



**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  
 ULUNI DUPLX II  
 320 A & B ULUNI STREET  
 KAILUA, HI 96734

Registration No. 2247

Issued: July 11, 1990  
 Expires: August 11, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of May 14, 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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## 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  
 Duplex
5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
Unit A	1	3/2	1,140	171
Unit B	1	3/2	1,140	171
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: \_\_\_\_\_

\*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)	4 (2 each unit)
Guest Stalls	<u>0</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: _____	<u>0</u>
Total Parking Stalls	<u>4</u>

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Uluniu Partners Phone: 261-3326  
Name (Business)  
P.O. Box B  
Business Address  
Kailua, HI 96734

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

Bernard M. Scherman, Managing Partner  
Frederick C. Holshuh  
Joseph Mancinelli  
Barry D. Miller  
A. Stephen Aglinskas  
Fiftieth State Properties Inc.

Real Estate Sales Agent: 50th State Properties Real Estate, Inc. Phone: 261-3328  
Name (Business)  
Madeline Scherman  
Business Address  
P.O. Box B, Kailua, HI 96734

Escrow: Bank of Hawaii Phone: 262-6977  
Name (Business)  
636 Kailua Road (P.O. Box 278)  
Business Address  
Kailua, HI 96734

Managing Agent: Project will be self-managed by Phone: \_\_\_\_\_  
Name (Business)  
Association of Apartment Owners  
Business Address  
\_\_\_\_\_

Attorney for Developer: Cynthia Thielen  
Name  
Attorney at Law  
345 Queen Street, Suite 700  
Business Address  
Honolulu, HI 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 \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document Number 1729388

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. 788

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 \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document Number 1729389

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>100%</u>
House Rules	—	<u>100%</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



**B. Underlying Land:**

Address: 320 A & B Uluniu Street Tax Map Key: 4-3-52:08  
Kailua, HI 96734 (TMK)

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

Land Area: 7,650  square feet  acre(s) Zoning: R-5

Fee Owner: Bernard M. Scherman and Madeline Joyce Scherman

Name

P.O. Box B

Address

Kailua, HI 96734

Sublessor:

Name

Address

**C. Buildings and Other Improvements:**

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

2. Buildings: 1 Floors Per Building 2

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other \_\_\_\_\_

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> 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 No livestock, poultry, rabbits or other animals, except dogs, cats or other household pets.

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

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

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators 0

Stairways 2 (1 per unit) 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>Apt. A</u>	<u>1</u>	<u>3/2</u>	<u>1,140</u>	<u>171</u>
<u>Apt. E</u>	<u>1</u>	<u>3/2</u>	<u>1,140</u>	<u>171</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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

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

Boundaries of Each Apartment:

Each apartment shall include the exterior surface of the exterior walls; doors and door frames; windows and window frames; roofs, floors; foundations and any appurtenances adjoining or connected thereto.

Permitted Alterations to Apartments:

See Exhibit "A" attached hereto and made a part hereof.

7. Parking Stalls:

Total Parking Stalls: 4 (2 for each unit)

	<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>4</u>	<u>          </u>	<u>4</u>				
Guest Unassigned	<u>          </u>						
Extra Available for Purchase	<u>          </u>						
Other:	<u>          </u>						
Total Covered & Open	<u>4</u>	<u>          </u>					

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

Commercial parking garage permitted in condominium project.

Exhibit \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

\* Each apartment includes a two-car garage.

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

See Exhibits "B" and "C" attached hereto and made a part hereof.

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

See Exhibit "D" attached hereto and made a part hereof.

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 "E" 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 "F"

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 an undivided fifty percent (50%) interest. There are only two apartments and each will have an equal common interest.

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

Exhibit "C" describes the encumbrances against the title contained in the title report dated April 9, 1990 and issued by Security Title Corp.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgages	Buyer's monies will be refunded in the event Sales Contract is terminated

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year, or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[X] self-managed by the Association of Apartment Owners.

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

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit "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 checked="" type="checkbox"/> Water & Sewer<br>(common element) |
| <input type="checkbox"/> Other _____    |   |
| <input type="checkbox"/> Not applicable |   |

I. Construction Warranties:

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

1. Building and Other Improvements:

None. See Exhibit "I" attached hereto and made a part hereof.

2. Appliances:

None. See Exhibit "I".

Status of Construction and Estimated Completion Date:

Units A and B were constructed in 1987,

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

Escrow Agreement dated April 17, 1990 with Bank of Hawaii

Exhibit "K" contains a summary of the pertinent provisions of the escrow contract.

Other \_\_\_\_\_

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

NONE

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.

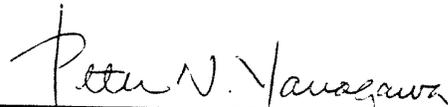
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107)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

This Public Report is a part of Registration No. 2247 filed with the Real Estate Commission on  
May 14, 1990.

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

yellow paper stock       white paper stock       pink paper stock

**Expiration Date of Reports.** Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.



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PETER 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

ALTERATION OF PROJECT

Restoration or replacement of the project or of any building, or construction of any additional building or structural alteration or addition to any structure, different in any material respect from said Condominium Map of the project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of all apartment owners, which vote shall not be unreasonably withheld, and accompanied by the written consent of the holders of first mortgage liens affecting any of the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction, the Association shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any other provision in this Declaration to the contrary, the owner of an apartment may make any alterations or additions within his or her apartment, if the structural integrity of the building is not thereby affected.

EXHIBIT A

ULUNIU PARTNERS  
P.O. BOX B  
KAILUA, HI 96734

May 4, 1990

Real Estate Commission  
Department of Commerce and Consumer Affairs  
1010 Richards Street  
Honolulu, Hawaii 96813

Attention: Mr. Calvin Kimura

Re: Property located at 320 A and B Uluniu Street, Kailua, Hawaii  
(condominium conversion) Uluniu Duplex II

Gentlemen:

The undersigned, based upon a report prepared by James Bradley, a registered Hawaii architect, states that the present condition of all structural components and electrical and mechanical, if any, installations material to the use and enjoyment of the subject condominium are satisfactory. The undersigned makes no representations in regard to the expected useful life of each item reported above. The undersigned has no knowledge of outstanding notices of uncured violations of building code or other municipal regulations.

Yours very truly,



---

Bernard Martin Scherman  
Managing Partner  
Uluniu Partners

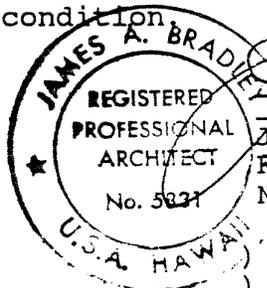
320 A & B ULUNIU  
TMK: 4-3-52:8

CONDOMINIUM MAP NO. \_\_\_\_\_

"AS-BUILT" CERTIFICATE OF REGISTERED ARCHITECT

I HEREBY CERTIFY that the attached sheets are true and accurate copies of portions of architectural plans for the Uluniu Duplex II condominium project, as filed with and approved by the Building Department of the City and County of Honolulu, and constitute the building elevations and floor plans of the buildings of said project, and fully and accurately depict the layout, location, and apartment numbers and dimensions of the apartments of the project as built.

I ALSO HEREBY CERTIFY that the structural, electrical and mechanical systems were constructed per building plans approved by and on file with the Building Department of the City and County of Honolulu, and that the mechanical installations material to the use and enjoyment of the condominium are in satisfactory condition, and that the electrical installations material to the use and enjoyment of the condominium which were capable of visual inspection are also in satisfactory condition.



*James A. Bradley*  
James A. Bradley  
Registered Architect  
No. 5831

STATE OF HAWAII )  
CITY AND COUNTY OF HONOLULU )

SS.

JAMES BRADLEY, being first duly sworn on oath, deposes and says: That he is Registered Architect No. 5831 in the State of Hawaii, has read the foregoing certificate, knows the contents thereof and that the same is true.

*James A. Bradley*  
James A. Bradley  
Registered Architect  
No. 5831

Subscribed and sworn to before  
me this 25 day of January, 1990  
*Adrian M. Reynolds*, 1990.  
Notary Public, State of Hawaii

My commission expires ~~my commission expires 6-01-93~~

EXHIBIT C

May 1, 1989

Bernard M. Scherman, M.D.  
Managing Partner for Uluniu Partnership  
P. O. Box B  
Kailua, Hawaii 96734

Dear Dr. Scherman:

Subject: Condominium Conversion Project  
320 A and B Uluniu Street  
Tax Map Key: 4-3-52: 07

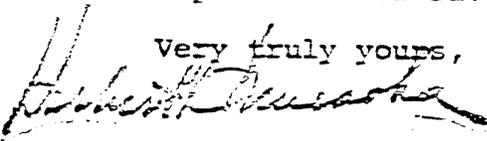
This is in response to your letter dated March 25, 1989 requesting confirmation that the structure located at 320 A and B Uluniu Street met all code requirements at the time of construction.

Investigation revealed that the two-story two-family detached dwelling with at least 4 off-street parking spaces met the code requirements when it was constructed in 1987.

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 telephone number 527-6341.

Very truly yours,



HERBERT K. MURAOKA  
Director and Building Superintendent

Handwritten initials and a checkmark.

Subscribed and sworn to  
before me this 2nd day of  
May, 1989.

R7

STEPHEN M. S. CHUN  
Notary Public, First Judicial Circuit  
State of Hawaii  
My commission expires: 3/21/93

EXHIBIT D

## COMMON ELEMENTS

The common elements for the project will include the limited common elements described in Exhibit F and all other portions of the land and improvements, excluding those areas and items defined as a part of an apartment in Paragraph 4 of the Declaration of Condominium Property Regime Under the Condominium Project Act. The common elements shall also include the following:

1. Said land in fee simple;
2. The one-fourth interest in and a perpetual easement appurtenant to said land described in Exhibit A of the Declaration of Condominium Property Regime Under the Condominium Project Act.
3. Any and all apparatus and installations of common use, including all sewer lines, electrical equipment, pipes, wiring, and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called and designated "limited common elements," are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

Area A, the concrete drive slab in front of the carport and underneath the upstairs deck containing approximately 428 square feet, as shown on said Condominium Map, shall be appurtenant to and for the exclusive use of the owner of Unit A.

Area B, the concrete drive slab in front of the carport and underneath the upstairs deck containing approximately 428 square feet, as shown on said Condominium Map, shall be appurtenant to and for the exclusive use of the owner of Unit B.

Each owner shall be responsible for the maintenance, repair and replacement of the limited common elements appurtenant to his or her unit.

ENCUMBRANCES AGAINST TITLE

All of that certain parcel of land situate at Kailua, District of Koolaupoko, City and County of Honolulu, State of Hawaii, described as follows:

Lot 337-A, area 7,650.0 square feet, as shown on Map 175, together with an undivided one-fourth (1/4th) interest in and to a perpetual easement appurtenant to said Lot 337-A, for rights of way for all purposes in common with all others entitled thereto, over, under and across Lot 336-B-1, area 2,350.0 square feet, of the "Kailua Coconut Grove Tract - 3rd Series," as shown on Map 392, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 495 of Arthur Hyde Rice.

Being all of the land described in Transfer Certificate of Title No. 348,981 issued to ULUNIU PARTNERS, a Hawaii general partnership.

SUBJECT, HOWEVER, to the following:

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

In Favor Of: Hawaiian Electric Company, Inc., and GTE  
Hawaiian Telephone Company Incorporated,  
formerly known as Hawaiian Telephone Company

Dated: October 1, 1945

Document No.: 81126 \*

Purpose: Basement for utility purposes over, under,  
across and through Lot 336-B-1 (roadway) (also  
affects other property)

ULUNIU DUPLEX II

320 A AND B ULUNIU STREET, KAILUA, HI 96734

Tax Map Key: 4-3-52-8 (Lot 337-A)

EXHIBIT G

3. A perpetual easement for pipe lines with right to install, maintain, use and repair the same, over and under Lot 886-B-1 (roadway), as set forth in:

a) DEED

Dated: November 27, 1945  
Document No. 81645  
to which reference is hereby made  
(also affects other property)

and

b) DEED

Dated: December 31, 1945  
Document No. 82005  
to which reference is hereby made  
(also affects other property)

4. MORTGAGE

Mortgagor: Bernard Martin Scherman and Madeline Joyce Scherman, husband and wife  
Borrower: Uluniu Partners, a registered Hawaii partnership, formerly known as Kailua Business Center  
Mortgagee: Bank of Hawaii, a Hawaii banking corporation  
Dated: April 8, 1987  
Document No. 1455620  
To Secure: \$475,000.00  
and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to  
(also affects other property)

5. ADDITIONAL CHARGE MORTGAGE

Mortgagor: Bernard Martin Scherman and Madeline Joyce Scherman, husband and wife  
Borrower: Uluniu Partners, a Hawaii general partnership  
Mortgagee: Bank of Hawaii, a Hawaii banking corporation  
Dated: October 20, 1987  
Document No. 1506929  
To Secure: \$225,000.00 as additional charge to Mortgage shown as encumbrance no. 5  
(also affects other property)

6. **FINANCING STATEMENT**

Debtor: Bernard Martin Scherman and Madeline Joyce Scherman

Secured Party: Bank of Hawaii, a Hawaii banking corporation

Filed On: April 16, 1987

Book: 20568

Page: 323  
(also affects other property)

7. Declaration of Condominium Property Regime Under the Condominium Property Act

Dated: May 11, 1990  
Document No.: 1729388

8. By-Laws of The Association of Apartment Owners of Uluniu Duplex II

Dated: May 11, 1990  
Document No.: 1729389

9. Condominium Map No. 788

EXHIBIT           H          

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

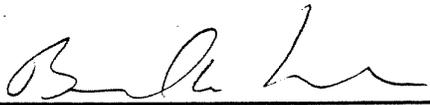
<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
A	\$35.00	\$420.00
B	\$35.00	\$420.00

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:

Per Unit	Monthly x 12 months =	Yearly Total
<b>Utilities and Services</b>		
Air Conditioning		
Electricity		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Gas		
Refuse Collection		
Telephone		
Water and Sewer	\$ 5.20	\$ 62.40
<b>Maintenance, Repairs and Supplies</b>		
Building	\$ 25.00	\$ 300.00
Grounds		
<b>Management</b>		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	\$ 39.80	\$ 477.60
<b>Reserves</b>		
Taxes and Government Assessments To be assessed against individual owners of Unit A and of Unit B		
Audit Fees		
Other		
<b>TOTAL</b>	<b>\$ 70.80</b>	<b>\$ 840.00</b>

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

  
Date: 4-26-90

CONSTRUCTION WARRANTIES

ACCEPTANCE OF APARTMENT; BUILDING NOT NEW; NO WARRANTIES. Buyer accepts the apartment listed on page 1 hereof and the common elements in an "as is" condition. Buyer acknowledges that Unit A was constructed in 1987. Buyer further acknowledges that Buyer has had an opportunity to inspect the apartment and common elements and that the purchase price takes into consideration the fact that Unit A is over two years old, and fixtures and appliances are not new. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR OTHER PROJECTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

CONSTRUCTION WARRANTIES

ACCEPTANCE OF APARTMENT; BUILDING NOT NEW; NO WARRANTIES. Buyer accepts the apartment listed on page 1 hereof and the common elements in an "as is" condition. Buyer acknowledges that Unit B was constructed in 1987. Buyer further acknowledges that Buyer has had an opportunity to inspect the apartment and common elements and that the purchase price takes into consideration the fact that Unit B is over two years old, and fixtures and appliances are not new. SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, COMMON ELEMENTS, APPLIANCES, FURNISHINGS OR OTHER PROJECTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

SUMMARY OF SALES CONTRACT PROVISIONS

The Deposit Receipt and Sales Contract (the "Sales Contract") used in connection with the project contains, among other things, acknowledgments by each Purchaser: (i) that time is of the essence in the Sales Contract, and if Purchaser fails to perform any obligations required in the Sales Contract, the Developer may, upon written notice of 5 days, terminate the Sales Contract and keep all sums previously paid by Purchaser as liquidated damages; (ii) that the project and the apartment and anything installed or contained therein are being sold on an "AS IS" basis, without any warranties, express or implied; (iii) that all interest on deposits in Escrow belong to Seller; and (iv) that paragraph G.7. pertaining to closing costs and expenses of sale, provides as follows:

"7. CLOSING COSTS; EXPENSES OF SALE. Buyer further agrees to pay, at the time of pre-closing, Buyer's notary fees, all recording fees, cost of credit report, cost of preparing note(s) and mortgage(s), if any, loan finance fees, the cost of any required title insurance and one-half (1/2) of the escrow fee. Seller shall pay for the cost of preparing the deed, conveyance tax, evidence of title, Seller's notary fees, and one-half (1/2) of the escrow fee."

Purchaser is cautioned that this is a brief summary of the Sales Contract and Purchaser should carefully read the Sales Contract for Purchaser's rights and obligations therein.

SUMMARY OF ESCROW AGREEMENT PROVISIONS

Among other provisions, the Escrow Agreement provides as follows:

"4. A Purchaser shall be entitled to a refund of his or her funds, and Escrow shall pay said funds to said Purchaser, without interest if Purchaser shall in writing request refund of his or her funds and any one of the following shall have occurred:

(a) Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; or

(b) If a Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time the final public report is issued; or

(c) If a Purchaser's funds were obtained prior to the issuance of a final public report, then in the event that the Purchaser exercises his or her right to cancel at any time prior to the earlier of (1) the conveyance of the apartment to the Purchaser, or (2) midnight of the thirtieth (30th) day following the date of delivery of the final public report to such Purchaser; provided, however, that the Purchaser has not previously waived his or her right to cancel; or

(d) If a Purchaser's funds were obtained after the issuance of a final public report and purchaser exercises his or her right to cancel prior to the earlier of (1) the conveyance of the apartment to Purchaser or (2) midnight of the thirtieth (30th) day following the date of delivery of the final public report, provided however, that the Purchaser has not previously waived his or her right to cancel; or

(e) If there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) such Purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the Project available for such Purchaser's use, unless the Purchaser has waived his or her rights of rescission in writing.

Upon refund of said funds to Purchaser as aforesaid, Escrow shall return to Developer such Purchaser's Sales Contract and any apartment deed theretofore delivered to Escrow, and thereupon Escrow shall have no further obligations hereunder with respect to said Purchaser."