



**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

EMERSON GARDENS  
 1405 Emerson Street  
 Honolulu, Hawaii

Registration No. 2049

Issued: August 25, 1989  
 Expires: September 25, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 26, 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.

**Summary of Changes from Earlier Public Reports:**

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

No prior reports have been issued by the Commission.

Changes made are as follows:

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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 "Condominium 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 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

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

**Types of Project:**

1.  New Building(s)  Conversion  
 Both New Building(s) and Conversion
  
2.  Residential  Commercial  
 Mixed Residential and Commercial  
 Other \_\_\_\_\_
  
3.  High Rise (5 stories or more)  Low Rise
  
4.  Single or  Multiple Buildings
  
5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
A	1	3/2.5	1 221.6	Deck
B	1	3/2.5	1 196.4	Deck
C	1	3/2.5	1 224.6	Deck
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 3

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

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

6. Parking:

	<u>Number of Stalls</u>	
Assigned Stalls (Individual Units)	<u>6</u>	3 units (2 per un
Guest Stalls	_____	
Unassigned Stalls	_____	
Extra Stalls Available for Purchase	_____	
Other: _____	_____	
Total Parking Stalls	<u>6</u>	

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Emerson Partners Phone: 235-1959  
Name (Business)  
P. O. Box 1742  
Business Address  
Honolulu, Hawaii 96806

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

Wayland Lum - General Partner  
Lizzy Lum - General Partner  
Gary D. Peters - General Partner

Real Estate Sales Agent: Coldwell Banker Phone: 944-1888  
Ms. Frances Abe (Business)  
Name  
1580 Makaloa Street, Suite 500  
Business Address  
Honolulu, Hawaii 96814

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211  
Name (Business)  
235 Queen Street  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: Self managed (Refer to page 15 ) Phone: \_\_\_\_\_  
Name (Business)  
Business Address

Attorney for Developer: Oliver, Lee, Lawhn, Ogawa & Lau  
Name  
707 Richards Street, Suite 600  
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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium 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 22610 Page 557  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

First Amendment dated July 21, 1989 recorded in Book 23436, Page 252.

- 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. 1167  
 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 23397 Page 217  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

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.

- 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 common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	75% _____
Bylaws	65%	65% _____
House Rules	---	<u>Board of Directors</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:

Developer reserves the right to amend the Declaration and Condominium Map for the purpose of adjusting the plan or description of any apartment which has not been conveyed.



**B. Underlying Land:**

Address: 1405 Emerson Street Tax Map Key: (1) 2-1-39-042  
Honolulu, Hawaii 96813 (TMK)

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_

Land Area: 5040 [X] square feet [ ] acre(s) Zoning: A-2  
Medium density apartment district

Fee Owner: Emerson Partners  
Name

P. O. Box 1742  
Address

Honolulu, Hawaii 96806

Sublessor: \_\_\_\_\_  
Name

\_\_\_\_\_  
Address

**C Buildings and Other Improvements:**

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

2. Buildings: 1 Floors Per Building 3

[ ] 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>3</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:

[ X ] Pets No animals except for small dog, cat or bird

[ X ] Number of Occupants: 6 persons per 3 bedroom unit

[ ] Other: \_\_\_\_\_

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 3

Elevators None

Stairways 6

Trash Chutes None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>1</u>	<u>3/2.5</u>	<u>1 221.6</u>	<u>Deck</u>
<u>B</u>	<u>1</u>	<u>3/2.5</u>	<u>1 196.4</u>	<u>Deck</u>
<u>C</u>	<u>1</u>	<u>3/2.5</u>	<u>1 224.6</u>	<u>Deck</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 the floor area may have been used.*

**Boundaries of Each Apartment:**

Each apartment shall be deemed to include the building comprising the apartment including specifically, but not limited to:

- 1) The footings on which it is constructed;
- 2) Perimeters, walls and partitions which are not load-bearing within its perimeter walls; and
- 3) The inner decorated or finished surfaces of all walls, floors, or ceilings.

**Permitted Alterations to Apartments:**

The unit owner may improve, renovate, remodel, remove, replace, or restore the improvements to or in the unit with consent of Board of Directors.

7. Parking Stalls:

Total Parking Stalls: 6

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>4</u>	<u>          </u>	<u>2</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>6</u>
Guest	<u>          </u>						
Unassigned	<u>          </u>						
Extra Available for Purchase	<u>          </u>						
Other:	<u>          </u>						
Total Covered & Open	<u>4</u>	<u>          </u>	<u>2</u>	<u>          </u>	<u>          </u>	<u>          </u>	<u>          </u>

Each apartment will have the exclusive use of at least 2 parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit "B" 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

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: \_\_\_\_\_

\_\_\_\_\_

9. Present Condition of Improvements N/A  
 (For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

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

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: See Exhibit A

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     C     describes the common elements.

As follows:

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:

COMMON INTEREST. Each apartment shall have appurtenant thereto an undivided thirty-three and one-third percent (33 1/3%) interest in all common elements of the Project (herein called the "common interest") and the same proportionate share in all common profits and expenses of the Project, and for all other purposes including voting.

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

Exhibit D describes the encumbrances against the title contained in the title report dated January 18, 1989 and issued by Title Guaranty of Hawaii, Incorporated.

**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 dated November 30, 1988 in favor of Honfed Bank, recorded in Book 22,624, Page 214.	Mortgage will be released prior to 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 ] self-managed by the Association of Apartment Owners.

[ ] other \_\_\_\_\_

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

H. Utility Charges for Apartments:

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

- Electricity - but only for common elements
- Gas
- Other \_\_\_\_\_
- Not applicable
- Television Cable
- Water & Sewer

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:

Standard one (1) year warranty on new dwelling.

2. Appliances:

- 1) range ) Manufacturer's warranty on new appliances
- 2) disposal )
- 3) washer/dryer )

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

Construction commenced on October 1, 1988 and was completed on February 28, 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 F contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated February 14, 1989

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

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 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. 2049 filed with the Real Estate Commission on  
March 23, 1989.

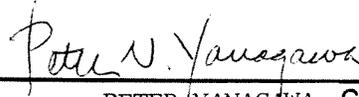
**Reproduction of Report.** When reproduced, this report must be on:

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.



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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

VARIANCE TO ZONING CODE

On May 7, 1987, the Zoning Board of Appeals of the City and County of Honolulu, in the Matter of the Application of Wayland D. and Raynette J. Lum for a Variance, Case no. 86/ZBA-58, granted a variance to allow a three (3) story apartment building to encroach into the yard and height setbacks, and with one less off-street parking space (6 in lieu of 7 spaces); subject to the following conditions:

1. The applicant shall obtain approval from the Director of Land Utilization for a revised plan showing the minimum aisle space and off-street maneuvering area for the parking area.
2. Canopy trees and landscaping shall be provided in all yards and applicant shall obtain a Special Design Permit for the Punchbowl District.
3. This variance may be revoked by the Board when due to a material change in circumstances one or more of the three Charter-required findings of hardship can no longer be made if there is a breach of any of the conditions above stated.

The Developer has complied with the above stated conditions.

EXHIBIT B

LIMITED COMMON ELEMENTS. Certain parts of the common elements, herein called "limited common elements", are 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 as follows:

a. Parking. Each apartment shall have the exclusive use of two (2) parking stalls initially identified by the numbers shown on the Condominium Map and on Exhibit "C" attached to the Declaration, as amended. Parking stalls shall not be exchanged among apartments absent the execution of an amendment to the Declaration and amendments to the respective apartment deeds involved. Notwithstanding, each apartment shall have the exclusive use of at least two (2) parking stalls;

b. Turn-around. Units "A" and "B" shall have the exclusive use of the "turn-around" area as designated on Exhibit "D" attached to the Declaration, as amended.

Each apartment shall at all times keep such limited common elements in a good clean condition for the safety, comfort, and convenience of all of the occupants thereof.

EXHIBIT C

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

(a) Said land in fee simple;

(b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load-bearing walls, roofs, walkways, driveways, mailboxes, and parking areas excluding the parking stalls.

(c) All grounds, landscaping and garden areas surrounding the building, and all roads, curbs, walls, fences, and like facilities serving more than one apartment.

(d) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenance transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, refuse, sewer, telephone and radio and television signal distribution; and

(e) Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

EXHIBIT D

ENCUMBRANCES AGAINST TITLE

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Mortgage dated November 30, 1988, by and between Emerson Partners, a Hawaii general partnership, "Mortgagor", and Honfed Bank, a Federal savings bank, "Mortgagee", recorded at the Bureau of Conveyances, State of Hawaii in Liber 22624, Page 214.
3. The restrictions, covenants, agreements, obligations, conditions, easements, and other provisions set forth in the Declaration of Horizontal Property Regime recorded at the Bureau of Conveyances, State of Hawaii in Liber 22610, Page 557, First Amendment to the Declaration of Horizontal Property Regime dated July 21, 1984, filed as aforesaid in Liber 23436, Page 257, the Bylaws of the Association of Apartment Owners, recorded in Book 23397, Page 217, and the Condominium Map filed at the Bureau of Conveyances, State of Hawaii, as "Bureau of Conveyance Condo Map No. 1167".

EXHIBIT     E    

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
A	\$111.44            \$1,337.28
B	\$111.44            \$1,337.28
C	\$111.44 <u>\$1,337.28</u>
	\$4,011.84

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

**Estimate of Maintenance Fee Disbursements:**

Monthly x 12 months = Yearly Total

Utilities and Services	
Air Conditioning	
Electricity	
<input checked="" type="checkbox"/> common elements only	6.00 x 12 = 72.00
<input type="checkbox"/> common elements and apartments	
Gas	
Refuse Collection	
Telephone	
Water and Sewer	13.30 x 12 = 159.60
Maintenance, Repairs and Supplies	35 x 12 = 420.00
Building	
Grounds	
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	198 x 12 = 2,376.00
Reserves	
2 months	240 (2 mo. each unit) = 480.00
Taxes and Government Assessments	
Audit Fees	
Other	
Audit tax preparation	42 x 12 = 504.00
 TOTAL	 4,011.60

I/We, EMERSON PARTNERS, as  
developer for the condominium project, hereby certify that the above estimates of initial  
maintenance fee assessments and maintenance fee disbursements were prepared in accordance  
with generally accepted accounting principles.

By:   
Its Managing Partner  
Date: March 22, 1989

EXHIBIT F

SUMMARY OF SALES CONTRACT

If a sales contract is entered into by the parties before a Final Public Report is issued to Emerson Gardens, the contract shall constitute a "reservation" and not a binding contract. (See Article II, Section 16.)

The contract shall not be assignable without the written consent of the Seller, and any attempt by Buyer to assign his/her rights under the contract will constitute a default thereunder. (See Article II, Section 10.) If Buyer should die prior to his/her fully performing under the contract, Seller at his/her option may terminate the contract

To effectuate the sale of the Emerson Gardens condominium units, an escrow has been established at Title Guaranty Escrow Services, Inc. (See Article II, Section 2.)

The purchase price for a unit in the Emerson Gardens condominium project will be \$225,000.00. (See Article I, Section D.) In addition to said purchase price, Buyer shall pay the following expenses: (a) Cost of drafting the apartment deeds and any conveyance tax and acknowledgments applicable; (b) Cost of credit reports and loan closing costs and all other expenses with respect to Buyer's financing of the purchase price; (c) All recording fees; (d) Escrow fees in accordance with the provisions of said escrow agreement; and (e) Insurance, common expenses, real property taxes, and other like prepaid expenses. (See Article II, Section 5.)

If said purchase price is to be paid in cash, Buyer shall, within ten (10) days of the execution of the contract, provide Seller with such written evidence establishing his/her ability to pay said purchase price in cash. If Seller, in his/her sole discretion is not satisfied with the Buyer's ability to make such cash payments, Seller can terminate the contract. (See Article II, Section 6(a).)

If Buyer utilizes mortgage financing, he/she shall, within ten (10) days of the execution of said agreement, apply for a loan from a lending institution. Seller may at his/her option terminate the contract if any one of the following conditions should occur: (a) Buyer's loan application is rejected; or (b) Buyer does not receive preliminary approval on his/her loan application within thirty (30) days after its submission to the lending institution. (See Article II, Section 6(b).)

In the event Seller elects to terminate the contract, Seller may effectively elect to do so by returning the monies paid to Buyer less Seller's costs incurred and without interest.

Buyer should perform under the contract within 60 days from the execution of the contract. Time is of the essence with respect to the obligations of Buyer under the contract. (See Article II, Section 17.)

The Seller makes no warranties, express or implied, with respect to any of the Emerson Gardens condominium units. (See Article II, Section 12.)

EXHIBIT G

SUMMARY OF CONDOMINIUM ESCROW AGREEMENT

for

EMERSON GARDENS

The parties to this agreement are Emerson Partners (hereinafter "Seller") and Title Guaranty Escrow Services, Inc (hereinafter "Escrow"). Under this agreement, Escrow has been retained by Seller to act as its escrow agent for the Emerson Gardens. (See Section 2.)

Escrow will receive a fee in the amount of \$200.00 plus Hawaii general excise tax for each condominium apartment sale, assuming that each sale closes within 2 years from February 14, 1989. (See Section 19(a).) If a sale is cancelled, Escrow will be entitled to a suitable fee of at least \$25.00, but in no event greater than \$200.00 plus Hawaii general excise tax. (See Section 19(b).)

Under this agreement, it is the responsibility of the Seller to provide Escrow with a signed copy of the Sales contract at the same time as Seller gives the Buyer's first deposit against the purchase price to the Escrow. (See Section 3.) Seller will also have the responsibility of notifying Escrow as to each time a sales contract requires a payment from Buyer. (See Section 4.) Upon such notification, Escrow will then inform the Buyer in writing of said payment requirement(s), to which Buyer will be required to make payments to Escrow on the later of: the date on said notice or five (5) days after receipt of said notice. (See Section 3.) Twice a month, Escrow will update Seller on the status of each Sales contract at that specific point in time. (See Section 13.)

All purchase monies received by Escrow will be placed in a special trust fund established in a federally insured bank or saving and loan institution located in Hawaii. (See Section 5(a).) Unless the Sales contract shows different instructions, Seller will be entitled to all interest earned on said Trust Fund Account(s). (See Section 5(a).) Seller's ability to take out funds from said trust fund will be subject to limitations. (See Section 5(b).)

Escrow will be required to close on the closing date as agreed to in the Sales contract, only if: (1) the required money has been paid to Escrow; (2) all necessary documents can be filed or recorded; and (3) all mortgages having to do with the purchase can be filed or recorded, following the lender's instructions. (See Section 19.)

No refund from said trust fund will be made unless, Seller, Mortgagee, and Buyer all execute written instructions to that effect. (See Section 6(a).) Should one be entitled to receive such a refund, he/she will receive written notice of such a refund by registered or certified mail. (See Section 6(d).) Refunds may be subject to "cancellation fees" (See Section 6(c).), and no interest will be paid on such refunds. (See Section 6(b).)

Seller agrees to hold Escrow harmless for any damages that Escrow may incur as a result of such a contract. (See Section 12.)

Both Seller and Escrow have the right to terminate said agreement upon 15 days notice, but only if, they agree that all escrows which have been started by the requirements of the agreement shall be completed. (See Section 16.)