential unit.

(d) Seller reserves the right to ask Buyer for other information and Buyer agrees to cooperate with Seller in providing any such information and to sign such other documents as will assure Seller that Buyer is an "owner occupant" as defined in the Horizontal Property Regime and the Horizontal Property Act.

(e) No offer for sale will be made by the Developer (and no executed sales contract will be binding) unless and until the Real Estate Commission has issued a Final Public Report, Buyer has had a chance to read it after signing a receipt acknowledging that Buyer has received a copy of such Final Public Report (or under certain circumstances where there is no receipt the Buyer may be considered to have received a copy.) The Buyer should be aware then, that signing of a sales agreement before the issuance of a Final Public Report does not assure Buyer will be able to purchase the unit reserved, at any price. A sales agreement signed before the Final Public Report is issued is only a "reservation," and can be cancelled by either Buyer or Seller

at any time. If a reservation is cancelled or terminated, Buyer's money shall be refunded, less the escrow cancellation fee of twenty-five dollars (\$25.00).

(f) Seller reserves the right to amend the Declaration of Horizontal Property Regime and By-laws filed in the Bureau of Conveyances for the State of Hawaii without Buyer's consent before the Final Public Report is issued in order to make amendments to conform to the Horizontal Property Act and the requirements of registration for the Project if such changes are minor and do not affect the value or common interest of the unit, or the purchase price, or substantially impair or reduce the obligations of Seller to pay for common expenses on unsold apartments. If the changes are material or substantial or requires physical modification of the residential structures, then Buyer will be given notice of such changes, together with a rescission and waiver of rescission form, and will be given a right to rescind the sales contract or to waive any right to rescission. In the event Buyer decides to rescind, then Buyer must sign the rescission form and return it to Seller and all of Buyer's monies will be refunded in full without interest.

2. RISK OF LOSS. Risk of loss to the apartment and other improvements shall be borne by the Seller until the date of closing or the date that Buyer occupies the apartment, whichever occurs first, and thereafter Buyer assumes the risk of loss.

3. BUYER'S FINANCING. This sale is conditioned upon Buyer obtaining adequate financing, or a commitment for such, within forty-five (45) calendar days after the 10 day period in which sales are restricted to owner occupants has expired. If Buyer fails to obtain this financing or a commitment or the application is rejected, then this sales agreement is cancelled.

Buyer may go to the financial institution of his choice. Buyer agrees to apply for a mortgage within five (5) business days after this Sales Agreement is accepted by Seller. Further, Buyer agrees to notify Seller promptly of the date of application for the mortgage and the name of the financial institution to which such application was made. Buyer shall also notify Seller promptly of actions taken by said financial institution on the application, whether such application was approved or disapproved.

4. PRORATION OF TAXES, RENTS, ASSESSMENTS, etc. All real property taxes, monthly maintenance fee, assessments and other charges of every kind and nature against the aforesaid apartment shall be borne by Seller prior to the occupancy date and/or closing date, whichever shall first occur, and thereafter Buyer shall bear all of such costs, taxes, assessments and charges in accordance with the provisions of

the Declaration and By-laws aforesaid.

5. BUYER'S ACKNOWLEDGEMENT. Buyer acknowledges and agrees that:

(a) Buyer has examined the Declaration of Horizontal Property Regime, By-laws of the Association of Apartment Owners of the Project, the Escrow Agreement and the plans for the Project, all of which have been filed at the Office of the Real Estate Commission for the State of Hawaii. Buyer approves of the foregoing and agrees to be bound by the terms, covenants, and restrictions contained therein.

(b) Neither Seller nor any of Seller's representatives has made any representation or reference as to rental of the apartment, income from the apartment or any other economic factor or benefit to be derived from the rental of the apartment, including but not limited to, any reference or representation to the effect that Seller will provide, directly or indirectly, any services to Buyer relating to the rental or sale of the apartment. It is understood and agreed by Buyer that rental or other disposition of the apartment, if any, and the providing of management services in connection therewith is and shall be the sole responsibility of the Buyer.

Seller reserves the right, as a requirement for closing, to require Buyer, the sales person and anyone else who may have been connected with this offer to sell and the sale of the apartment to buyer to sign additional documents to assure Seller that no violation of the securities laws have occurred.

6. ASSIGNMENT. Buyer shall not assign or convey in any manner this Sales Agreement or any of Buyer's rights therein, whether in whole or in part, without the prior written consent of the Seller. Consent shall be given or withheld in the sole discretion of Seller and may be arbitrarily withheld.

7. SELLER'S WARRANTIES. Seller warrants the materials and workmanship of the Apartments against defects for a period of one year commencing from the closing date of this transaction. Defects shall mean those items reasonably requiring repair or restoration or renovation or replacement of the components constituting the apartment, reasonable wear and tear excepted.

Warranties on appliances and other manufactured items, if any, shall be manufacturer's warranties which would normally be expected to be issued by the various manufactu-

rers. All applicable warranties will be left with Buyer at the time of occupancy.

8. SELLER'S CANCELLATION. Seller has the right to cancel this Sales Agreement if Buyer's loan application for a mortgage is not approved by the financial institution within the 45 days period described above or if Buyer informs Seller that Buyer will not be an "owner occupant" or that Buyer wish to cancel because of hardship.

9. SELLER'S LENDERS. Seller has given or may give to one or more lenders, a mortgage(s), security agreement(s) and other instruments to secure repayment of loan(s) covering Seller's interests in the development (including the individual apartments). All of these lenders will have priority over Buyer's rights and interest under this Sales Agreement. Buyer agrees to subordinate their interests and rights under this Sales Agreement to Seller's lenders until the date of closing and delivery of signed instruments conveying the apartment to Buyer.

Any apartment deed conveying the property to Buyer will, however, convey the apartment free and clear of any encumbrance(s) free and clear from Seller's lenders or a release of Buyer's apartment from such encumbrance(s) will be executed by Seller's lenders and recorded in the Bureau of Conveyances.

EXHIBIT F

ESCROW AGREEMENT SUMMARY

EMMELUTH LANE

Honolulu, Hawaii 96817

The following is a summary of the Escrow Agreement entered into by the Developer ("Seller") and Fidelity Escrow Services Corporation (Escrow) whose business address is AMFAC TOWER, Suite 1015, 700 Bishop Street, Honolulu, HI 96813. The buyer is urged to review the Escrow Agreement itself which is on file with the Real Estate Commission of the State of Hawaii.

1. The Seller shall deposit all funds received from a buyer promptly upon its receipt from buyer together with a copy of the sales contract.

2. Escrow shall deposit all funds received from the Seller into a special, interest bearing account within a reasonable time after the monies have been received. All interests from these funds shall be credited to the Seller.

3. If Seller shall give written notice to Escrow that payments from a buyer(s) are due under a sales contract, Escrow shall give written notice to each buyer under such a sales contract that payments are to be made to Escrow.

4. Upon prior approval of Seller's mortgagee, disbursements from escrow funds (including Buyer's funds) shall be made by Escrow to pay for (a) construction costs in proportion to the valuation of the work completed by the contractor on the residential unit(s) constructed on the land, as certified by a registered architect or professional engineer, and (b) architectural, engineering, finance and legal fees and other incidental expenses upon submission of bills for disbursements to the extent approved by Seller's mortgagee. The balance of the monies remaining in Escrow shall be disbursed in accordance with the discretion of Seller only upon completion of the units and only upon Escrow receiving satisfactory evidence that all mechanics' and materialmen's liens have been cleared or sufficient funds have been set aside to cover claims, if liens have been filed. No disbursements shall be made by Escrow otherwise unless forty-six (46) days after a copy of the Affidavit of Publication of a Notice of Completion has been given to Escrow.

5. If at any time Seller shall certify in writing to Escrow that a buyer, whose funds are being held hereunder by Escrow, has defaulted under the terms of his sales contract and that Developer (Seller) has terminated said sales contract pursuant to the terms thereof, Escrow shall notify said buyer by registered mail of such default and shall thereafter treat all

funds of such buyer paid under such contract less a twenty-five dollar (\$25.00) cancellation fee, as the escrowed funds of Seller and not of the buyer.

6. Escrow shall release and disburse to Seller from time to time, funds other than buyer's funds in the same manner as provided for buyer's funds except that the conditions precedent under which buyer's funds are to be disbursed need not be followed.

7. Escrow shall arrange and supervise the signing of all documents relating to the development which are to be signed after the sales contract, including the applicable conveyance documents.

8. Escrow is a "money holder" only and is:

(a) Not responsible for the validity and sufficiency of any sales contract received by it and may assume that all sales contracts and other documents have been signed by the persons whose signatures purport to be thereon;

(b) Under no obligation or liability for failure to inform the buyer or seller regarding any sale, loan, exchange or other transaction or facts within Escrow's knowledge, even though said facts concern the subject property provided such facts do not prevent Escrow from complying with these instructions;

(c) Not required to settle or determine any dispute or controversy or any differences between Seller and a third party (including buyer) or take any action in the event of any such dispute, controversy or differences. Instead, Escrow may:

(i) Wait for settlement of the controversy by final legal proceedings or otherwise as Escrow may require; or

(ii) Escrow may file a suit in interpleader in the Circuit Court of the First Circuit of Hawaii for the purpose of having the rights of the parties adjudicated and may deposit all of the monies in dispute or controversy with the Circuit Court after giving personal notice to the parties or otherwise as the Court may order. In this event, Escrow shall be fully released and discharged from all further obligations hereunder with respect to the monies so deposited.

9. Escrow shall be entitled to escrow fees for its services under this Escrow Agreement, in accordance with its schedule of fees, for each sales contract which it has received. Escrow shall be entitled to a cancellation fee of TWENTY-FIVE DOLLARS (\$25.00) for any such sales contract which is cancelled.

10. Buyer and Seller agree, jointly and severally, to

pay to Escrow on demand and to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorney's fees, expenses, obligations and liabilities of every kind and nature reasonably suffered or incurred in connection with or arising out of this escrow, including but not limited to all costs and expenses incurred for interpretation of these instructions, or with respect to any interpleader proceeding; and further, buyer and Seller agree that any sums which may be payable to Escrow may be deducted from the monies held hereunder before any payment thereof.