



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

**CONDOMINIUM PUBLIC REPORT**

on  
 THE WAIALAE Residence  
 2860 Waiialae Avenue  
 Honolulu, Hawaii 96826

Registration No. 2161

**Issued:** December 9, 1991  
**Expires:** January 9, 1993

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of November 12, 19 91, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

**Type of Report:**

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.  
 No prior reports have been issued  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- SUPPLEMENTARY:** (pink) Updates information contained in the  
 Prelim. Public Report dated February 6, 1990  
 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:

1. The size of the Project has been increased from 24 to 26 apartments by changing the penthouse units to two (2) levels of apartments.

2. The number of parking stalls has increased from 51 to 55 stalls.

3. The recreational amenities: swimming pool and recreational area have been eliminated.

4. The managing agent has been changed from PARAMID CORPORATION to PAR MANAGEMENT, INC.

C:\WP5\CONDO\WR.P2

## TABLE OF CONTENTS

page

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

## GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "*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  Ohana  
 Mixed Residential and Commercial  Agricultural  
 Other \_\_\_\_\_
3.  High Rise (5 stories or more)  Low Rise
4.  Single or  Multiple Buildings

**5. Apartment Description**

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
101/102 thru 1201/1202	24	3/2	1,188 sq. ft.	-0-
PHA/PHB	2	3/2	1,188 sq. ft.	-0-
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 26

*\*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)	52
Guest Stalls	3
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>55</u>

**7. Recreational amenities:** None

## I. PEOPLE CONNECTED WITH THE PROJECT

**Developer:** KAMHI, INC. **Phone:** (808) 946-8033  
**Name** (Business)  
1507 Kapiolani Boulevard, Suite 6  
**Business Address**  
Honolulu, Hawaii 96814

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

Kenneth K. Nobuta                      President/Treasurer  
Dick S. Clack                              Vice President  
D. Zane Schlemmer                      Secretary

**Real Estate Broker:** VIRGINIA EPLEY-SPRINKLE DBA  
CENTURY 21 KAHALA HALE **Phone:** (808) 735-7888  
**Name** (Business)  
4400 Kalaniana'ole Highway, Suite C21  
**Business Address**  
Honolulu, Hawaii 96821

**Escrow:** T.I. OF HAWAII, INC. **Phone:** (808) 526-3571  
**Name** (Business)  
Four Waterfront Plaza, Suite 300  
**Business Address**  
Honolulu, Hawaii 96813

**General Contractor:** To be determined **Phone:** \_\_\_\_\_  
**Name** (Business)  
\_\_\_\_\_  
**Business Address**  
\_\_\_\_\_

**Condominium Managing Agent:** PAR MANAGEMENT, INC. **Phone:** (808) 533-4453  
**Name** (Business)  
1210 Auahi Street, Suite 105  
**Business Address**  
Honolulu, Hawaii 96814

**Attorney for Developer:** HIROSHI SAKAI, ATTORNEY AT  
LAW, A LAW CORPORATION **Phone:** (808) 531-4171  
**Name** (Business)  
City Financial Tower, Suite 902  
201 Merchant 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 - Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

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

The Condominium Map for this condominium project is:

- Proposed  
 Recorded - Bureau of Conveyance Condo Map No. \_\_\_\_\_  
 Filed - Land Court Condo Map No. \_\_\_\_\_

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 - Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. \_\_\_\_\_

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>Majority vote of Board of Directors</u>

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

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

**Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules**

The Developer reserves the right to use in its sole discretion from time to time any apartments that it owns as models, management, and/or sales office and conduct sales and rental operations within the project and to maintain such advertising signs which it deems necessary to conduct its business so long as the signs comply with any governmental ordinance which may be placed in any location of the project.

There are additional reservations in favor of the Developer and covenants which a Buyer should be aware of in the Sales Contract as well as in the Declaration which allow the Developer to make changes to the Declaration, By Laws and House Rules prior to the conveyance of any apartments to the Buyers. The Developer is authorized to file the "as built" Condominium Map even after there has been conveyances of apartments made to Buyers.





4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>26</u>	<u>Yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

Yes                       No

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 may be kept under such terms and conditions as prescribed by

Pets: the Board of Directors for the particular type of animal.

Number of Occupants: \_\_\_\_\_

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

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

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>101/102 thru 1201/1202</u>	<u>24</u>	<u>3/2</u>	<u>1,188 sq. ft.</u>	<u>-0-</u>
<u>PHA/PHB</u>	<u>2</u>	<u>3/2</u>	<u>1,188 sq. ft.</u>	<u>-0-</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 26

*\*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 unit shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls. The floors and ceilings surrounding each of them or any pipes, wires, conduits or other utility lines running through them which are utilized for or serve more than one unit are deemed common elements as herein provided. Each unit shall be deemed to include all the wall and partitions, floors and ceilings which are not load bearing within its perimeter walls including paint, wallpaper, or the like, carpeting, floor covering and built-in fixtures. Additionally, the boundary lines of each apartment are the exteriors of doors, windows, and glass walls and the frames thereof and the handrail of the lanais.

**Permitted Alterations to Apartments:**

Except as specified in the Declaration, the common interest and elements appurtenant to each apartment shall have a permanent character and shall not be altered without the consent of all of the apartment owners affected, expressed in an amendment to the Declaration and duly filed.

**7. Parking Stalls:**

Total Parking Stalls: 55

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	10	42					52
Guest		3					3
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	55						

Each apartment will have the exclusive use of at least two 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 G 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

N/A

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

N/A

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     C     describes the common interests for each apartment.

As follows:

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

Exhibit  D  describes the encumbrances against the title contained in the title report dated  September 13, 1991  and issued by  Security Title Corporation .

**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.

**Type of Lien**

Mortgages

**Effect on Buyer's Interest  
if Developer Defaults**

First and Second Mortgages to be released prior to any interest being conveyed to a Buyer. All easements will remain.

Buyer's interest may be terminated on foreclosure but Buyer will be entitled to a refund of 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:

[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   H   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:

Not applicable

Electricity (Common Areas only)

Television Cable

Gas

Water & Sewer

Other \_\_\_\_\_

**I. Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

**1. Building and Other Improvements:**

Exhibit H - Disclosure Statement attached contains warranties

**2. Appliances:**

See Exhibit H

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

Commencement of construction is estimated in the next six (6) months after financing is concluded and completion of construction is one (1) year after commencement.

**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 December 1, 1989 amended September 29, 1991

Exhibit     F     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.

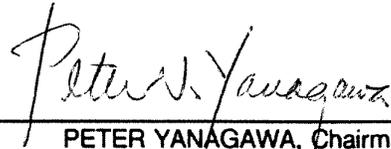
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107)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

This Public Report is a part of Registration No. 2161 filed with the Real Estate Commission on December 8, 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 YANAGAWA, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances  
Department of Finance, City & County of Honolulu  
Planning Department, City & County of Honolulu  
Federal Housing Administration

EXHIBIT "A"

COMMON ELEMENTS

- a. The land in fee simple.
- b. The foundations, columns, girders, beams, floor slabs, roofs, supports and load bearing walls (except for the inner finished surfaces within each apartment).
- c. All structural elements, stairways, walkways, walls, fences and railing, the landscaped and parking areas and driveways.
- d. The ground floor lobby and mailboxes, restroom, mechanical and trash rooms, loading zone and three guest parking stalls, Nos. 39, 40 and 55.
- e. The sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations which serve all condominium apartments such as power, light, refuse, telephone and cable television.
- f. Any and all other structures, apparatus and installations of common use, and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "B"

LIMITED COMMON ELEMENTS

The limited common elements of the Project are the parking stalls designated and set aside for the exclusive use of certain apartments as set forth in Exhibit "H".

W2  
EX B P  
91691

EXHIBIT "C"

DESCRIPTION OF CONDOMINIUM APARTMENTS  
AND COMMON INTERESTS

<u>Type of Apartments</u>	<u>No. of Apartments</u>	<u>% common Interest</u>	<u>Totals</u>
3 Bedroom 2 Bathrooms 101/102 thru 1201/1202	24	3.84615	92.3077%
3 Bedroom 2 Bathrooms:			
PHA	1	3.84615	3.84615%
PHB	<u>1</u>	3.84616	<u>3.84616%</u>
	24		100.00000%

The percentage undivided interest is calculated by dividing an apartment's net living or useable area by the sum of all of the areas of all the apartments with minor adjustment to PHB to bring the total percentage to 100%.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

1. For any taxes that may be due and owing and a lien on the parcel of land herein described, reference is hereby made to the Office of the Tax Assessor of the First Division.

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

3. A perpetual easement ten (10.00) feet wide for a water main, together with the right of ingress and egress to and from said easement for the purposes of maintenance and repairs, as disclosed in the Warranty Deed dated December 20, 1988, recorded in the Bureau of Conveyances of the State of Hawaii in Book 22779, Page 344.

4. Restrictive covenants as contained in Land Patent (Grant) No. 11,270 to which reference is hereby made.

5. Mortgage made by Kazuyoshi Nobuta, Trustee under that certain unrecorded K & N Nobuta Irrevocable Trust Agreement dated March 15, 1989, and Kamhi, Inc., a Hawaii corporation, as Mortgagor, and Finance Factors, Limited, a Hawaii corporation, as Mortgagee, dated July 7, 1989, recorded in said Bureau in Book 23394, Page 120.

6. Mortgage made by Kahmi, Inc., a Hawaii corporation, as Mortgagor, and Green Corporation, a Hawaii corporation, as Mortgagee, dated July 26, 1989, recorded in said Bureau in Book 23463, page 302.

EXHIBIT "E"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

- (a) A buyer must obtain his own financing. Buyer acknowledges that this Sales Contract is contingent on any financing before the issuance of the Final Public Report.
- (b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- (c) That interest on deposits shall belong to the Seller so long as said funds are held in escrow.
- (d) That the unit will be subject to various other legal documents which the buyer certifies that he has examined.
- (e) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- (f) Upon issuance of a Final Public Report the Seller has the right to use Escrow deposits for purposes related to completion of the project.
- (g) If there are delays which causes increases in the construction costs, the Seller may increase the purchase price and give the Buyer 15 days to cancel the contract and have a return of sums paid less escrow cancellation fee. If Buyer does not notify Seller, then this shall constitute an affirmation of the sale at the new contract price.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT "F"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Escrow will let purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.
- (c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.
- (d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.
- (e) The Escrow Agreement will, under specified purposes after issuance of the Final Public Report, release the Buyer's deposits for the development and for purposes related to completion of the project.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "G"

PARKING STALLS

<u>Apartment No.</u>	<u>Parking Stalls</u>	
	<u>Covered Stall</u>	<u>Uncovered Stall</u>
101		33, 34
102		1, 2
201		31, 32
202		3, 4
301		35, 36
302		37, 38
401		5, 6
402		29, 30
501		7, 8
502		27, 28
601		9, 10
602		25, 26
701		11, 12
702		23, 24
801		13, 14
802		21, 22
901		15, 16
902		19, 20
1001		17, 18
1002		41, 42H
1101		53, 54
1102	43, 46	
1201	44, 47	
1202	45, 48	
PH A	49, 51	
PH B	50, 52	

Tandem Stalls 3-4 through 31-32 are of the size 8'6" X 32'. Tandem Stalls 1-2 and 33 are of the size of 9' X 32'. Tandem Stalls 39-40 and 41-42 are of the size of 8' X 32'. Stall 53 is of the size of 8'6 X 16'. Stall 54 is of the size of 9' X 16'. Tandem Stall 43-46 through 50-52 are of the size of 8'6" X 39'. Stall with an H designation is a handicapped person's stall.

The apartment owners shall have the right to change the designation of the parking stalls by amendment of the Declaration and the respective apartment deeds or leases involved.

EXHIBIT "H"

THE WAIALAE Residence  
REGISTRATION NO. 2161  
DISCLOSURE STATEMENT AS OF NOVEMBER 9, 1991

1. Name and Address of Project: THE WAIALAE Residence at 2860 Waialae Avenue, Honolulu, Hawaii 96826.
2. Name, Address and Telephone Number of Developer: KAMHI, INC., a Hawaii corporation, 1507 Kapiolani Boulevard, Suite 6, Honolulu, Hawaii 96814, Telephone No. 946-8033.
3. Managing Agent of Project: PAR Management, Inc., 1210 Auahi Street, #105, Honolulu, Hawaii 96814.
4. Maintenance Fees: The breakdown of the annual maintenance fees and the monthly estimated costs for each apartment, which is hereby certified to be based on generally accepted accounting principles, is more particularly set forth in Exhibit "A" attached hereto and made a part hereof.
5. Warranties: The apartments and the common elements of the Project shall have the benefit of a one year warranty against defects to materials and workmanship, which warranty shall commence as of the date of the substantial completion for such apartments and common elements. It is estimated that the commencement date of such warranties will be approximately 18 months from the date hereof.
6. Use: The Project shall consist of twenty-six (26) apartment dwellings which shall be utilized for apartment, residential or such other uses as is permitted under the zoning ordinances.
7. Extension of Non-Residential Development: There is no other use than as set forth in Paragraph 6 above which is residential development.

DATED: Honolulu, Hawaii, this 9<sup>th</sup> day of November, 1991.

KAMHI, INC.

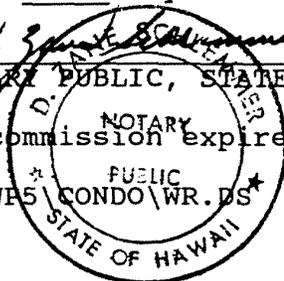
By [Signature]  
Its President

Subscribed and sworn to before me  
this 9<sup>th</sup> day of November, 1991.

[Signature]  
NOTARY PUBLIC, STATE OF HAWAII

My commission expires:

C:\WP5\CONDO\WR.DS \* MY COMMISSION EXPIRES APRIL 7, 1995



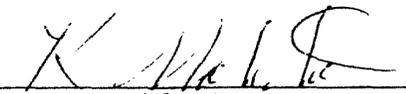
THE WAIALAE Residence (revised)

ESTIMATED MAINTENANCE BUDGET

<u>Receipts</u>	<u>Monthly</u>	<u>Annual</u>
Maintenance Fee	<u>\$7562.00</u>	<u>\$90,744.00</u>
 <u>Expenses</u>		
Electricity	\$ 450.00	\$ 5,400.00
Water/sewer	\$ 630.00	\$ 7,560.00
Refuse	\$ 350.00	\$ 4,200.00
Telphone/Enterphone	\$ 120.00	\$ 1,440.00
Repairs and Maint. Bldg(reserve)	\$ 300.00	\$ 3,600.00
Window Cleaning	\$ 150.00	\$ 1,800.00
Elevator Maintenance	\$ 400.00	\$ 4,800.00
Building Supplies	\$ 75.00	\$ 900.00
Clerical/administrative Expences	\$ 30.00	\$ 360.00
Property Magement	\$ 520.00	\$ 6,240.00
Payroll - Utility, Building Mgmt.	\$2,500.00	\$30,000.00
Insurance - Medical	\$ 250.00	\$ 3,000.00
Insurance - Work Compensation	\$ 40.00	\$ 480.00
Insurance - SMP Package/Liability	\$ 350.00	\$ 4,200.00
Insurance - Other/Fidelity	\$ 75.00	\$ 900.00
Accounting and Audit	\$ 100.00	\$ 1,200.00
Professional Services	\$ 100.00	\$ 1,200.00
Taxes - Gross Income	\$ 15.00	\$ 180.00
Taxes - Payroll	\$ 375.00	\$ 4,500.00
Liscences regestration misc.	\$ 55.00	\$ 660.00
Long term Reserve	\$ 677.00	\$ 8,124.00
 Total Expenses	 <u>\$ 7,562.00</u>	 <u>\$90,744.00</u>

The undersigned does hereby certify that the foregoing breakdown of monthly maintenance fees for each apartment and the estimated monthly and annual disbursements is based upon generally accepted accounting principles.

KAHMI, INC.

By   
Its President

Date APR 30 1991

