



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

SEABREEZE

933/935 Kainui Drive
 Kailua, Oahu, Hawaii

Registration No. 2173 (Partial Conversion)

Issued: May 2, 1990
 Expires: June 2, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of March 27, 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.

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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>
Apt 1	1	3/2	1,720	n/a
Apt 2	1	3/2	900	n/a

Total Apartments: 2

**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>4</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>4</u>

7. Recreational amenities: NONE

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: ALETHA A. LIU
TIMOTHY K. POBANZ
JOYCE E. POBANZ

Name

Business Address

Phone: _____
(Business)

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

Real Estate Sales Agent: COLDWELL BANKER McCORMICK REAL ESTATE

Name
46-005 Kawa

Business Address
Kaneohe, Hawaii 96744

Phone: 247-6681

(Business)

Escrow: ISLAND TITLE CORPORATION

Name
315 Uluniu Street, Suite 200

Business Address
Kailua, Hawaii 96734

Phone: 261-7993

(Business)

Managing Agent: Project is to be self-managed

Name

Business Address

Phone: _____
(Business)

Attorney for Developer: ROGER V. MEEKER

Name
1188 Bishop Street, Suite 2503

Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of 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 23263 Page 109
 Filed - Land Court - Document Number _____

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. 1216
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances - Book 23263 Page 133
 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>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>n/a</u>

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

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

NONE

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- [x] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.
[] Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

The leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: [] Monthly [] Quarterly
[] Semi-Annually [] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[] Month [] Year.

- [] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners - tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: [] Monthly [] Quarterly
[] Semi-Annually [] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per
[] Month [] Year.

- [] Other:

For Subleaseholds:

- [] Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
[] Cancelled [] Foreclosed
[] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 933 and 935 Kainui Drive Tax Map Key: 4-3-78:89 (1st)
Kailua, Hawaii (TMK)

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

Land Area: 10,800 [x] square feet [] acre(s) Zoning: R-10

Fee Owner: ALETHA A. LIU, TIMOTHY K. POBANZ and JOYCE E. POBANZ

Name
[REDACTED]

Address
[REDACTED]

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building 1 and 2

[x] Exhibit A contains further explanations.

3. Principal Construction Material:

[] Concrete [x] Hollow Tile [x] Wood
[] Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[x] Residential	<u>2</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 _____

[] Number of Occupants: _____

[x] Other: The units are restricted to residential use only.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators NONE

Stairways NONE

Trash Chutes NONE

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
Unit 1	1	3/2	1,720	n/a
Unit 2	1	3/2	900	n/a
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

**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: see Exhibit "A"

As noted in Section N of the Declaration, no apartment owner may conduct any work which could jeopardize the soundness or safety of the project, reduce the value thereof, or impair any easement or hereditament, nor may any owner add any material structure or excavate any basement or cellar, without obtaining the consent of all apartment owners. All other additions to or alterations of either apartment or its appurtenant limited common elements by the owner of such apartment shall be permitted without restriction, subject to affected mortgagee(s) consent(s), and provided all such additions or alterations are done in compliance with all applicable building and zoning codes and ordinances. It should be noted that current ordinances prohibit the expansion or enlargement of Apartment Two (933 Kainui Drive) beyond its existing size of 900 square feet. See Exhibit "F".

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

Based on a report prepared by an independent professional engineer, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the individual condominium units appear to be sound and in satisfactory working condition. However, no representations of any kind are made as to the expected useful life, if any, of the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium unit(s). See Exhibit "H" attached hereto.

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

The Project is comprised of an existing dwelling (Apartment One, 935 Kainui Drive) together with a dwelling presently under construction (Apartment Two, 933 Kainui Drive). Said buildings are in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of their construction. No variance has been granted from any ordinance, code, rule, regulation or other requirement in force at the time of their construction or from any other ordinance, code, rule, regulation or other requirement.

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	x	_____	_____
Structures	x	_____	_____
Lot	x	_____	_____

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

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

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

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

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

Exhibit B describes the common elements.

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 C

as follows:

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

Exhibit describes the common interests for each apartment.

As follows: Each unit and its owner(s) shall have appurtenant thereto a one-half (1/2) fractional interest (50.0 percentage interest) in the common elements of the Project, for all purposes including voting, said interest being referred to as the "common interest".

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

Exhibit D describes the encumbrances against the title contained in the title report dated January 23, 1990 and issued by Island 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.

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

Effect on Buyer's Interest
 If Developer Defaults

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 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:

- | | |
|--|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input checked="" type="checkbox"/> Not applicable -- see attached Exhibit "H" | |

I. Construction Warranties:

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

1. Building and Other Improvements: NONE

2. Appliances: NONE

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. 2173 filed with the Real Estate Commission on
January 16, 1990.

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

yellow paper stock

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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

INDIVIDUAL APARTMENT UNIT DESCRIPTIONS

The Declaration of Condominium Property Regime and plans submitted by the Developer indicate that SEABREEZE is a fee simple condominium conversion project consisting of a total of two condominium units, or apartments, each unit comprising a separate single-family structure. The units are described as follows:

- (a) "Apartment Number One", designated on the Condominium Map as "935 Kainui Drive", consists of a separate single-story wood-frame structure, without basement, containing three bedrooms, two baths, living room, family room, dining area, kitchen, and an enclosed carport -- all containing a net interior living area of approximately 1,720 square feet.
- (b) "Apartment Number Two", designated on the Condominium Map as "933 Kainui Drive", consists of a separate two-story hollow tile and wood-frame structure, without basement, containing three bedrooms, two baths, living room, kitchen and dining area -- all containing a net interior living area of approximately 900 square feet. Said unit also contains an attached carport area of approximately 900 square feet, comprising the first floor of said structure.

COMMON ELEMENTS

One freehold estate is designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) All yards, grounds and landscaping;
- (c) All driveways;
- (d) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;
- (e) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are designated and set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) The lot upon which each respective apartment is built, including the yard, grounds, landscaping and any amenities, located thereon, as outlined in red on the Condominium Map, shall be appurtenant to and for the exclusive use of each apartment."
- (b) All pipes, wires, conduits, and other utility and service lines not contained within an apartment but used exclusively by and servicing only such apartment, shall be appurtenant to and for the exclusive use of that apartment.
- (c) One mailbox shall be appurtenant to and for the exclusive use of each apartment, shall be designated with the apartment number thereon, and shall be located at the end of the driveway of the project.

NOTE: The land area appurtenant to each apartment does not represent a legally subdivided lot.

ENCUMBRANCES AGAINST TITLE

An encumbrance is a claim against or a liability on the property. The following list describes the encumbrances against the title contained in the preliminary title report dated January 23, 1990, issued by Island Title Corporation:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Easement "C" (25 feet wide) for the purpose of canal maintenance, as shown on File Plan No. 553.
3. Grant in favor of the State of Hawaii, dated February 6, 1953 and recorded in Liber 2669 at Page 74, granting an easement for construction and maintenance of canal over Easement "C".
4. Kaneohe Ranch Lease No. 3036, entered into by and between KANEOHE RANCH COMPANY, LIMITED, a Hawaii corporation, "Kaneohe", and PAUL WHITNEY TROUSDALE, LEWIS WINN STUNSTON and HORACE WINFRED BEEK WHITE, "Sublessors", and THOMAS HAYDEN TAYLOR and PATRICIA BYERLY TAYLOR, husband and wife, as Tenants by the Entirety, dated March 19, 1956 and recorded in Liber 3105 at Page 216, for a period of 55 years commencing January 1, 1956; which Lease was, by mesne assignments, assigned to ALETHA ANN LIU, unmarried, by instrument dated March 27, 1988 and recorded in Liber 21832 at Page 273.
5. Mortgage in favor of HONFED BANK, a Federal Savings Bank, dated April 3, 1989 and recorded in Liber 23039 at Page 285. Original consideration: \$120,000.00.
(Affecting Apartment No. 2 only)
6. Mortgage in favor of THE ADMINISTRATOR OF THE SMALL BUSINESS ADMINISTRATION, an agency of the Government of the United States of America, dated June 8, 1988 and recorded in Liber 22131 at Page 116; said mortgage was made subordinate to that certain mortgage shown as Item No. 5 herein, by instrument dated April 3, 1989, recorded in Liber 23039 at Page 294. Original consideration: \$17,700.00.
(Mortgages the leasehold interest in said premises)
(Affecting Apartment No. 2 only)
7. The restrictions, reservations, covenants, agreements, obligations, conditions, easements, and all other provisions contained in or incorporated by reference in that certain Declaration of Horizontal Property Regime dated May 25, 1989, recorded in Liber 23263 at Page 109; the By-Laws of the Association of Apartment Owners of Seabreeze adopted pursuant thereto and recorded in Liber 23263 at Page 133; Condominium Map No. 1216.

Exhibit "D"

3. Any and all encumbrances affecting the condominium unit herein mentioned, and/or the common interest appurtenant thereto, and/or the land comprising a portion of said Project, as created by or mentioned in said Declaration, as amended, and/or in said Apartment Deed(s), and/or as delineated on said Condominium Map.

9. Easement "1" (2 feet wide) in favor of Lot 26-A for the purpose of planting and more particularly described as of follows:
 1. 36° 22' 2.00 feet along the Northwesterly side of Kainui Drive;
 2. 126° 22' 57.00 feet along the remainder of Lot 26-B;
 3. 216° 22' 2.00 feet along the remainder of Lot 26-B;
 4. 306° 22' 57.00 feet along Lot 25 (Unit 8), of the Kalaheo Village Section 1, Units 7 and 8 (File Plan 553) to the point of beginning and containing an area of 114 square feet, more or less, as per survey dated June 1, 1989, of Alan F. Muraki, Registered Land Surveyor, Certificate Number 4969.

(Affecting Apartment No. 1 only)

10. Real property taxes due and owing, if any. Reference is made to the Office of the Tax Assessor, City and County of Honolulu.

Exhibit "D"

SUMMARY OF SALES CONTRACT AND ESCROW ARRANGEMENTS

SALES CONTRACT: Developer is using the standard Hawaii Board of Realtors' Deposit Receipt, Offer and Acceptance (DROA) form as the intended sales contract for the Project. Reference is hereby made thereto.

ESCROW ARRANGEMENTS: The Escrow Agreement, dated November 15, 1989, identifies Island Title Corporation as Escrow for the Project. The Escrow Agreement establishes how proceeds from the sale of condominium units and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to Purchaser, without interest and less cancellation fee and costs, if Purchaser shall in writing request refund of his funds and Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser. Said cancellation fee shall be in the minimum of \$25.00, but in no event shall exceed the agreed-upon escrow fee provided for in said Escrow Agreement, the exact amount to be commensurate with the amount of work completed at the time of cancellation.

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

OHANA DISCLOSURE

RESPECTING APARTMENT TWO -- "933 KAINUI DRIVE"

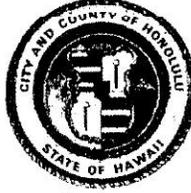
Apartment Two of the Project, "933 Kainui Drive" is being constructed at this time as an "ohana dwelling" pursuant to the provisions of Section 6.20 ("Housing: Ohana Dwellings") of the Land Use Ordinance of the City and County of Honolulu ("LUO"). At present, the maximum permitted floor area of an ohana dwelling located in a zoning district designated as R-10, as is this Project, is 900 square feet. Because of this limitation, the size of said Apartment Two may not be expanded beyond its present 900 square feet.

Exhibit "F"

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR



HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

Ex89-150

November 9, 1989

Mr. Roger V. Meeker
Century Square
1188 Bishop Street, Suite 2503
Honolulu, Hawaii 96813

Dear Mr. Meeker:

Subject: Condominium Conversion Project
935 Kainui Drive
Tax Map Key: 4-3-78: 89

This is in response to your letter dated October 13, 1989 requesting confirmation that the one-story single-family dwelling located at 935 Kainui Drive met all applicable code requirements at the time of construction.

Investigation revealed that the dwelling with two paved off-street parking spaces met all applicable code requirements at the time of construction.

Construction is in progress on a two-story addition and a two-story single-family ohana dwelling under building permits Nos. 274956 and 270270, respectively.

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

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,

A handwritten signature in black ink, appearing to read "Herbert K. Muraoka".

HERBERT K. MURAOKA
Director and Building Superintendent

Subscribed and sworn to
before me this 13th day of
November, 1989.

A handwritten signature in black ink, appearing to read "Eric K. Jones".

Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1991

Exhibit "G"

DISCLOSURE ABSTRACT

Seabreeze Condominium Project

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

Developers/Project Managers

Timothy K. Pobanz
Joyce E. Pobanz
Aletha A. Liu



Estimated Maintenance Fees/Costs per Condominium Unit

MAINTENANCE FEES: There are no common utility services, as each of the condominium units are individually metered. The regular maintenance and repair of each condominium unit, including all utility charges, is the sole responsibility of each respective unit owner. Casualty and liability insurance, however, must be maintained for the improvements portion of the Project. Developer anticipates that the maintenance fee cost for said coverage will be approximately \$50.00 per month per unit, or approximately \$600.00 per year per unit.

Use of Condominium Units

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

Warranties

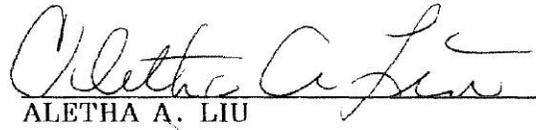
Purchasers should be aware that the "condominium units" of the Project are both existing single-family homes. Said homes have unavoidably undergone a certain amount of "wear and tear" commensurate with their age. Accordingly, purchasers should not expect the home they desire to buy to be in "like-new" condition. NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO THE INDIVIDUAL CONDOMINIUM UNITS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE UNIT THEY DESIRE TO BUY. THE UNITS ARE SOLD "AS IS".

Structural Components and Mechanical & Electrical Installations

Based on a report prepared by an independent professional engineer, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the individual condominium units appear to be sound and in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE CONDOMINIUM UNIT(S).

Code Violations

To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the City and County of Honolulu.


ALETHA A. LIU


TIMOTHY K. POBANZ


JOYCE E. POBANZ

Developer(s)