



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

"AALAPAPA DRIVE"
 1365/1365-A Aalapapa Drive
 Kailua, Hawaii

Registration No. 2256 (CONVERSION)

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 June 1, 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.

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: DESCRIPTION OF BUILDINGS	
EXHIBIT B: PERMITTED ALTERATIONS TO UNITS	
EXHIBIT C: EXPLANATION OF NON CONFORMING STRUCTURES	
EXHIBIT D: COMMON ELEMENTS	
EXHIBIT E: LIMITED COMMON ELEMENTS	
EXHIBIT F: COMMON INTERESTS FOR EACH UNIT	
EXHIBIT G: ENCUMBRANCES AGAINST TITLE	
EXHIBIT H: MAINTENANCE FEES	
EXHIBIT I: SUMMARY OF SALES CONTRACT	
EXHIBIT J: SUMMARY OF ESCROW AGREEMENT	

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>
1365	1	3/2	1305	216
1365-A	1	3/2	991	145
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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) (including one garage and one carport)	<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: (MRS.) BARBARA MARIA BAHNSEN
Name
P.O. Box 1222
Business Address
Kailua, Hawaii 96734

Phone: [REDACTED]
(Business)

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

N/A

Real Estate Sales Agent: N/A
Name
Business Address

Phone: _____
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen Street
Business Address
Honolulu, Hawaii 96813

Phone: (808) 521-0211
(Business)

Managing Agent: [self-managed]
Name
Business Address

Phone: _____
(Business)

Attorney for Developer: Case & Lynch (Scott D. Radovich)
Name
737 Bishop Street, Suite 2600
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 _____ Page _____
 Filed - Land Court - Document Number 1725820

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. 781

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 1725821

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% (except with respect to permitted alterations to units - see paragraph J</u>
Bylaws	65%	<u>100% of Declaration)</u>
House Rules	---	<u>Board of Directors</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:

At any time prior to the first filing in the Office of the Assistant Registrar of the Land Court of the State of Hawaii of a conveyance or transfer (other than for security) of a unit and its appurtenances to a party not a signatory to the Declaration, the Developer may amend the Declaration, the Bylaws, the Condominium File Plan and/or the House Rules in any manner without approval or consent of any unit purchaser.

B. Underlying Land:

Address: 1365 Aalapapa Drive Tax Map Key: (1)4-3-4:30,103(por)
Kailua, Hawaii 96734 (TMK)

[] Address [] TMK is expected to change because N/A

Land Area: 12,031 [X] square foot [] acre(s) Zoning: R-10

Fee Owner: (MRS.) BARBARA MARIA BAHNSEN
Name

P.O. Box 1222
Address

Kailua, Hawaii 96734

Sublessor: N/A
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building 1

[X] Exhibit "A" contains further explanations.

3. Principal Construction Material:

[X] Concrete [X] Hollow Tile [X] Wood

[X] Other glass and other building materials

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	<u> </u>	[] Industrial	<u> </u>
[X] Residential	<u>2</u>	[] Agricultural	<u> </u>
[] Timeshare/Hotel	<u> </u>	[] Recreational	<u> </u>
[] Other:	<u> </u>		<u> </u>

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 pets other than fish, small birds and no more than two dogs or two cats (or one dog and one cat). See Section 12.1 of the Bylaws.

Number of Occupants: Two persons per bedroom.

Other: There are special use restrictions contained in the project documents. See paragraph G of the Declaration.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators N/A

Stairways N/A

Trash Chutes N/A

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1365</u>	<u>1</u>	<u>3/2</u>	<u>1305</u>	<u>216</u>
<u>1365-A</u>	<u>1</u>	<u>3/2</u>	<u>991</u>	<u>145</u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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 unit includes, but is not limited to, the footings or slab on which it is constructed, the exterior walls and roof, all interior walls, floors, ceilings, columns and partitions, and the finished surfaces thereof, the doors and door frames, windows and window frames, the air space within the perimeters of the unit, and all fixtures originally installed in the unit. Each unit also includes the garage or carport appurtenant thereto, as shown on the Condominium File Plan. Each unit shall not include any pipes, shafts, wires, conduits or other utility or service lines running through such unit which are utilized for or serve more than one unit, the same being deemed common elements as **Permitted Alterations to Apartments;** provided in the Declaration.

See Exhibit "B".

7. Parking Stalls:

Total Parking Stalls: 4

	<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>2</u>	<u>1</u>	<u>1</u>				<u>4</u>
Guest Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	<u>3</u>		<u>1</u>				

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

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities.

There are no recreational or common facilities.

Swimming pool

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
Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural components and electrical installations material to the use and enjoyment of the condominium apartments are presently sound and appear to be in satisfactory working condition. However, NO REPRESENTATIONS OR WARRANTIES OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE CONDOMINIUM APARTMENTS.

- b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations
The project is a conversion of fully constructed and existing buildings to condominium status. The 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	<u>X</u>	<u> </u>	<u> </u>
Structures	<u> </u>	<u>Only Unit 1365-A*</u>	<u> </u>
Lot	<u>Y</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.

*Exhibit "C" contains an explanation of certain reconstruction limitations imposed on Unit 1365-A due to its non-conforming status.

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 "D" 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 "E"

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 "F" 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 "G" describes the encumbrances against the title contained in the title report dated April 20, 1990 and issued by Long & Melone, Ltd.

Blanket Liens:

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

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

[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

Mortgage in favor of Honolulu
Federal Savings and Loan
Association (now HonFed Bank)

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

Buyer's interest will be subject to lien holder's rights. Lien will be released prior to conveyance of any unit to a buyer.

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 type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input checked="" 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.

2. Appliances:

Any manufacturer's warranties currently in effect.

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

The project is a conversion of existing buildings. Unit 1365 was originally constructed in approximately 1943, and substantially remodeled and renovated in 1972. Unit 1365-A was constructed in 1986.

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 "I" _____ contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated May 26, 1990 _____

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

Other _____ specimen deed _____

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. 2256 filed with the Real Estate Commission on
June 1, 1990

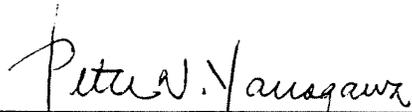
Reproduction of Report. When reproduced, this report must be on:

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.



PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The project consists of two (2) single family residential buildings, each of which has either a garage or carport appurtenant thereto. Each building contains one (1) single family residential apartment, as more particularly described in the Declaration and as shown on the Condominium File Plan.

EXHIBIT "B"

ALTERATION OF PROJECT

Paragraph G of the Declaration provides, in part, as follows:

4. No unit owner may materially change the exterior color of his unit without the prior written consent or approval of the owner of the other unit.

5. The owner of Unit 1365-A shall not, without the prior written consent of the owner of Unit 1365, place, cause or allow to be placed, or cause or allow to grow on Unit 1365-A or on the lot appurtenant to Unit 1365-A any structure, addition, protrusion, including fences and walls, or any trees, foliage or other vegetation which impairs or otherwise detrimentally impacts the view plane(s) from Unit 1365 or the lot appurtenant to Unit 1365. Without limiting the foregoing, the owner of 1365-A shall not, without the prior written consent of the owner of Unit 1365, place, cause or allow to be placed, or cause or allow to grow on the lot appurtenant to Unit 1365-A, fences, walls, any trees, foliage or other vegetation in the front of or behind Unit 1365-A the height of which exceeds the current roof height of Unit 1365-A, or to either side of Unit 1365-A the height of which exceeds nine (9) feet above the current lot grade.

Paragraph J of the Declaration provides that:

1. Subject to Paragraphs G.4 and G.5 of this declaration, each unit owner shall have the right at his sole option at any time and from time to time, as hereinafter set forth, without the consent and/or approval of the owner of the other unit or any other persons or entity, to improve, renovate, remodel, make additions to, enlarge, remove, replace, alter or restore the improvements to or in his unit or portions thereof or upon the lot appurtenant to his unit (collectively, the foregoing are referred to as "alterations"). Each unit owner shall have the right without the consent or joinder of any other person to amend this declaration and the Condominium File Plan to accomplish any such alterations. If required by the Act, promptly upon completion of such alterations the owner of the altered unit shall duly record such amendment to this declaration in the Land Court, together with a complete set of the floor plans of such unit as so altered, certified by a registered architect or professional engineer to fully and accurately depict the altered portions of the property as built. All existing unit owners and all future unit owners and their mortgagees, by accepting an interest in a unit, consent to all such alterations and agree to give and shall be deemed to have given the owner of the altered unit a power of attorney to execute an amendment to the declaration solely for the purpose of describing the alterations to such unit in the declaration so that the owner of the altered unit shall hereafter have a power of attorney from all the other unit owners to execute such amendment to the declaration. This power of attorney shall be deemed coupled

with each owner's interest in his unit (including his common interest) and shall be irrevocable.

2. Any alteration of the plans of a unit pursuant to this paragraph J shall be subject to the following conditions:

(a) All building plans for any such alterations shall conform with County building or zoning laws and other applicable City and County ordinances.

(b) Such alterations may decrease or increase the size of the affected unit, provided that no alteration shall extend or place the unit outside of the limits of the lot appurtenant to such unit.

(c) All such alterations shall be at the sole expense of the unit owner making the change and shall be made within one (1) year of the commencement thereof and in a manner that will not unreasonably interfere with the other unit owner's use of his unit or lot.

(d) The owner of the altered unit shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the unit affected by such alteration for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the project.

(e) Each and every conveyance, lease and mortgage or other lien made or created on any unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a unit shall reserve to all unit owners the rights set forth in this paragraph.

(f) Before commencing or permitting construction on any alteration of a unit pursuant to this paragraph J, the costs of which will exceed \$10,000, the unit owner thereof, at his sole expense, shall obtain and provide the other unit owner with evidence of a bond or certificate, or an irrevocable letter of credit issued by a bank authorized to do business in the State of Hawaii, in an amount of not less than one hundred percent (100%) of the cost of such construction, or in lieu thereof a guarantee against mechanic's and materialmen's lien satisfactory to the other unit owner.

EXHIBIT "C"

EXPLANATION OF NONCONFORMING STRUCTURE

Apartment 1365-A is an ohana, or accessory dwelling unit which, when constructed in 1986, conformed to City and County of Honolulu zoning requirements. Subsequently, the law with respect to ohana dwellings changed and currently states that the maximum size of an ohana accessory dwelling unit built on a lot zoned R-10 Residential shall be 900 square feet. Thus, Apartment 1365-A, which contains a net living area of approximately 991 square feet, excluding garage and lanai, is currently a nonconforming structure. Ordinance No. 89-155, which amended the Land Use Ordinance effective December 28, 1989, provides that when an ohana accessory dwelling unit which exceeds current floor area limitations is destroyed to the extent of more than 50 percent of its replacement value, it may be rebuilt to its previously existing size provided it meets the following conditions:

1. Rebuilding is necessitated by the destruction of the ohana dwelling by accidental means, such as fire, flood, hurricane, tsunami, earth movements or other calamity.
2. It can be demonstrated that the ohana dwelling unit was legally constructed.
3. It can be demonstrated that the replacement ohana dwelling unit will meet all current development standards, including height limits, required yards and parking.

Any such destroyed ohana accessory dwelling unit may not be expanded to increase the floor area beyond the size legally approved prior to its destruction.

EXHIBIT "D"

COMMON ELEMENTS

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

1. The land described in Exhibit "A" attached to the Declaration, in fee simple.
2. All yards, grounds, landscaped areas, retaining walls, parking areas and driveways around and between the units.
3. All central and appurtenant installations for common services, including power, light, water, telephone and sewer.
4. Any and all 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 "E"

LIMITED COMMON ELEMENTS

Certain units shall have appurtenant thereto easements for the exclusive use of certain limited common elements as follows:

1. Private Lots*. The lot upon which each unit is located, as shown on the Condominium File Plan, is appurtenant to and for the exclusive use of such unit, as follows:

<u>Unit No.</u>	<u>Lot* (approx. land area)</u>
1365	1365 (8004 sq. ft.)
1365-A	1365-A (4027 sq. ft.)

2. Driveway. The driveway designated as "Driveway" located within Lot 1365 and connecting the carport of Unit 1365 to Aalapapa Drive, as shown on the Condominium File Plan, is appurtenant to and for the exclusive use of the Unit 1365.

3. Parking.

(a) Unit 1365. The parking stalls designated as "Parking Stalls" located within Lot 1365, as shown on the Condominium File Plan, are for the exclusive use of Unit 1365.

(b) Unit 1365-A. The parking area designated as "Parking" located within Lot 1365-A, as shown on the Condominium File Plan, is for the exclusive use of Unit 1365-A.

4. Mailboxes. The mailbox for each unit is appurtenant to and for the exclusive use of the unit served thereby.

5. Fences.

(a) The wooden fences located on Lot 1365-A shall be appurtenant to and for the exclusive use of Unit 1365-A.

(b) The concrete walls located on Lot 1365 shall be appurtenant to and for the exclusive use of Unit 1365.

* Note: Reference to "private lots or lot" do not represent legally subdivided lots.

EXHIBIT "F"
"AALAPAPA DRIVE"

<u>Apartment No.</u>	<u>Undivided Common Interest</u>
1365	66.53%
1365-A	33.47%

NOTE: The common interest appurtenant to each unit was calculated by dividing the approximate total ground area of the limited common element (lot) appurtenant to the unit by the approximate total ground area of all limited common elements (lots) in the project.

EXHIBIT "G"

ENCUMBRANCES

1. Any taxes that may be due and owing and tax liens that may exist.
2. As to Lot 113 (TMK: (1)4-3-4:30) only: Mortgage dated November 21, 1986, made by BARBARA MARIA BAHNSEN, unmarried, as Mortgagor, in favor of HONOLULU FEDERAL SAVINGS AND LOAN ASSOCIATION (now HONFED BANK), as Mortgagee, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1418727.
3. As to Lot 123 (TMK: (1)4-3-4:103(por.)) only: Easement (approximately 25 square feet) for sanitary sewer purposes, over and across Lot 123, as shown on Map 139, filed with said Land Court Application No. 616, as set forth by Land Court Order No. 61075, filed October 13, 1981, in favor of City and County of Honolulu, as acquired by Judgment and Final Order of Condemnation filed August 24, 1981, in the First Circuit Court, State of Hawaii, with Civil No. 61831, and also filed as Document No. 1082213.
4. Declaration of Condominium Property Regime of "Aalapapa Drive" dated April 26, 1990, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1725820.
5. Bylaws of the Association of Apartment Owners of "Aalapapa Drive" filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1725821 and Condominium Map Number 781.
6. Condominium Map No. 781 as filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

EXHIBIT "H"

ESTIMATED MAINTENANCE FEES

The regular maintenance and repair of each apartment and appurtenant limited common elements shall be the sole responsibility of each respective apartment owner. Section 514A-86, Hawaii Revised Statutes, requires that the association purchase fire insurance to cover the improvements portion of the project. The Declarant anticipates that the association will elect to require each owner to obtain separate fire insurance and liability policies for his respective unit pursuant to Article 7 of the bylaws. As such, premiums for such policies will be the individual responsibility of each apartment owner.

EXHIBIT "I"

SUMMARY OF DEPOSIT, RECEIPT, OFFER AND ACCEPTANCE
AND ADDENDUM TO DROA

The Deposit Receipt, Offer and Acceptance (the "DROA") and the Addendum to DROA (hereinafter collectively called the "Sales Contract") contain 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 states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.

(b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.

(d) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(e) Requirements relating to the purchaser's financing of the purchase of an apartment.

(f) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(g) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.

(h) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(i) That the purchaser will not receive interest on deposits made under the Sales Contract.

The Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen sales Contract on file with the Real Estate Commission.

EXHIBIT "J"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to 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 the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.