



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

KAIMUKI PARKSIDE
 2781 Kapiolani Boulevard
 Honolulu, Hawaii 96826

Registration No. 2137

Issued: December 1, 1989
 Expires: January 1, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of November 6, 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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*
*                SPECIAL ATTENTION:
*
* The developer has disclosed that it makes no warran-
* ties itself but will assign the warranties given by
* the contractor and manufacturer or dealer, if any,
* to buyers.
*
* Prospective buyers are cautioned to carefully review
* all relevant documents for further information with
* regard to the foregoing factors.
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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>
<u>A</u>	<u>18</u>	<u>3/2</u>	<u>1,222</u>	<u>247</u>
_____	_____	_____	_____	_____

Each apartment will have an entry, a living room, a dining room, a kitchen, a laundry room, three bedrooms, two bathrooms, a dressing room, a walk-in closet, two lanais and two under-window storage areas.

Total Apartments: 18

**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>36</u>
Guest Stalls	<u>2</u>
Unassigned Stalls	<u>none</u>
Extra Stalls Available for Purchase	<u>none</u>
Other: _____	<u>none</u>
Total Parking Stalls	<u>38</u>

7. **Recreational amenities:** The Project will have a swimming pool, a spa, and a private park area which will be improved with picnic tables with benches, barbecue pits and landscaping.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Kaimuki Parkside Joint Venture Phone: 528-2776
Name (Business)
1314 South King Street, Suite 1254
Business Address
Honolulu, Hawaii 96814

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

International New Media System Corporation, Inc., a Hawaii corporation
JHS, Inc., a Hawaii corporation

Real Estate Sales Agent: DKY Realty Phone: 528-2776
Name (Business)
1314 South King Street, Suite 1254
Business Address
Honolulu, Hawaii 96814

Escrow: Founders Title and Escrow of Hawaii Phone: 531-0226
Name (Business)
900 Fort Street, Suite 1000
Business Address
Honolulu, Hawaii 96813

Managing Agent: Oishi's Property Management Corporation Phone: 949-4702
Name (Business)
750 Amana Street, Suite 101
Business Address
Honolulu, Hawaii 96814

Attorney for Developer: Hong, Iwai and Hulbert (Attn: Roy K. Kawano)
Name
Suite 2200, Pauahi Tower, 1001 Bishop Street
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 23648 Page 68
 Filed - Land Court - Document Number 1667270

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. 1242
 Filed - Land Court Condo Map No. 738

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 23648 Page 115
 Filed - Land Court - Document Number 1667271

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%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	The Board of Directors shall have <u>the power to adopt, amend or</u> repeal the House Rules.

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: The developer reserves the right to modify the Declaration, Bylaws, Apartment Deed, Escrow Agreement and Condominium Map; provided that no such modification shall (a) increase buyer's share of common expenses, (b) require a substantial change of the building in which the apartment is located, (c) reduce substantially the size of an apartment, or (d) substantially impair or modify any of the obligations in respect of the building given or undertaken by the developer. The developer further reserves the right to make changes to any apartment and to the common elements; provided that no changes shall be made which shall affect the physical location or reduce the number of apartments in the Project or substantially change the design of any apartment.

B. Underlying Land:

Address: 2781 Kapiolani Boulevard Tax Map Key: 2-7-25: 5
Honolulu, Hawaii 96826 (TMK)

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

Land Area: 18,381 [X] square feet [] acre(s) Zoning: A-2

Fee Owner: Kaimuki Parkside Joint Venture
Name
1314 South King Street, Suite 1254
Address
Honolulu, Hawaii 96814

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 10
[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [] Hollow Tile [] Wood

[X] Other Gypsum boards and studs, wooden doors and aluminum frames for glass windows.

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[X] Residential	<u>18</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 One household pet (either a dog, a cat or a small bird) or fish may be kept in any apartment.

Number of Occupants: _____

Other: See item A on page 18 of this report.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 18

Elevators 1 Stairways 1 Trash Chutes 1

<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>18</u>	<u>3/2</u>	<u>1,222</u>	<u>247</u>
_____	_____	_____	_____	_____

Each apartment will have an entry, a living room, a dining room, a kitchen, a laundry room, three bedrooms, two bathrooms, a dressing room, a walk-in closet, two lanais and two under-window storage areas.

**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 all the walls and partitions which are not load-bearing within its perimeter or party walls, all doors and door frames which includes the exterior unfinished surfaces thereof, windows and window frames, the lanai air space, the interior decorated or finished surfaces of all perimeter, party and load-bearing walls, floors, floor coverings and ceilings, and all fixtures originally installed or contained therein.

Permitted Alterations to Apartments; Alterations or additions solely within an apartment or within an appurtenant limited common element and the conversion of two apartments on the same floor into a single apartment may be undertaken in the manner described in item B on page 18 of this report.

7. Parking Stalls:

Total Parking Stalls: 38

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>20</u>	<u>5</u>	<u>2</u>	<u>9</u>	<u> </u>	<u> </u>	<u>36</u>
Guest Unassigned	<u> </u>	<u>2</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>2</u>
Extra Available for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>27</u>	<u> </u>	<u>11</u>	<u> </u>	<u>0</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 _____ 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 and spa
- Recreation Area
- Tennis Court
- Storage Area
- Laundry Area
- Trash Chute

Other: To comply with the requirements of the Park Dedication Ordinance No. 4621 of the City and County of Honolulu, the developer will designate a portion of the underlying land as a private park to be used as a private park for the owners and occupants of the apartments in the Project. The private park will be improved with picnic tables with benches, barbecue pits and landscaping. The apartment owners will be obligated to maintain the private park in perpetuity. As required by said Park Dedication Ordinance, the developer will execute and file with the Department of Land Utilization of the City and County of Honolulu a Declaration of Restrictive Covenants (Private Park).

9. Present Condition of Improvements

(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:

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.

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: Each of the 18 apartments will have an undivided 1/18th interest in all of the common elements.

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

Exhibit C describes the encumbrances against the title contained in the title report dated September 18, 1989 and issued by Founders Title & Escrow of .
Hawaii

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	The developer has obtained a construction loan from First Hawaiian Creditcorp, Inc. The proceeds of such loan will be used to pay for the construction of the Project. If the developer defaults under the construction loan prior to conveyance of the apartment to buyer, the mortgagee may or may not honor buyer's contract. If the mortgagee cancels buyer's contract, buyer will be entitled to a refund. If the developer defaults after the apartment is conveyed to buyer, buyer's interest will not be affected.

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:

[X] not affiliated with the Developer.

[] the Developer or the Developer's affiliate.

[] 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 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 checked="" type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input type="checkbox"/> Not applicable | |

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 construction contract with the general contractor for the Project includes AIA Document A201, which contains a warranty clause in Section 12.2.2 thereof which generally provides as follows:

If within one year after the date of substantial completion of the work, any of the work is found to be defective or not in accordance with the contract documents, the contractor shall correct it promptly after receipt of a written notice from the developer to do so unless the developer has previously given the contractor a written acceptance of such condition. The developer shall give such notice promptly after discovery of the condition.

The developer makes no warranties itself, but, if buyer shall give the developer written notice of any such condition promptly after discovery thereof, and during the unexpired term of the contractor's warranty, the developer will forward such notice together with its written notice to the contractor to correct such condition.

2. **Appliances:** A description of warranties on the appliances to be installed in each apartment is presently unavailable inasmuch as the purchase contracts therefor have not been executed by the developer. The developer will attempt to assign to buyers the unexpired term, if any, of any manufacturer's or dealer's warranties covering any fixtures or appliances in the apartment. By such assignment the developer will be merely passing through to buyers any such manufacturer's or dealer's warranties, and the developer will not be adopting any such warranties or acting as co-warrantor.

J. **Status of Construction and Estimated Completion Date:** The building permits for the Project were issued by the Building Department on April 4, 1989. The developer has advised the Real Estate Commission that the estimated completion date for construction of the Project is December 31, 1990 (assuming there are no delays).

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 September 12, 1989

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

Other Affidavit of Intent to Purchase a Unit Designated for Owner-Occupants; Receipt for Public Report(s) and Notice of Right to Cancel; Apartment Deed

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

A. Other Special Use Restrictions:

1. Hotel Use Prohibited. The apartments shall be occupied and used only as dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than 30 days, or (b) any rental in which the occupants of the apartments are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and the Bylaws. Any lease or rental agreement must be in writing, and the leasing of less than the whole of an apartment is prohibited.

2. Time-Sharing Prohibited. The apartments or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so called "vacation license", "transient vacation rentals", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a specific, discernible, fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, membership agreement, partnership or otherwise.

B. Permitted Alterations to Apartments:

1. Alterations Solely Within an Apartment or Limited Common Element. Any alterations or additions solely within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall be undertaken by an apartment owner or owners only pursuant to the written approval thereof, including the plans therefor, by the holders of mortgages affecting such apartment, the Board of Directors, and all other apartment owners thereby directly affected (as determined by the Board of Directors in its sole discretion). Upon completion of such alterations or additions the apartment owners directly affected shall duly record and file of record an amendment to the Declaration

together with the approved plans showing only such alterations or additions within an apartment space or within a limited common element as aforesaid. Such amendment to the Declaration need only be executed by the apartment owners directly affected and their mortgagees.

2. Conversion of Two Apartments Into a Single Apartment.

An apartment owner owning two (2) apartments on the same floor of the building may alter or remove all or portions of the intervening walls which separate such apartments and make other alterations or additions solely within such apartments and convert such apartments into a single apartment; provided that the structural integrity of the building or the soundness and safety of the Project shall not be thereby affected and such alteration, removal and restoration will not reduce the value of the Project or impair any easement or hereditament thereof, and the finish of the common element then remaining shall be restored to a condition substantially comparable to that of the common element prior to such alteration. All such alterations, removal or additions, including the plans thereof which shall be prepared by a licensed, registered architect, shall be subject only to the approval of the holders of mortgages affecting such apartments and the Board of Directors; and upon completion of such alteration, removal or addition, the owner of such apartments shall duly record and file of record an amendment to the Declaration, together with the approved plans showing only such alteration, removal or addition, which amendment need only be executed by the owner of such apartments and his mortgagees. Following the conversion of both apartments into a single apartment, the apartment owner of the single apartment may reconvert the same into the two original apartments. All alterations, removal or additions to convert the single apartment into the two original apartments, including the plans thereof which shall be prepared by a licensed, registered architect, shall be subject only to the approval of the holders of mortgages affecting the single apartment and the Board of Directors; and upon completion of such reconversion the apartment owner shall duly record and file of record an amendment to the Declaration, together with the approved plans showing only the reconversion of the single apartment into the two original apartments, which amendment need only be executed by the apartment owner and his mortgagees.

C. Apartment Numbering and Location: The building will be facing towards Kapiolani Boulevard, and the apartments will be located in the Diamond Head-Ewa alignment. The apartments will be numbered 01 or 02 preceded by a number indicating the floor on which the apartment is located. The 01 apartments will be on the Diamond Head end of the building, and the 02 apartments will be on the Ewa end of the building.

D. Financing of Project: The developer has obtained an interim construction loan and intends to pay for the construction and other development costs of the Project by means of the proceeds of such interim construction loan, the developer's own funds, and to the extent permitted by law and only after all statutory requirements and the requirements of the Commission have been met, buyer's funds held in escrow. The interim construction loan has been effected and a mortgage therefor has been executed and recorded (See Exhibit C). The interim construction loan mortgage has a partial release provision which will enable the buyer to take conveyance of an apartment free and clear of such interim construction loan mortgage.

1815R

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 Apartment Deed

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. 2137 filed with the Real Estate Commission on
October 5, 1989.

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

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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 N. 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

COMMON ELEMENTS

The common elements shall include, but are not limited to, the following:

1. The land in fee simple.
2. All foundations, floor slabs, slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, floors and ceilings, roofs, entries, stairways, walkways, entrances and exits of the building.
3. All yards, grounds, planters and landscaping.
4. All pipes, cables, conduits, ducts, vents, chutes, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas, water, sewer, ventilation, refuse, radio, telephone and television signal distribution, if any.
5. All areas, rooms, spaces, structures, housings, chutes, shafts or facilities of the Project within or outside of the building, which are for common use or which serve more than one apartment, such as electrical rooms, maintenance, service, security, machine, mechanical and equipment rooms and the equipment, machinery and facilities therein, surveillance systems and facilities, if any, hallways, lobbies, the elevator, walkways and common ways, directory/enterphone, mailboxes, recreational areas and facilities, fences, retaining walls, refuse collection areas, driveways, parking areas and the parking stalls therein (including two guest parking stalls).

PROVIDED, HOWEVER, the developer reserves unto itself, in any case where the developer shall sell to a single buyer both of the apartments on any one floor of the building, the right, power and authority to change the lobby of such floor from a common element to a limited common element appurtenant to the apartments on such floor, and the owner of said apartments shall have exclusive use of such lobby and will have all of the rights and obligations, including maintenance, repair and replacements, connected with limited common elements as provided for in the Declaration and the Condominium Property Act. The change in designation of the lobby from common element to limited common element shall be by written amendment to the Declaration and will be effective only upon recordation. Such amendment need only be executed by the developer and the apartment owner owning both apartments on a single floor as aforesaid. If during the

continuance of the Project as a condominium an apartment owner shall become the owner of both of the apartments on a single floor of the building, the Board of Directors may, upon request of such owner, change the lobby on such floor from a common element to a limited common element by an amendment to the Declaration and to the apartment deeds involved, which amendments shall be in writing and be effective only upon recordation. Such amendments, including the amendment to the apartment deeds involved, need only be executed by the Board of Directors, the apartment owner owning both apartments on a single floor as aforesaid and such apartment owner's mortgagee.

6. All tanks, pumps, heat pumps, motors, blowers, heaters, compressors, fans, and in general, all apparatus and installations for common use, and all other parts of the Project necessary or convenient to its existence, operation, maintenance or safety and normally in common use.

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

8. All other parts of the Project or the building which are not included in the definition of an apartment.

LIMITED COMMON ELEMENTS

Certain of the common elements are designated as "limited common elements" and are set aside and reserved for the use of certain apartments, which apartments shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements so set aside and so reserved are as follows:

1. The parking stalls and the apartments to which the same appertain are as follows ("r" after the parking stall number means regular size stall; "c" means compact stall):

<u>Apartment Number</u>	<u>Parking Stall Number</u>
201	38r, 19c
202	37r, 20c
301	21r, 1c
302	22r, 2c
401	36r, 3c
402	35r, 4c
501	23r, 5c
502	24r, 6c
601	34r, 7c
602	33r, 18r
701	25r, 8r
702	26r, 11r
801	32r, 12r
802	31r, 13r
901	27r, 14c
902	17r, 30r
1001	28c, 29r
1002	15r, 16r

Parking stalls numbered 14, 15, 16, 17 and 21 through 38 are covered; all of the other parking stalls are uncovered. Subject to the limitation that each apartment shall at all times have at least one parking stall appurtenant to it, apartment owners will have the right to change the assignment (but not the numbering) of parking stalls by amendment to the Declaration and the respective apartment deeds involved, such amendment to the Declaration and apartment deeds to be in writing and executed only by the owners of the apartments seeking such change (and their respective mortgagees, if any) and to be effective only upon recordation.

2. The mailbox assigned to an apartment shall be appurtenant to and for the exclusive use of such apartment. Each

apartment shall at all times have at least one (1) mailbox appurtenant to it.

3. Apartments numbered 1001 and 1002 will be air conditioned with individual compressor units located on the roof of the building and other appurtenant facilities and equipment. Each such compressor unit and appurtenant facilities and equipment will be limited common elements for the exclusive use of the apartment which they serve.

4. All other common elements of the Project which are rationally related to less than all of the apartments shall be limited to the use of such apartment or apartments to which the same are related.

ENCUMBRANCES AGAINST TITLE

Preliminary Report issued by Founders Title and Escrow of Hawaii dated as of September 18, 1989, shows the following encumbrances on the land:

1. For real property taxes as may be due and owing, inquiry should be made with the Department of Finance, Real Property Assessment Division, City and County of Honolulu.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. Mortgage dated August 22, 1989, made by the developer in favor of First Hawaiian Creditcorp., Inc., a Hawaii corporation, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1661458.

4. Mortgage dated May 10, 1989, made by Haruaki Ikeda, husband of Yoshiko Ikeda, in favor of Dickson K. Yamamoto, husband of Chong Hea Yamamoto, filed as aforesaid as Document No. 1633511. The foregoing mortgage was subordinated to the lien of the mortgage described in paragraph 3 above.

5. Mortgage dated August 10, 1989, made by the developer in favor of Haruaki Ikeda, filed as aforesaid as Document No. 1659802. The foregoing mortgage was subordinated to the lien of the mortgage described in paragraph 3 above.

6. Financing Statement made by the developer in favor of First Hawaiian Creditcorp, Inc., recorded in the Bureau of Conveyances of the State of Hawaii on August 25, 1989, in Liber 23563, Page 752.

7. Condominium Map No. 1242 filed in the Bureau of Conveyances and Condominium Map No. 738 filed in the Office of the Assistant Registrar of the Land Court.

8. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in the Declaration of Condominium Property Regime dated September 12, 1989, recorded as aforesaid in Liber 23648, Page 68, and also filed as aforesaid as Document No. 1667270.

9. Bylaws of the Association of Apartment Owners of Kaimuki Parkside dated September 12, 1989, recorded as aforesaid in Liber 23648, Page 115, and also filed as aforesaid as Document No. 1667271.

EXHIBIT D

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>
201, 202, 301, 302,	\$200.00
401, 402, 501, 502,	X 18
601, 602, 701, 702,	<u>\$3,600.00</u>
801, 802, 901, 902,	
1001, 1002.	

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	450.00	5,400.00
<input checked="" type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Gas		
Refuse Collection	175.00	2,100.00
Telephone	45.00	540.00
Water and Sewer	380.00	4,560.00

Maintenance, Repairs and Supplies

Building	636.25	7,635.00
Grounds	641.00	7,692.00

Management

Management Fee	520.83	6,250.00
Payroll and Payroll Taxes		
Office Expenses	20.00	240.00

Insurance	346.67	4,160.00
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Reserves	300.58	3,607.00
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Taxes and Government Assessments	42	5.00
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Audit Fees	62.50	750.00
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Other	21.75	261.00
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TOTAL	3,600.00	43,200.00
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I/We, Oishi's Property Management Corporation, as
managing agents for the condominium project, hereby certify that the above estimates of initial
maintenance fee assessments and maintenance fee disbursements were prepared in accordance
with generally accepted accounting principles.

Raymond H. Oishi
Date: 9/8/89

SUMMARY OF PROVISIONS OF THE SALES CONTRACT

The Sales Contract establishes the developer's willingness to sell and a buyer's willingness to purchase an apartment.

Among other provisions, the Sales Contract includes the following:

1. Each Sales Contract executed prior to the issuance of a Final Public Report for the Project shall constitute a "reservation" and not a "binding contract" for the purchase of an apartment.

2. The developer may cancel the Sales Contract if the buyer's application for eligibility for a mortgage loan is rejected or not preliminarily approved within thirty (30) days after application.

3. The buyer will pay for the following closing costs: acknowledgments of buyer's signatures on all documents, cost of credit reports, drafting of buyer's mortgage, mortgage insurance premiums, financing and other fees in connection with buyer's mortgage, title insurance, recording fees not paid by the developer, and one-half of the escrow fees.

4. The developer makes no warranties, express or implied, with respect to the apartments, the Project, or consumer products or other things installed therein, including warranties of merchantability, habitability, workmanlike construction, or fitness for a particular purpose.

5. The developer and its agent have no program at this time nor is any program planned or contemplated to offer a rental service of any kind to the owners of apartments in the Project, either individually or in any form of pooling arrangement, or by a third-party designated or arranged for by the developer, nor have any representations been made by the developer or its agent as to the feasibility of renting the apartment, or otherwise generating income or deriving any other economic benefit from ownership of the apartment. The developer and its agent have made no representations (nor is anyone authorized to do so) contrary to this paragraph with respect to either benefits to be derived from the rentals or other tax treatment of any buyer of an apartment.

6. The buyer agrees that the developer shall have the right to conduct construction activities for the construction and/or completion of the other apartments and the limited common elements appurtenant thereto and for correction of defects in the

Project, and such rights shall terminate 24 months after the later of (a) the date of recordation of the first Apartment Deed to an apartment in the Project, or (b) "substantial completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the improvements to be constructed, completed or corrected.

7. The buyer further agrees that the developer shall have the right to conduct extensive sales activities on the Project, including the use of model apartments, sales management offices, parking stalls within the exclusive control of the developer for parking for prospective buyers, and extensive sales displays and activities, until the closing of the sale of the last unsold apartment in the Project; provided that such sales activities are conducted in an unobtrusive manner which will not unreasonably interfere with the use, possession and aesthetic enjoyment of the Project by the buyer.

8. The buyer is advised that the developer intends to pre-close Sales Contracts by having all documents and funds necessary for final closing signed and deposited with Escrow prior to the date set for final closing and the buyer agrees to sign all necessary documents, including buyer's mortgage and escrow instructions, and deposit all monies required for final closing. If buyer does not sign all documents and deposit the necessary monies in escrow as aforesaid within 5 days after the developer has requested the buyer to do so, the developer will have the option to assess the buyer the costs and damages arising out of such delay.

9. The buyer agrees that his rights under the Sales Contract is subordinated to a mortgagee who makes a construction loan for the Project. This does not mean that the buyer is or will be in any way responsible for the payment of such loan. It merely means that if the developer defaults under the construction loan mortgage before the apartment is conveyed to the buyer (i.e. before final closing of the Sales Contract) and the mortgagee forecloses the mortgage, the Sales Contract which the buyer has signed for the purchase of an apartment may or may not be honored by the mortgagee. What will determine the action of the mortgagee in such a case will depend upon all of the circumstances then existing and cannot be predicted at this time. If the developer defaults after the apartment is conveyed to the buyer (i.e. after final closing of the Sales Contract), buyer's interest in the apartment will not be affected at all.

The foregoing are only excerpts from certain paragraphs in the Sales Contract. It is incumbent upon the prospective buyer to read the entire Sales Contract with care.

SUMMARY OF PROVISIONS OF THE ESCROW AGREEMENT

The Escrow Agreement establishes how the proceeds from the sale of the apartments are placed in trust as well as the retention and disbursements of said funds.

Among other provisions, the Escrow Agreement includes the following:

1. Escrow shall deposit any or all funds received and held in escrow in interest bearing accounts in federally-insured savings and loan institutions or federally-insured banking institutions designated by the developer or may use such funds for the purchase of time certificates. Any and all interest earned on such funds during the holding thereof shall accrue to the credit of the developer in accordance with the agreements and instructions contained in the Sales Contracts.

2. Subject to such deductions as may be provided in the Sales Contract and the escrow cancellation fee, the buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such buyer, if one of the following has occurred:

(a) The developer notifies Escrow to return to the buyer the funds of the buyer then being held thereunder by Escrow; or

(b) The developer notifies Escrow of the developer's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to the developer; or

(c) The conditions provided for a refund under Sections 514A-62, 514A-63 or 514A-105 of the Condominium Property Act (as amended on the date upon which the Sales Contract becomes binding and effective) have been met, and written notice thereof has been provided to the developer, and the developer and the buyer shall advise Escrow to refund buyer's funds.

Upon the return of said funds to the buyer as aforesaid, Escrow shall return to the developer such buyer's Sales Contract and any conveyancing documents theretofore delivered to Escrow pursuant to such Sales Contract; and thereupon neither the developer nor the buyer shall be obligated under the Sales Contract.

3. Escrow shall make no disbursements of any buyer's funds, except by way of refunds thereof as provided above, until such buyer's Sales Contract has "become effective" and the requirements of Section 514A-39, 514-62 and 514A-63 of the Condominium

Property Act have been met. No disbursements of any buyer's funds shall be made by Escrow for payments of construction costs unless bills are submitted with the request for such disbursements which have been approved or certified for payment by the developer's mortgagee or a financially disinterested person.

4. Subject to the provisions of paragraphs 2 and 3 above, and upon the written request of the developer, disbursements of buyer's funds shall be made by Escrow from time to time to pay for construction costs in proportion to the valuation of the work completed by the contractor as certified by a registered architect or professional engineer, and approved by the developer's mortgagee, and to pay for architectural, engineering, finance and legal fees and other incidental expenses of the Project as approved by the developer's mortgagee. No disbursement of any buyer's funds shall be made from the balance of the escrow funds after payment of the foregoing costs until Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared unless sufficient funds are set aside for any bona fide dispute.

The foregoing are only a summary of certain provisions in the Escrow Agreement. It is incumbent upon the prospective buyer to read the entire Escrow Agreement with care.