



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 1010 Richards Street - P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

53-866C KAMEHAMEHA HIGHWAY
 53-866C Kamehameha Highway
 Hauula, Oahu, Hawaii

Registration No. 2025 (Conversion)

Issued: May 2, 1989
 Expires: June 2, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of March 14, 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:** 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.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** Updates information contained in the
(pink)
- 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.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports.	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project.	5
I. PEOPLE CONNECTED WITH THE PROJECT.	6
Developer	Managing Agent
Real Estate Sales Agent	Attorney for Developer
Escrow Company	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws.	7
D. House Rules	8
E. Changes to Condominium Documents.	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements.	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: Apartment Descriptions	
EXHIBIT B: Common and Limited Common Elements	
EXHIBIT C: Encumbrances Against Title	
EXHIBIT D: Summary of Sales Contract & Escrow Agreement	
EXHIBIT E: Letter from Building Department	
EXHIBIT F: Repairs by Developer and Reconstruction of Dwellings	
EXHIBIT G: Disclosure Abstract	
EXHIBIT H:	
EXHIBIT I:	
EXHIBIT J:	

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 condominium unit 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 -- all units are different. SEE EXHIBIT "A" for detailed descriptions

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: eight (8)

*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: see Condominium Map and Declaration

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>8</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>8</u>

- 7. Recreational amenities: NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: THOMAS THEODORE AU Phone: 638-8101
Name (Business)
59-319 Pupukea Road
Business Address
Haleiwa, Hawaii 96712

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

Real Estate Sales Agent: Kailua Realty, Ltd. Phone: 263-6000
Name (Business)
130 Kailua Road, #110
Business Address
Kailua, Hawaii 96734

Escrow: ISLAND TITLE CORPORATION Phone: 261-7993
Name (Business)
315 Uluniu Street, Suite 202
Business Address
Kailua, Hawaii 96734

Managing Agent: Project is to be self-managed Phone: _____
Name (Business)
Business Address

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 _____ Page _____
 Filed – Land Court – Document Number 1599596

Amendment date(s) and recording/filing information:

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded – Bureau of Conveyance Condo Map No. _____
 Filed – Land Court Condo Map No. 691

Amendment date(s) and recording/filing information:

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book _____ Page _____
 Filed – Land Court – Document Number 1599597

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.

B. Underlying Land:

Address: 53-866C Kamehameha Highway Tax Map Key: 5-3-13-5 (1st)
Hauulu, Hawaii (TMK)

Address TMK is expected to change because _____

Land Area: 43,174 square feet acre(s) Zoning: R-5 (5,000 s.f.)

Fee Owner: THOMAS THEODORE AU
name
59-319 Pupukea Road
address
Haliewa, Hawaii 96712

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: 8 Floors Per Building: one (1)
 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>8</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other: _____			_____

5. Special Use Restrictions:

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

- Pets: _____
- Number of Occupants: _____
- Other: The condominium units are restricted to residential use only.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 8

Elevators NONE Stairways NONE Trash Chutes NONE

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>-- SEE EXHIBIT "A" for detailed unit descriptions --</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 unit owners may, at their sole discretion, remodel, expand or otherwise alter their unit, 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 unit owners or the Association; provided, however, that any newly-constructed improvements remain a minimum of five (5) feet from all property lines (including individual limited common element land area perimeter boundaries); 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 unit owners' enjoyment of their unit.

7. Parking Stalls:

Total Parking Stalls: 8 (some units have open parking not noted on Condominium Map)

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>5</u>	<u>3</u>	_____	_____	_____	_____	<u>8</u>
Guest Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra Available for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>8</u>	_____	_____	_____	_____	_____	_____

Each apartment will have the exclusive use of at least 1 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
- Storage Area
- Laundry Area
- Trash Chute
- Other: COMMON DRIVEWAY

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

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. See Exhibits "E" and "F" for further explanations regarding the present condition of the individual units.

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

See Exhibits "E" and "F" attached hereto.

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:

NOTE: Developer is presently applying for an Existing Use Permit, which will make all structures on the property fully conforming, and will also allow reconstruction of all structures on the property in the event of their accidental destruction.

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 Note above) </u>	
Lot	<u> x </u>		

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

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

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

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

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

Exhibit 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 unit and its owner(s) shall have appurtenant thereto a one-eighth (1/8) fractional interest (12.5 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 February 13, 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>
Blanket Mortgage	Buyer's interest unaffected. Title to the individual units 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 G 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

J. Status of Construction and Estimated Completion Date:

Project is a conversion of existing dwellings relocated to their present location in 1967-1968. Their actual age is at least 30 years or more.

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 December 1, 1988

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

Other

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 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. 2025 filed with the Real Estate Commission on
January 28, 1989.

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.



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

INDIVIDUAL UNIT DESCRIPTIONS

The Declaration of Condominium Property Regime and plans submitted by the Developer indicate that 53-866C KAMEHAMEHA HIGHWAY is a fee simple condominium conversion project consisting of a total of eight condominium units, each unit comprising a separate single-family structure. The units are described as follows:

- (a) Unit "53-866C Kamehameha Highway" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room and kitchen -- all containing a net interior living area of approximately 690 square feet. Said unit also contains an attached carport.
- (b) Unit "53-866C-1 Kamehameha Highway" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room and kitchen -- all containing a net interior living area of approximately 690 square feet. Said unit also contains an attached carport.
- (c) Unit "53-866C-2 Kamehameha Highway" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room, dining room and kitchen -- all containing a net interior living area of approximately 648 square feet.
- (d) Unit "53-866C-3 Kamehameha Highway" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room and kitchen -- all containing a net interior living area of approximately 588 square feet. Said unit also contains an attached carport.
- (e) Unit "53-866C-4 Kamehameha Highway" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room and kitchen -- all containing a net interior living area of approximately 592 square feet.
- (f) Unit "53-866C-5 Kamehameha Highway" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room, dining room and kitchen -- all containing a net interior living area of approximately 612 square feet.
- (g) Unit "53-866C-6 Kamehameha Highway" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room and kitchen -- all containing a net interior living area of approximately 612 square feet. Said unit also contains an attached carport.
- (h) Unit "53-866C-7 Kamehameha Highway" consists of a separate single-story wood-frame structure, without basement, containing two bedrooms, one bath, living room, kitchen, enclosed patio, storage area, garage and laundry area -- all containing a net interior living area of approximately 952 square feet.

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) The Common Driveway, as shown on the Condominium Map;
- (c) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (d) 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 limited common elements so set aside and reserved are as follows:

- (a) That certain land area, shown and designated on the Condominium Map as being 3,701 square feet, is deemed a limited common element appurtenant to and for the exclusive use of unit 53-866C Kamehameha Highway.
- (b) That certain land area, shown and designated on the Condominium Map as being 4,283 square feet, is deemed a limited common element appurtenant to and for the exclusive use of unit 53-866C-1 Kamehameha Highway.
- (c) That certain land area, shown and designated on the Condominium Map as being 3,911 square feet, is deemed a limited common element appurtenant to and for the exclusive use of unit 53-866C-2 Kamehameha Highway.

Exhibit "B"

- (d) That certain land area, shown and designated on the Condominium Map as being 10,050 square feet, is deemed a limited common element appurtenant to and for the exclusive use of unit 53-866C-3 Kamehameha Highway.
- (e) That certain land area, shown and designated on the Condominium Map as being 2,908 square feet, is deemed a limited common element appurtenant to and for the exclusive use of unit 53-866C-4 Kamehameha Highway.
- (f) That certain land area, shown and designated on the Condominium Map as being 3,171 square feet, is deemed a limited common element appurtenant to and for the exclusive use of unit 53-866C-5 Kamehameha Highway.
- (g) That certain land area, shown and designated on the Condominium Map as being 3,778 square feet, is deemed a limited common element appurtenant to and for the exclusive use of unit 53-866C-6 Kamehameha Highway.
- (h) That certain land area, shown and designated on the Condominium Map as being 8,564 square feet, is deemed a limited common element appurtenant to and for the exclusive use of unit 53-866C-7 Kamehameha Highway.

NOTE: The land area appurtenant to each apartment 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 October 13, 1988, issued by Hawaii Escrow and Title, Inc.:

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Terms, provisions, covenants and conditions of that certain unrecorded Revocable Living Trust Agreement dated February 13, 1986.
3. Purchase Money Mortgage in favor of LAWRENCE KUN LIN CHING, husband of Helen Ngung Shue Ng Ching, as Trustee under unrecorded Revocable Living Trust Agreement dated February 13, 1986, having all powers under said trust agreement, including full power to sell, convey, exchange, mortgage, lease, assign or otherwise deal with and dispose of all lands of the trust estate and interests therein, which Mortgage is dated December 22, 1986 and filed as Land Court Document No. 1426911.
Original consideration: \$320,000.00
4. 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.
5. Matters as shown on Condominium Map No. 691, filed in the Office of the Assistant Registrar of the Land Court.
6. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and other provisions as set forth in the Declaration of Condominium Property Regime dated October 15, 1988, filed as Land Court Document No. 1599596.
7. By-Laws of the Association of Condominium Owners of the 53-866C Kamehameha Highway Condominium Project, dated October 15, 1988 and filed as Land Court Document No. 1599597.

SUMMARY OF SALES CONTRACT AND ESCROW ARRANGEMENTS

SALES CONTRACT: Developer is 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.

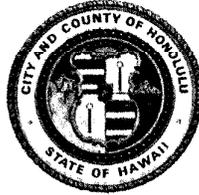
ESCROW ARRANGEMENTS: The Escrow Agreement, dated December 1, 1988, identifies Island Title Corporation as Escrow for the Project. The Escrow Agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to Purchaser, without interest and less cancellation fee and costs, if Purchaser shall in writing request refund of his funds and Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser. Said cancellation fee shall be in the minimum amount of \$25.00, but in no event shall exceed the agreed-upon escrow fee provided for in said Escrow Agreement, the exact amount to be commensurate with the amount of work completed at the time of cancellation.

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

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR



HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

Ex87-63

May 11, 1987

Mr. Roger V. Meeker
250 South Hotel Street
Courtyard Suite
Honolulu, Hawaii 96813

Dear Mr. Meeker:

Subject: Condominium Project
53-866C Kamehameha Highway
Tax Map Key: 5-3-13: 05

This is in reply to your letter dated March 12, 1987 requesting confirmation that the condominium conversion project located at 53-866C Kamehameha Highway met all code requirements at the time of construction.

Investigation revealed that the 8 one-story single-family dwellings met the code requirements when they were relocated between 1967 and 1968.

Inspection showed the following deficiencies:

Building 53-866C-1

1. Roof Eaves

a. Laie Eaves

1. Approximately 20% of the sheathing is termite and rot damaged.
2. The seventh 2x4 rafter from the mauka end is termite and rot damaged.

b. Makai Eaves

1. Approximately 25% of the sheathing is termite and rot damaged.

EXHIBIT "E"

Mr. Roger V. Meeker
May 11, 1987
Page 2

2. The makai-Laie 2x4 hip rafter is termite and rot damaged.
3. The third and fourth 2x4 rafters from the Laie end are termite and rot damaged.

Building 53-866C-2

1. Roof Eaves

Punaluu Eaves

The third 2x4 rafter from the mauka end is termite and rot damaged.

2. Laie Wall

Approximately 10% of the wall boards are termite and rot damaged.

3. Laie Row of 4x4 Posts

The first post from the makai end is not secured to the concrete foundation block.

Building 53-866C-3

1. Roof Eaves

a. Mauka Eaves

1. The fourth and seventh 2x4 rafters from the Punaluu end are termite and rot damaged.
2. The sheathing located between the fourth and eighth rafters from the Punaluu end is termite and rot damaged.

b. Punaluu Eaves

The sheathing located between the seventh and eighth rafters from the mauka end are termite and rot damaged.

2. Laundry Area

Makai Wall

Approximately 25% of the wall boards are termite and rot damaged.

Building 53-866C-4

1. Roof Eaves

a. Punaluu Eaves

Approximately 20% of the sheathing is termite and rot damaged.

b. Laie Eaves

1. Approximately 20% of the sheathing is termite and rot damaged.
2. The first 2x4 rafter from the makai end is termite and rot damaged.
3. The second 2x4 hip rafter from the Laie end, located above the kitchen door, is termite and rot damaged.

2. Punaluu Row of 4x4 Posts

The second 4x4 post from the makai end is termite and rot damaged.

Building 53-866C-5

1. Roof Eaves

a. Makai Eaves

Approximately 20% of the sheathing is termite and rot damaged.

b. Punaluu Eaves

1. Approximately 20% of the sheathing is termite and rot damaged.
2. The eighth 2x4 rafter from the makai end is termite and rot damaged.

Mr. Roger V. Meeker
May 11, 1987
Page 4

c. Laie Eaves

Approximately 20% of the sheathing is termite and rot damaged.

2. Mauka Wall

Approximately 10% of the wall boards are termite and rot damaged.

Building 53-866C-6

1. Roof Eaves

Mauka Eaves

Approximately 20% of the sheathing is termite and rot damaged.

2. The electrical service drop lacks the required 8 foot minimum clearance over the garage roof.

All units lack adequate number of electrical receptacle outlets to preclude the use of extension cords.

Some of the plumbing drains and vents were corroded and/or broken.

For your information, the 8 dwellings on this property are nonconforming dwelling units because the lot is not subdivided.

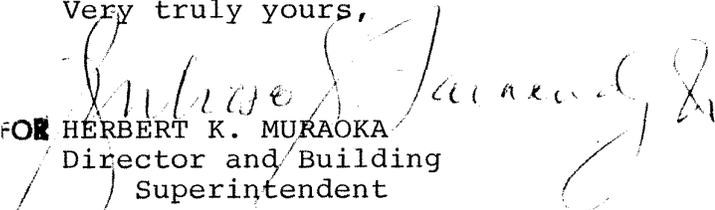
If a dwelling unit is destroyed by any means to an extent of more than 50 percent of its replacement cost at the time of destruction, it can only be reconstructed in conformance with the current code unless a variance or existing use permit is obtained from the Department of Land Utilization.

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

Mr. Roger V. Meeker
May 11, 1987
Page 5

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

Very truly yours,


FOR HERBERT K. MURAOKA
Director and Building
Superintendent

Subscribed and sworn to
before me this 13th day of
May, 1987.



Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: 9-29-90

REPAIRS BY DEVELOPER

and

RECONSTRUCTION OF DWELLINGS

As noted in the Building Department letter dated May 11, 1987 (attached to the Public Report as Exhibit "E"), most of the dwellings comprising the Project were in need of repairs to correct certain deficiencies. Specifically, investigation revealed varying degrees of termite and wood rot damage to the eaves, walls or posts of some of the units. In addition, some of the electrical and plumbing installations were in need of repair.

Since May of 1987, the Developer has been completing numerous repairs to the property to correct these deficiencies. No individual dwelling unit will be sold without that said deficiencies having first been corrected or repaired. To the best of the knowledge, information and belief of the Developer, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the City and County of Honolulu. 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.

At present, the eight dwellings on the property are considered nonconforming dwelling units. As such, if a dwelling unit is destroyed by any means to an extent of more than fifty percent (50%) of its replacement cost at the time of destruction, said dwelling unit can only be reconstructed in conformance with the then current code provisions unless a variance or existing use permit is obtained from the Department of Land Utilization.

The purchaser should be aware that Developer is applying to the Department of Land Utilization for an Existing Use Permit for the property, which will allow the reconstruction of any of the existing dwellings in the event of their accidental or intentional destruction. Pursuant to an Existing Use Permit, a dwelling of the same size and configuration may be reconstructed as long as it conforms with appropriate set-back, height, off-street parking, and other code regulations in effect at the time of reconstruction.

Exhibit "F"

DISCLOSURE ABSTRACT

**53-866C Kamehameha Highway
Condominium Project**

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

Developer

Thomas Theodore Au
59-319 Pupukea Road
Haleiwa, Hawaii 96712
Phone: 638-8101

Project Manager

Ben Au
59-319 Pupukea Road
Haleiwa, Hawaii 96712
Phone: 638-8101

Estimated Maintenance Fees/Costs per Condominium Unit

The regular maintenance and repair of each condominium apartment unit, including all utility charges individually metered, is the sole responsibility of each respective unit owner. All eight units share a common water meter, and will be charged a monthly assessment for their water service. Developer estimates that the required monthly maintenance fees to cover said water expenses for each unit shall be \$25.00 per month per unit, or \$300.00 per year per unit.

Common Driveway: All eight units are served by a common driveway. Although said driveway does not require regular monthly maintenance, it may require periodic repairs or maintenance from time to time. The determination of when such repairs or maintenance are necessary is solely that of the Association, and the costs of said repairs or maintenance shall be by special assessment and shall be shared equally by all unit owners.

Cesspools: All eight units are served by cesspools, some of which service more than one unit. Although not requiring regular monthly maintenance or repair, said cesspools may require periodic service or repair. The determination of when such maintenance or repairs are necessary is solely that of owner(s) of the the unit(s) serviced by the cesspool needing repair or maintenance, and the cost shall be borne equally by the owner(s) of the unit(s) so served.

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 condominium unit pursuant to Section XIV(c) of the Declaration. As such, the premiums on said policies will be the individual responsibility of each unit owner rather than common expenses of the Project.

Warranties

Purchasers should be aware that the "condominium units" of the Project are all single-family homes originally built more than 25 years ago, and were relocated to their present location in 1967 and 1968. Although the eight dwellings met all code requirements in effect at the time of their relocation, a recent inspection by the Building Department revealed several deficiencies detailed in the letter dated May 11, 1987 (attached as an exhibit to the Public Report). These deficiencies are presently being corrected by Developer, and will be completed prior to the sale of the individual condominium units. In spite of the recent repairs, however, purchasers should be aware that the 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 CONDOMINIUM UNITS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE DWELLING THEY DESIRE TO BUY. THE DWELLINGS ARE SOLD "AS IS".

Use of Units

All eight units comprising the Project are for residential purposes only. There is no non-residential development in the Project.

Structural Components and Mechanical & Electrical Installations

Inspection by an independent registered architect in May 1987 revealed deficiencies in the structural components and mechanical and electrical installations material to the use and enjoyment of the dwelling units. However, as a result of the subsequent repairs to the property presently being completed by the Developer since May of 1987, it is the Developer's opinion that the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium unit(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 UNIT.

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.



THOMAS THEODORE AU

Fee Owner/Developer