



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

OLOHU ROAD ESTATES

51-062A Olohu Rd.

Kaaawa, Hawaii

Registration No. 2266

Issued: August 20, 1991
 Expires: September 20, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 12, 1991 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.

[X] Changes made are as follows:

1. **New Real Estate Broker.**

General Pacific Realty
1441 Kapiolani Blvd., Suite 1801
Honolulu, Hawaii 96814

2. **General Contractor.**

J. Sutton Construction
45-558-C Kamehameha Hwy.
Kaneohe, Hawaii 96744

3. **Status of Construction and Estimated Completion Date**

Unit A is now completed.

The expected completion date of Unit B has been moved back from May 1991 to January , 1992.

4. **Project Phases**

The Developer has elected to develop one apartment now, which is Unit "A" and one unit in the future as a part of Phase 2. As a result of this change all parts of the Final Report have been changed to reflect one unit instead of two.

5. **Developer Reserved Rights.**

The Developer has reserved the right to develop a second unit in the future. No changes will be made to the first unit and any developer rights to change the public report is limited to the future unit in Phase 2.

SPECIAL ATTENTION

The Developer has disclosed the following:

1. The dwelling "lots" are not legally subdivided.
2. The Developer has reserved future development rights to add another dwelling unit on the condominium project.

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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.

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 lessee (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessee either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessee; 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.

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.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. New Building(s) Conversion
 Both New Building(s) and Conversion
2. Residential Commercial Ohana
 Mixed Residential and Commercial Agricultural
 Other _____
3. High Rise (6 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>Lanal/Patio (sf)</u>
A	1	3/2	1728 sq. ft.	304
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 1 (developer reserves right to develop a second unit in the future.)

**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)	2
Guest Stalls	<u>none (street parking avail)</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: <u>0</u>	_____
Total Parking Stalls	<u>2</u>

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Adam Sutton
Name
[REDACTED]
Business Address
[REDACTED]

Phone: [REDACTED]
(Business)

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

Real Estate Broker: General Pacific Realty
Name
1441 Kapiolani Blvd., #1801
Business Address
Honolulu, Hawaii 96814

Realty Phone: 947-1833
(Business)

Escrow: Title Guaranty Escrow Services, Inc.
Name
235 Queen St., 1st Floor
Business Address
Honolulu, Hawaii 96813

Phone: 521-0219
(Business)

General Contractor: J. Sutton Construction
Name
45-558 C Kam Hwy.
Business Address
Kaneohe, Hawaii 96744

Phone: 247-3170
(Business)

Condominium Managing Agent: Self managed by the Association of Apartment Owners
Name

Phone: _____
(Business)

Business Address

Attorney for Developer: Keith M. Kiuchi
Name
1188 Bishop St., Suite 2710
Business Address
Honolulu, Hawaii 96813

Phone: 521-7465
(Business)

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances - Document No. 91-074864
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

First Amendment to Declaration
August 6, 1991
Document No. 91-106576

- 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. 1513
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances - Document No. 91-074865
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	---	<u> </u>

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

2. **Developer:**

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

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

See Exhibit "H"

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	1	_____	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____					

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

Yes No

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

Pets: _____

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 0 Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Lanal/Patio (sf)</u>
<u>A</u>	<u>1</u>	<u>3/2</u>	<u>1728 sq. ft.</u>	<u>304</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 1

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

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

Boundaries of Each Apartment:

The perimeter walls, floors, foundations and roofs, all pipes, wires, conduits, utility and service lines only serving the respective apartments.

Permitted Alterations to Apartments:

As stated in Paragraph T of the Declaration, Owners may alter apartments in any manner provided that the alteration is according to the building code and the alterations are completed as set forth in Paragraph T of the Declaration.

7. Parking Stalls:

Total Parking Stalls: 2

	<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>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>4</u>
Guest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Extra Available for Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Total Covered & Open	<u>2</u>		<u>0</u>		<u>0</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
 - Recreation Area
 - Tennis Court
 - Other: _____
- Storage Area
 - Laundry Area
 - Trash Chute

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

N/A

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

N/A

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	<u> </u>	<u> </u>
Structures	<u>X</u>	<u> </u>	<u> </u>
Lot	<u>X</u>	<u> </u>	<u> </u>

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

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

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

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

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

Exhibit A describes the common elements.

As follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit B

as follows:

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

Exhibit _____ describes the common interests for each apartment.

As follows:

Unit "A" shall have appurtenant thereto an undivided one hundred percent (100%) interest in all the common elements. If the Developer adds Phase 2, then the percentage of undivided interest shall be changed so that Unit "A" shall have appurtenant thereto an undivided 45% interest and Unit "B" (the unit to be added in Phase 2) shall have appurtenant thereto an undivided 55% 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 June 26, 1991 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage Financing Statement	Buyer's contract will be cancelled and Buyer's deposit will be refunded. Buyer may lose the right to acquire the apartment.

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 D contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

- Not applicable
- Electricity Television Cable
- Gas Water & Sewer
- Other _____

I. Construction Warranties:

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

1. Building and Other Improvements:

No warranty

2. Appliances:

Manufacturer's warranty.

J. Status of Construction and Estimated Completion Date:

Unit A is now completed.

Unit B is expected to begin construction in October, 1991 and is expected to be completed in January, 1992. This is provided that the Developer elects to add Unit B as a part of Phase 2.

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:

See Exhibit "E"

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 F contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated November 26, 1990 with Title Guaranty

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales 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, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2266 filed with the Real Estate Commission on July 3, 1990.

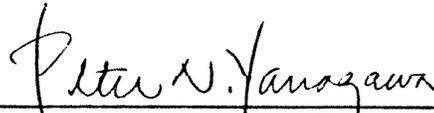
Reproduction of Report. When reproduced, this report must be on:

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 & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

EXHIBIT "A"

DESCRIPTION OF COMMON ELEMENTS

One freehold estate is hereby designated and all remaining portions of the Project (herein called the "common elements") including specifically, but not limited to:

- A. The land in fee simple;
- B. All yards, grounds, retaining walls, landscaped areas and uncovered walkways around and between said Dwellings;
- C. All roadways, stairways, sidewalks, driveways which are rationally of common use by owners of more than one Dwelling;
- D. All ducts, sewer lines, electrical equipment, pipes, wiring and other essential and appurtenant transmissions from facilities over, under and across the Project which serve more than one Dwelling for services such as power, light, water, refuse, sewer, telephone, radio and television signal distributions; and
- E. Any and all apparatus installations of common use on all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.
- F. The portion of the land designated on the Condominium Map as Unit "B" which is reserved for future development, provided, said portion will become a limited common element for the exclusive benefit of Unit "B", if the Developer exercises its option to add Unit "B".

EXHIBIT "B"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements as the "Limited Common Elements", which are set aside for the exclusive use of each Dwelling, and each Dwelling shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne immediately by the Dwelling to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

- (a) The site on which is located Unit "A", consisting of the land beneath and immediately adjacent to each Unit, as shown and delineated as "Unit "A", which Unit A is for the exclusive benefit of Unit A.
- (b) If Phase 2 were added pursuant to the amended Declaration, there would be the following limited common elements: (a) Unit A for the exclusive benefit of Unit "A" and (b) the land designated on the Condominium Map as Unit "B" for the exclusive benefit of Unit "B", which is reserved for future development. Until the Developer adds Phase 2 the Developer shall bear all of the costs and expenses relating to Lot B, including, without limitation any real property taxes, insurance and cost of maintenance relating thereto.
- (c) The mailboxes of the respective Dwelling shall be deemed a limited common element appurtenant to and for the exclusive use of the Dwelling or Dwellings served thereby.

NOTE: Reference to Units A and B do not refer to legally subdivided lots.

Certain parts of the common elements (herein called the "Limited Common Elements") are hereby designated and set aside for the exclusive use of certain Dwellings, and such Dwelling 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. Each lot upon which the respective Dwellings are built shall be appurtenant to and for the exclusive use of such Dwelling;
- B. All unfinished, undecorated portions of all perimeters (not including the party walls) and load-bearing walls for the respective units, and all structural components, foundations, floor slabs, columns, girders, beams, supports and roofs for the respective Dwellings;
- C. The mailboxes of the respective Dwellings shall be deemed a limited common element appurtenant to and for the exclusive use of the Dwelling or Dwellings served thereby.

All limited elements, costs and expenses including, but not limited to, maintenance, repair, replacement, additions and improvements shall be borne entirely by the owner of the Dwelling to which the Limited Common Elements are appurtenant.

EXHIBIT "C"

LIST OF ENCUMBRANCES
AGAINST TITLE OF OWNER

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Declaration, dated August 17, 1982, recorded in the Bureau of Conveyances, State of Hawaii, in Book 16521, Page 395.

Said Declaration was amended by instrument dated June 16, 1986, recorded in said Bureau, in Book 19663, Page 226.

3. An easement to use the existing cesspool on Lot No. 193 of the "Kaaawa Beach Lots", which existing cesspool is the present means of sewage disposal for the improvements constructed on Lots Nos. 192 and 193; and to the covenants and conditions contained therein, in favor of Bishop Trust Company, Limited, a Hawaii corporation, Trustee under the Will and of the Estate of Georgiana Akana, deceased, dated August 2, 1984, recorded in the Bureau of Conveyances, State of Hawaii, in Book 18105, Page 526.
4. Covenants, conditions and provisions set forth in that certain Affidavit for building permit, dated and recorded June 5, 1989, in the Bureau of Conveyances, State of Hawaii, in Book 23262, Page 682.
5. The Mortgage dated November 26, 1990, recorded December 3, 1990, in the Bureau of Conveyances, State of Hawaii, as Document No. 90-183832, to secure the repayment of \$192,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof, with ADAM FRANKLIN SUTTON and AMANDA JANE SUTTON, husband and wife, as the Mortgagor and BANCORP FINANCE OF HAWAII, INC., a Hawaii corporation, as the Mortgagee.

Assigned by an assignment dated January 4, 1991, recorded January 10, 1991, in said Bureau, as Document No. 91-003478, to First Federal Savings & Loan Association of America, a federally chartered savings and loan association.

6. An easement to construct, reconstruct, operate, maintain, repair and remove poles, wire lines, guy wires, anchors and/or underground powerlines and such other appliances and equipment as may be necessary for the transmission and

distribution of electricity, etc., in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, and GTE Hawaiian Telephone Company Incorporated, a Hawaii corporation, dated February 25, 1991, recorded March 22, 1991, in the Bureau of Conveyances, State of Hawaii, as Document No. 91-037387.

7. Condominium Map No. 1513, filed in the Bureau of Conveyances, State of Hawaii.
8. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in the Declaration of Condominium Property Regime dated May 23, 1991, recorded June 10, 1991, in the Bureau of Conveyances, State of Hawaii, as Document No. 91-074864.
9. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of Olohu Road Estates Condominium, dated May 23, 1991, recorded June 10, 1991, in the Bureau of Conveyances, State of Hawaii, as Document No. 91-074865.
10. Any and all covenants, conditions, restrictions and easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, and/or delineated on said Condominium Map.

EXHIBIT "D"

**SCHEDULE OF MAINTENANCE FEES
AND MAINTENANCE FEE DISBURSEMENTS**

Schedule of Maintenance Fees:

Unit "A" - \$22.50 a month

Unit "B" - \$27.50 a month

(To be charged if and when the developer exercises its option to add Unit "B")

The regular maintenance and repair of each condominium unit, including all utility charges individually metered, is the sole responsibility of each respective unit owner. The only common expense requiring monthly assessments (i.e. - maintenance fees) is for the maintenance of the roadway. The developer estimates that these costs will be approximately \$250.00 a year initially and later will be approximately \$600.00 a year if and when a second unit to be designated Unit "B" is added. Additional maintenance fees for the purposes of resurfacing the roadway may be assessed from time to time.

EXHIBIT "E"

PROJECT PHASE

The Developer has reserved the right, at its option and expense, until December 31, 1999 to construct an additional unit in the area designated Unit B on the Condominium Map. This Unit would be designated as Unit "B" and would be a single family residence. The conditions for the exercise of this additional unit are set forth in the First Amendment to Declaration of Condominium Property Regime.

The exact size, dimensions and features of Unit "B" are at the discretion of the Developer and the Developer may change its size, dimensions and features beyond its present proposed size as shown on the Condominium Map. The Developer reserves the right to amend the Condominium Map to reflect any such changes.

When and if Unit B is added to the Project, the percentage of undivided interest in the common elements shall be changed so that Unit A shall have appurtenant thereto an undivided 45% interest and Unit B shall have appurtenant thereto an undivided 55% interest in all common profits and expenses of the Project and for all other purposes, including voting.

In addition, the Developer shall also have the right, without being required to obtain the consent or joinder of any person or group of persons, including any apartment owner or any lien holder, or any other person who may have any interest in the Property or the Project, to do the following as it applies to the project addition:

- (1) To amend this Declaration and the Condominium Map to describe and depict Phase 2, to establish the apartment number for the additional apartment as Unit "B", to create additional common and limited common elements and easements as appurtenant to the additional apartment and/or to the other apartments in the Project, to determine and described the common interest and percentage of expenses appurtenant to the additional Unit, to file the "as built" certificate required by the Act upon completion of construction for the additional apartment constituting Phase 2, and to set forth such other matters necessary or desirable to effect any such alteration in the Project;
- (2) To amend any prior instrument of conveyance of an apartment so as to conform the same to the Declaration, as so amended; and

- (3) To have its contractor or contractors enter the Property and the Project as necessary for the construction of Phase 2; provided that the Declarant and its constructor(s) shall use reasonable efforts, consistent with maintaining the progress of such construction, to avoid interference with the use and enjoyment of the Project by the other apartment owners.

EXHIBIT "F"

SUMMARY OF RESERVATION AND SALES AGREEMENT

1. **PURCHASE PRICE:**
Unit A - \$390,000.00
Unit B - \$450,000.00
2. **PAYMENTS.** Payments to be made in a two payment plan. The first payment is due upon the execution of the agreement to purchase the property and the second payment is due after the final H.P.R. has been approved. The developer will require the maximum allowed by law as the initial deposit in the first payment.
3. **ADDITIONAL SUMS TO BE PAID:** Only closing costs and prorations to be paid five days before the scheduled closing date.
CONSTRUCTION LENDER HAS PRIORITY. The Developer's construction lender has priority over all other loans.
4. **ESCROW AGREEMENT.** Under the terms of the escrow agreement, escrow will be at First Hawaiian Bank Escrow and all interest accrued in escrow shall belong to the Seller.
5. **BUYER'S APPLICATION FOR A LOAN.** Buyer must notify the Seller if he intends to apply for a loan to purchase the unit. The Seller may contact the Buyer's prospective Lender.
6. **RETURN OF BUYER'S PAYMENTS.** Buyer may cancel and receive a full refund of the deposits (less any escrow fees, interest and costs of Seller) if the Buyer's loan is rejected or not approved within 30 days of the execution of the Agreement. If the Seller cancels the agreement the Buyer will receive a full refund of the deposits (less any escrow fees, interest and costs of Seller). If Buyer defaults after loan approval, the initial deposit is retained by the Seller.
7. **APPLIANCES INCLUDED IN SALE.** The sale of the condominium unit includes a refrigerator, dishwasher, range, oven, microwave hood, garbage disposal, sinks and bathroom fixtures.
8. **MAINTENANCE FEES.** Maintenance fees in the sum of \$22.50 a month for Apartment A and \$27.50 a month for Apartment B will be assessed for the condominiums in the Project.
9. **NO OTHER WARRANTIES.** Except for manufacturer's warranty on the appliances, the Developer makes no other warranties as to the construction of the condominium unit or any other warranties.

EXHIBIT "G"

SUMMARY OF ESCROW AGREEMENT

The escrow agreement sets up an arrangement under which the deposits a buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

1. Escrow will collect payments due pursuant to the sale contract.
2. Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.
3. Escrow will let buyers know when payments are due.
4. Escrow will arrange for and supervise the signing of all necessary documents.
5. The escrow agreement says under what conditions refund will be made to a buyer.
6. The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.

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

EXHIBIT "H"

DEVELOPER'S RESERVED RIGHTS

In addition to any other rights reserved herein, the Developer and the Owners do hereby reserve the right for itself and its agents, to do the following:

1. To maintain development facilities and conduct sales of units until unit deeds are issued to apartment purchasers with respect to all units in the Project. These rights shall include, but not be limited to, maintaining model units, operating a sales and construction office, conducting advertising, placing signs, using parking spaces, and erecting lighting in connection with such sales; PROVIDED, however, that the Developer shall not use any unit with respect to which a deed has been issued (other than to the Developer); and PROVIDED FURTHER, that in exercising such right, the Developer shall not interfere with the rights of any unit owner to the use of, or access to his apartment or any of the common elements appurtenant thereto.
2. To enter upon the land and the Project and carry on such construction and demolition activities as may be necessary in connection with such alterations, modifications, and restoration, including, but not limited to, parking and storage of construction equipment and materials, provided that the Developer shall not interfere with the rights of any other unit owner to the use of or access to his or her apartment or any of the common elements thereto.
3. Notwithstanding anything to the contrary contained in this Declaration, the Developer shall, from time to time, and at any time up to but not later than December 31, 1999, have the right at its option and expense to add to the Project a second phase ("Phase 2") consisting of Unit "B" within the areas delineated and marked as "Unit B" and "Lot B" on the Condominium Map. The improvements to be subject to terms and conditions hereinafter set forth in this paragraph. In connection therewith, the Developer also shall have the right, without being required to obtain the consent or joinder of any person or group of persons, including any

apartment owner or any lien holder, or any other person who may have any interest in the Property or the Project, (a) to amend this Declaration and the Condominium Map to describe and depict Phase 2, to establish the apartment number for the additional apartment as Unit "B", to create additional common and limited common elements and easements as appurtenant to the additional apartment and/or to the other apartments in the Project, to determine and described the common interest and percentage of expenses appurtenant to the additional Unit, to file the "as built" certificate required by the Act upon completion of construction for the additional apartment constituting Phase 2, and to set forth such other matters necessary or desirable to effect any such alteration in the Project; (b) to amend any prior instrument of conveyance of an apartment so as to conform the same to the Declaration, as so amended; and (c) to have its contractor or contractors enter the Property and the Project as necessary for the construction of Phase 2; provided that the Declarant and its contractor(s) shall use reasonable efforts, consistent with maintaining the progress of such construction, to avoid interference with the use and enjoyment of the Project by the other apartment owners.

To the extent that joinder of any apartment owner or lien holder or other person who may have any interest in the Property or the Project may be required in order to validate any amendment of this Declaration or the Condominium Map or any such instrument or conveyance for the limited purposes set forth in this Paragraph, such joinder shall be accomplished by power-of-attorney from each of the owners, lien holders or such other parties, the acquiring or acceptance or ownership in an apartment or of a lien covering an apartment or of any other interest in the Project or Property subject to this Declaration being a grant of such power, and the grant being coupled with an interest, being irrevocable.

END OF EXHIBIT "H"