



**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

SUNSET POINT  
 58-027, -029, -031, & -33 Makanale Street  
 Sunset Point, Oahu, Hawaii

Registration No. 2343

Issued: January 28, 1991  
 Expires: February 28, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 9, 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.



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## GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "*Condominium Property Act*" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

### Operation of the Condominium Project

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

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

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

## SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

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

**Types of Project:**

1.  New Building(s)  Conversion  
 Both New Building(s) and Conversion
2.  Residential  Commercial  
 Mixed Residential and Commercial  
 Other \_\_\_\_\_
3.  High Rise (5 stories or more)  Low Rise
4.  Single or  Multiple Buildings
5. Apartment Description

<u>Apt. Type</u>	<u>Nos.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>58-027</u>	<u>1</u>	<u>1</u>	<u>4/2.5</u>	<u>3,618</u>	<u>830</u>
<u>58-029</u>	<u>1</u>	<u>1</u>	<u>4/2.5</u>	<u>3,618</u>	<u>830</u>
<u>58-031</u>	<u>1</u>	<u>1</u>	<u>4/2.5</u>	<u>3,618</u>	<u>830</u>
<u>58-033</u>	<u>1</u>	<u>1</u>	<u>4/2.5</u>	<u>3,618</u>	<u>830</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Apartments: 4

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>8</u>
Guest Stalls	<u>2</u>
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
<b>Total Parking Stalls</b>	<u>10</u>

7. Recreational amenities:

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: ML DEVELOPMENT RESOURCES Phone: 942-2633  
Name (Business)  
2308 Lipioma Way  
Business Address  
Honolulu, Hawaii 96822

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

Abe Lee Development, Inc. General Partner  
2308 Lipioma Way, Honolulu, Hawaii 96822  
South Street Development, Inc. General Partner  
745 Fort Street, Suite 1850, Honolulu, Hawaii 96813

Real Estate Sales Agent: Mitsui ReHouse Realty, Inc. Phone: 523-8188  
Name (Business)  
745 Fort Street, Suite 1850, Honolulu, Hawaii 96813  
Business Address  
Abe Lee Realty  
1305 S. King Street, Suite A, Honolulu, Hawaii 96814  
Phone: 943-0233

Escrow: Island Title Corporation Phone: 526-9171  
Name (Business)  
1001 Bishop Street, Suite 390, Pauahi Tower  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: None, Project to be self-managed by Phone: \_\_\_\_\_  
Name (Business)  
the Board of Directors or the Association of Apartment Owners  
Business Address  
\_\_\_\_\_

Attorney for Developer: Glenn M. Adachi  
Name  
841 Bishop Street, Suite 1601  
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 1776294

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. 819

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 1776295

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

- Proposed                       Adopted
- Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

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

1. At anytime prior to closing of sale of the unit.
2. To file "as built" certificate.



**B. Underlying Land:**

Address: ML DEVELOPMENT RESOURCES Tax Map Key: 5-8-03: 70 & 71  
(TMK)

Address  TMK is expected to change because Each apartment will have its own address

Land Area: 52,664  square feet  acre(s) Zoning: R-5

Fee Owner: ML DEVELOPMENT RESOURCES  
Name  
2308 Lipioma Way  
Address  
Honolulu, Hawaii 96822

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: 4 Floors Per Building 3  
 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>4</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 or poultry, except for animals customarily kept as pets

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

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

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators --- Stairways --- Trash Chutes ---

<u>Apt. Type Nos.</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>58-027</u>	<u>1</u>	<u>4/2.5</u>	<u>3,618</u>	<u>830</u>
<u>58-029</u>	<u>1</u>	<u>4/2.5</u>	<u>3,618</u>	<u>830</u>
<u>58-031</u>	<u>1</u>	<u>4/2.5</u>	<u>3,618</u>	<u>830</u>
<u>58-033</u>	<u>1</u>	<u>4/2.5</u>	<u>3,618</u>	<u>830</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:

1. All perimeter walls, floors, foundations and roofs of each building;
2. All pipes, wires, conduits, or other utility and service lines in such building, or outside such building, if the same are not utilized for or serve more than one apartment;

2. The garages of the respective dwellings.  
Permitted Alterations to Apartments;

Unit owner has the right at their option to improve, renovate, remodel, make additions to, remove or restore the unit, subject to the requirements of law including sections 205-31 and 205-37, Hawaii Revised Statutes, relating to shoreline setbacks and prohibitions on use, and the regulations of the Land Use Commission and the County Planning Department.

7. Parking Stalls:

Total Parking Stalls: 10

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>8</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>8</u>
Guest Unassigned	<u></u>	<u>2</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u>2</u>
Extra Available for Purchase	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Other:	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>
Total Covered & Open	<u>10</u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></u>	<u></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 N/A  
 (For conversions of residential apartments in existence for at least five years): Not Applicable

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

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

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	_____X_____	_____	_____
Structures	_____X_____	_____	_____
Lot	_____X_____	_____	_____

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

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

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

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

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

Exhibit     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 \_\_\_\_\_

as follows:

The lot area for each unit consisting of the land beneath and immediately adjacent to the unit.

The lot area for each unit may change depending on the location of the shoreline boundary which is subject to change due to wave action adding or taking away land along the shoreline.

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:

<u>Unit No.</u>	<u>Common Interest</u>
58-027	25%
58-029	25%
58-031	25%
58-033	25%

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

Exhibit B describes the encumbrances against the title contained in the title report dated October 16, 1990 and issued by Island Title Corporation.

**Blanket Liens:**

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

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

[ 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>
Mortgage	Buyer's contract may be cancelled and the buyer may lose all rights to acquire the apartment. Buyer's deposit will be refunded.

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     C     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 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:

Contractor will give a Standard Contractor's one-year warranty on all workmanship and materials.

2. Appliances:

Manufacturer's warranties on respective appliances.



#### **IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

The developer has committed two adjoining lots to the condominium property regime. Each lot will have a driveway constructed in accordance with plans approved by the Building Department, City and County of Honolulu. For purposes of the condominium project, the two driveways will be common elements of the project, available for use by all the owners, their guests, tenants and invitees. The maintenance and repair of both driveways will be a common expense of the project.

**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. 2343 filed with the Real Estate Commission on October 29, 1990.

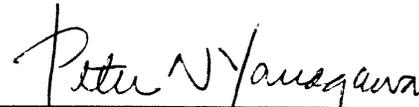
Reproduction of Report. When reproduced, this report must be on:

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

Escrow Agent

EXHIBIT A

COMMON ELEMENTS

1. Land in fee simple, consisting of two parcels;
2. All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve the apartments for services such as power, light, water, gas, refuse, telephone, radio, and television signal distribution;
3. The two driveways, one on each parcel of land;
4. The guest parking stalls
5. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.

EXHIBIT B

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205, Sections 31 to 37 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

3. Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in the Deed, dated July 13, 1965, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 365455.

4. Waiver of Deed Restriction dated November 4, 1976, filed in the office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 791088.

5. Terms and provisions of that certain Roadway Agreement dated November 8, 1976, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 799691.

6. An easement in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated, dated April 20, 1979, filed in the office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 955419.

EXHIBIT   C  

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>
#58-027	\$ 40	x	12	=	\$480
#58-029	\$ 40	x	12	=	\$480
#58-031	\$ 40	x	12	=	\$480
#58-033	\$ 40	x	12	=	\$480

[ ] Revised on \_\_\_\_\_

\_\_\_\_\_  
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:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning  
Electricity

common elements only .....\$ 5 x 12 x 4 units = \$ 240  
 common elements  
and apartments

Gas  
Refuse Collection  
Telephone  
Water and Sewer

Maintenance, Repairs and Supplies

Building  
Grounds .....\$ 5 x 12 x 4 units = \$ 240

Management

Management Fee  
Payroll and Payroll Taxes  
Office Expenses

Insurance .....\$ 25 x 12 x 4 units = \$1,200

Reserves .....\$ 5 x 12 x 4 units = \$ 240

Taxes and Government Assessments

Other

TOTAL.....\$ 40 x 12 x 4 units = \$1,920

TOTAL

Abraham Lee, President of Abe Lee Development, Inc.  
which is a General Partner of the Developer,  
I/We, ML DEVELOPMENT RESOURCES, as managing agents  
for the condominium, hereby certify that the above estimates of initial maintenance fee  
assessments and maintenance fee disbursements were prepared in accordance with generally  
accepted accounting principles.

Abraham Lee  
Date: Aug 24, 1990

EXHIBIT D

Summary of Sales Contract

The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract says:

(a) A provision to be filled in which provides for the method of financing the purchaser will use to pay the purchaser price.

(b) That a buyer's money will be held in escrow.

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

(d) What will happen if there is a default under the sales contract.

The sales contract contains various other provisions which the buyer should become acquainted with.

EXHIBIT E

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:

(a) Escrow will collect payments due pursuant to the sales contract.

(b) Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.

(c) Escrow will let buyers know when payments are due.

(d) Escrow will arrange for and supervise the signing of all necessary documents.

(e) The escrow agreement says under what conditions refund will be made to a buyer.

(f) 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.