



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

"826 PROSPECT"
 826 Prospect Street
 Honolulu, Hawaii 96813

Registration No. 2156

Issued: February 13, 1990
 Expires: March 13, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 18, 1990, 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 he makes
*           no warranties himself as to the building and
*           other improvement but all warranties given to
*           him by the General Contractor will be assigned
*           to the purchaser. The unexpired term of any
*           manufacturer or dealer's warranties given to
*           the developer will be assigned to the purchaser
*           as well. (See page 16 of this report)
*
*           The prospective purchaser is cautioned
*           to carefully review the documents for further
*           information with regard to the foregoing.
*
* * * * *
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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>I</u>	<u>1</u>	<u>4/5</u>	<u>2,404 sq ft</u>	<u>None</u>
<u>II</u>	<u>1</u>	<u>3/4</u>	<u>2,367 sq ft</u>	<u>50 sq ft</u>
<u>III</u>	<u>1</u>	<u>3/5</u>	<u>2,446 sq ft</u>	<u>25 sq ft</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>3 Two-car garages</u>	<u>6</u>
Total Parking Stalls	<u>6</u>

7. Recreational amenities:

None .

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Lawrence K. W. Lee
Name
1188 Bishop Street, Suite 1110
Business Address
Honolulu, Hawaii 96813

Phone: 524-6600
(Business)

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

Not applicable

Real Estate Sales Agent: Leland Realty Inc.
Name
1188 Bishop Street, Suite 1110
Business Address
Honolulu, Hawaii 96813

Phone: 524-6600
(Business)

Escrow: Long & Melone Escrow, Ltd.
Name
333 Queen Street, Suite 501
Business Address
Honolulu, Hawaii 96813

Phone: 531-1391
(Business)

Managing Agent: Self-Managed
Name

Business Address

Phone: Not applicable
(Business)

Attorney for Developer: Stanley M. Morishige
Name
1001 Bishop Street, 1220 Pauahi Tower
Business Address
Honolulu, Hawaii 96813

531-5007

**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 23634 Page 610
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

First Amendment to Declaration of Condominium Property Regime of "826 Prospect" dated October 18, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23864, Page 749 on November 9, 1989.

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyance Condo Map No. 1241
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

First Amendment to Declaration of Condominium Property Regime of "826 Prospect", dated October 18, 1989, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 23864, Page 749 on November 9, 1989.

- 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 23634 Page 634
 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%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

Under Paragraph 17 of the Declaration of Condominium Property Regime, the developer reserves the right to amend the Declaration (including any exhibits) at any time prior to the first recording of an Apartment Deed demising an Apartment to a party not a signatory to the Declaration, without the consent or joinder of any purchaser of any of the Apartments.

B. Underlying Land:

Address: 826 Prospect Street Tax Map Key: 2-2-04-50
Honolulu, Hawaii 96813 (TMK)

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

Land Area: 8,716 [X] square feet [] acre(s) Zoning: A-2

Fee Owner: Lawrence K. W. Lee
Name

1188 Bishop Street, Suite 1110
Address

Honolulu, Hawaii 96813

Sublessor: Not applicable
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: 3 Floors Per Building 3
[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [] Hollow Tile [X] Wood
[X] Other Glass

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:

Pets One dog or cat allowed, otherwise no rabbits, livestock, etc.

Number of Occupants: _____

Other: No time sharing or hotel use

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 3

Elevators 0

Stairways 3

Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>I</u>	<u>1</u>	<u>4/5</u>	<u>2,404 sq ft</u>	<u>None</u>
<u>II</u>	<u>1</u>	<u>3/4</u>	<u>2,367 sq ft</u>	<u>50 sq ft</u>
<u>III</u>	<u>1</u>	<u>3/5</u>	<u>2,446 sq ft</u>	<u>25 sq ft</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: The boundaries of each Apartment shall be deemed to be the outside surfaces of the exterior walls and the roof and the bottom surfaces of the footing and foundations of each dwelling unit, as delineated and described in said Condominium Map.

Permitted Alterations to Apartments:

See Exhibit "A".

7. Parking Stalls:

Total Parking Stalls: 6

	<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>6</u>	<u> </u>	<u>6</u>				
Guest	<u> </u>						
Unassigned	<u> </u>						
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>						
Total	<u> </u>						
Covered & Open	<u>6</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
 (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

Not applicable

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

Not applicable

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 "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 "D"

as follows:

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

Exhibit _____ describes the common interests for each apartment.

As follows:

Each apartment shall have appurtenant thereto a 33.33 1/3% undivided interest in all of the common elements of the project and the same proportionate share in all common profits and common 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 "E" _____ describes the encumbrances against the title contained in the title report dated November 9, 1989 and issued by Long & Melone Escrow, Ltd.

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.

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>
First Mortgage	Mortgagee may foreclose on the property but in such event, Buyer shall be entitled to return of his deposit.
Second Mortgage	Mortgagee may foreclose on the property but in such event, Buyer shall be entitled to return of his deposit.

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.

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 _____ "F" _____ contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

- Electricity Television Cable
- Gas Water & Sewer
- Other _____ Insurance Premiums _____
- 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:

Developer makes no warranties, but all warranties given Developer by the General Contractor shall accrue to purchasers of the Apartments without further instrument or documents. Developer shall cooperate with purchaser in asserting any claims based thereon. Nothing herein shall be deemed to imply that Developer is co-warrantor with the General Contractor.

2. Appliances:

Developer will assign to purchasers the unexpired term of any manufacturer's or dealer's warranties, if any, covering any furnishings, furniture, fixtures or appliances. Nothing herein shall be deemed to imply that Developer is a co-warrantor of any appliances, furniture, furnishings or fixtures.

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

Construction is scheduled to be completed on February 28, 1990.

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:

Not applicable.

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 "G" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated September 12, 1989

Exhibit "H" 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. 2156 filed with the Real Estate Commission on
November 13, 1989.

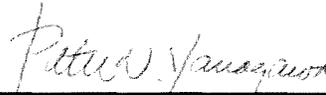
Reproduction of Report. When reproduced, this report must be on:

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.



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

EXHIBIT "A"

PERMITTED ALTERATIONS TO APARTMENTS

Subject to the right of the Board of Directors to alter or add to the common elements of the project and subject to the provisions Section 514A-89 of the Hawaii Revised Statutes, each apartment owner, with the consent of his mortgagee, if any, shall have the right at his sole option at any time, without consent of anyone other than the holders of all liens affecting his apartment, to make nonmaterial structural improvements on his dwelling unit, or to make improvements to the apartment space appurtenant to his dwelling unit, subject to the foregoing:

1. All building plans for any such change shall be prepared by a licensed architect or professional engineer and conform with County building or zoning laws and other City and County ordinances.

2. The value of the apartment after such change will not be less than the value before such change.

3. No change to a apartment will be made outside the apartment space on which the apartment is situated: no change will reduce the distances between improvements placed on each apartment space to less than what it was originally as shown on said Condominium Map; and no change will exceed the dwelling unit's coverage of the land as defined by the Zoning Ordinances of the City and County of Honolulu in effect when the change is to be made. The proportionate share of each apartment shall be the same as it's interest in the common interest.

4. All changes shall be at the sole expense of the apartment owner making the change and prior to commencement of construction, the owner making the change shall give reasonable assurances to the Association of the owner's financial ability to complete and pay for the change.

5. At all times during the construction, the owner shall procure and pay for a builder's all risk insurance in an amount not less than the estimated cost of construction. The Association shall be an additional insured under said policy.

6. Notwithstanding the foregoing, no apartment owner may add any material structure to his apartment space nor excavate any additional cellars or basements, and no work shall be done which would jeopardize the soundness or safety of the Project, reduce the value thereof, violate the uniform external appearance of the Apartment, or impair any easement, without in every such case the unanimous consent of all other Apartment owners being first obtained.

END OF EXHIBIT "A"

EXHIBIT "B"

The Project has a total of six (6) parking spaces divided between three two-car garages. Each Apartment in the Project has incorporated as a part of the dwelling unit, one two-car garage. Apartment I of the Project has a two-car garage of approximately 389 square feet; Apartment II, has a two-car garage of approximately 361 square feet; and Apartment III has a two-car garage of approximately 361 square feet. The layout of each garage is more particularly set-forth in the Condominium Map. Each of the garages has access to Prospect Street via the common driveways.

END OF EXHIBIT "B"

EXHIBIT "C"

DESCRIPTION OF COMMON ELEMENTS

The common elements shall include each of the elements which are mentioned in Section 514A-3 of the Hawaii Revised Statutes, as amended, and which are actually constructed or provided as described herein, and specifically include, but are not limited to, the following:

- (1) The Land in fee simple;
- (2) The sewers and drains situated on the land and existing for common use and all easements, if any, shown on the Condominium Map or described in the Declaration;
- (3) The driveways and the road easements shown on the Condominium Map or described in the Declaration;
- (4) All utility installations which serve more than one apartment;
- (5) All pipes, cables, conduits, ducts, electrical equipment, wiring and generally all equipment and apparatus, installations and personal property existing for the common use on the land hereinabove described;
- (6) All other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use; and
- (7) All portions of the Project not deemed to be included as an apartment.

END OF EXHIBIT "C".

EXHIBIT "D"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements herein called the "limited common elements", are hereby designated and set aside for the exclusive use of one apartment only, and such apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. In general, the limited common elements are all common elements of the Project which are rationally related to a single apartment and which shall be limited common elements appurtenant to the apartment to which they are related. Without limiting the foregoing, each apartment will have as an appurtenance thereto, all for the exclusive use of such dwelling unit, (1) all utility service lines not contained within the apartment but which are used exclusively by and servicing only that apartment, along with all appurtenant ducts and related equipment located therein; (2) the site of each apartment (hereinafter called the "apartment spaces"), consisting of the land area adjacent to each apartment enclosed by the perimeter boundaries of each lot, as outlined on the Condominium Map in red for Apartment No. I, in blue for Apartment No. II, and in yellow for Apartment No. III; (3) the driveways servicing the respective dwelling units as delineated on said Condominium Map; and (4) each apartment also has the mail box bearing the same number as the apartment as a limited common element.

END OF EXHIBIT "D"

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE .

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

2. An easement for pipeline purposes described as follows:

Beginning at the initial point of Lot A, on the North side of Prospect Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "Punchbowl" being 1,371.78 feet South and 478.69 feet East, thence running by azimuths measured clockwise from True South:

1. 201° 12' 140.64 feet along the remainder of Grant 3505 to C. Johnson;
2. 291° 12' 3.00 feet along same;
3. 21° 12' 140.48 feet along same;
4. 108° 09' 3.00 feet along the North side of Prospect Street to the point of beginning and containing an area of 422 square feet, more or less.

3. 5-Foot Road Set-back along Prospect Street, as shown on Condominium Map No. 1241, as amended, filed in said Bureau of Conveyances contemporaneously herewith.

4. Mortgage, security agreement and financing statement dated March 16, 1989 in favor of Rainbow Financial Corporation, a Hawaii corporation recorded in said Bureau of Conveyances in Liber 22971, Page 519.

5. Mortgage, security agreement and financing statement dated July 17, 1989 in favor of Rainbow Financial Corporation, a Hawaii corporation, recorded in said Bureau of Conveyances in Liber 23421, Page 252.

6. Covenants, conditions, restrictions, reservations, easements liens for assessments, options, powers of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Horizontal Property Regime, dated September 11, 1989, recorded in said Bureau of Conveyances of the State of

Hawaii in Liber 23634, Page 610; Condominium Map No. 1241; any instrument creating the estate or interest herein set forth; and in any other allied instrument referred to in any of the instruments aforesaid. Said Declaration was amended by instrument dated November 9, 1989, recorded in Liber 23864, Page 749.

7. By-laws of the Association of Apartment Owners of "826 Prospect" dated September 11, 1989, recorded in said Bureau of Conveyances in Liber 23634, Page 634.

END OF EXHIBIT "E"

EXHIBIT "F"

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>
Apt. No. I:	\$30.00 \$360.00
Apt. No. II:	\$30.00 \$360.00
Apt. No. III:	\$30.00 \$360.00

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

Insurance Coverage:

Fire & Liability	\$90.00	\$1080.00
TOTAL	<u>\$90.00</u>	<u>\$1080.00</u>

All utilities are metered separately to each apartment and therefore are not part of the common area maintenance fees.

I, Lawrence K. W. Lee, 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.

Lawrence K. W. Lee

Date: Oct. 24, 1989

END OF EXHIBIT "F"

EXHIBIT "G"

SUMMARY OF PERTINENT PARTS OF SALES CONTRACT

The specimen Sales Contract provides in part that:
(1) the purchaser acknowledges in the Sales Contract that minor construction activity may continue on the site after purchaser has occupied his apartment, and that the Seller's sales activities may continue until the last apartment in the Project is sold; (2) all apartments will be sold "as is" without any warranties whatsoever and without any warranties of merchantability or fitness for a particular purpose with respect to purchaser's apartment, appliances or anything installed therein, the common elements of the Project or any portions of the Project; (3) In the event the Apartment is rented at the time of execution of the Sales Contract, the Apartment shall be subject to and Buyer shall assume said rental agreement, and rent received from the tenant will be prorated between Buyer and Seller as of the date of Final Closing; and (4) Seller shall pay for the cost of drafting the Apartment Deed and Buyer shall pay all other closing costs including, cost of drafting promissory note(s) and mortgage(s), notary fees, consent fees, and all recording fees, conveyance taxes, title charges, Escrow fees and all other applicable charges, fees and costs in procuring his financing.

END OF EXHIBIT "G"

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

A copy of the executed Escrow Agreement dated September 12, 1989, identifies LONG & MELONE ESCROW, LTD., a Hawaii corporation, as escrow agent. Among other provisions, the executed Escrow Agreement states that a purchaser under the Sales Contract shall be entitled to a return of his funds, and Escrow shall pay such funds to said purchaser without interest, promptly after purchaser has requested such return if Escrow shall have received from Developer a written notice that any one of the following has occurred:

1. Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held by Escrow; or

2. Developer shall have notified Escrow of Developer's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

3. With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a substantive change in the building plans of a type which gives purchaser a right to cancel his Sales Contract pursuant to Chapter 514A of the Hawaii Revised Statutes (unless purchaser's written approval or acceptance of the specific change is obtained or ninety [90] days have elapsed since the purchaser has accepted in writing the apartment or he has first occupied the apartment); or

4. The Final Report differs in a material respect from the Preliminary Report and the purchaser's written approval of such change shall not have been obtained and purchaser shall request the refund; or

5. The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and purchaser's rights are not waived under Section 514A-66, Hawaii Revised Statutes.

In any of the foregoing events Escrow shall, upon receipt of the written request for a refund from purchaser, pay said funds to the purchaser (less cancellation fee to Escrow of \$45.00 per apartment and Escrow and cancellation costs, as defined in the Sales Contract) and thereupon said Sales Contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

By separate letter agreement dated December 12, 1989, the Developer has agreed that Buyers funds shall not be used to complete the Project.

END OF EXHIBIT "H"