



**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

2551 & 2551A 10TH AVENUE

2551 & 2551A 10TH AVENUE  
 Honolulu, Hawaii

Registration No. 2360

Issued: January 4, 1991  
 Expires: February 4, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 4, 1990, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.  
*(yellow)*
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.  
*(white)*
- No prior reports have been issued  
 Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- SUPPLEMENTARY:** Updates information contained in the  
*(pink)*
- Prelim. Public Report dated \_\_\_\_\_  
 Final Public Report dated \_\_\_\_\_  
 Supp. Public Report dated \_\_\_\_\_
- And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_
- This report reactivates the \_\_\_\_\_  
 public report(s) which expired on \_\_\_\_\_

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required       Not Required - disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

[ X ] No prior reports have been issued by the Commission.

[ ] Changes made are as follows:

```
*****
*
*                               Special Attention                               *
*
*       The developer has disclosed that the land area beneath and           *
* adjacent to each unit is designated as a limited common element and       *
* does not represent a legally subdivided lot. The prospective             *
* purchaser is cautioned to carefully review the condominium documents     *
* for further information regarding the foregoing. Specific                  *
* boundaries for the limited common element appurtenant to each            *
* apartment are shown in the Site Plan Map dated October 17, 1990 on      *
* file with the Commission.                                                 *
*****
```

## 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 Common Elements	
EXHIBIT B: List of Encumbrances	
EXHIBIT C: Summary of Sales Contract	
EXHIBIT D: Summary of Escrow Agreement	
EXHIBIT E:	
EXHIBIT F:	
EXHIBIT G:	
EXHIBIT H:	
EXHIBIT I:	
EXHIBIT J:	

## **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

Apt. <del>XXXX</del>	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
2551	1	3/2	1,680	175.66
2551A	1	2/1	696	280
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>4</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
<b>Total Parking Stalls</b>	<u>4</u>

7. Recreational amenities: None

**I. PEOPLE CONNECTED WITH THE PROJECT**

Developer: H. Peter Kempf  
**Name**  
1123 11th Avenue, #403  
**Business Address**  
Honolulu, HI 96816

Phone: 735-2441  
**(Business)**

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Sales Agent: Peter Kempf & Associates, Inc.  
**Name**  
1123 11th Avenue, #403  
**Business Address**  
Honolulu, HI 96816

Phone: 735-2441  
**(Business)**

Escrow: Hawaii Escrow & Title, Inc.  
**Name**  
700 Bishop Street, #110  
**Business Address**  
Honolulu, HI 96813

Phone: 521-2977  
**(Business)**

Managing Agent: Self-managed by the Association of  
**Name** Apartment Owners  
**Business Address**  
\_\_\_\_\_

Phone: \_\_\_\_\_  
**(Business)**

Attorney for Developer: Glenn M. Adachi  
**Name**  
841 Bishop Street, #1601  
**Business Address**  
Honolulu, HI 96813

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

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

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

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances - ~~Book~~ Document No. 90-181475 Page \_\_\_\_\_  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed  
 Recorded - Bureau of Conveyance Condo Map No. 1414  
 Filed - Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

Proposed  
 Recorded - Bureau of Conveyances - ~~Book~~ Document No. 90-181476 Page \_\_\_\_\_  
 Filed - Land Court - Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

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

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>100%</u> 65%
Bylaws	65%	_____
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 recording conveyance of first apartment unit.
  2. To file "as built" certification.



**B. Underlying Land:**

Address: 2551 & 2551A 10TH Avenue Tax Map Key: 3-4-12-44  
Honolulu, HI 96816 (TMK)

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

Land Area: 5,000 [X] square feet [ ] acre(s) Zoning: R-5

Fee Owner: H. Peter Kempf  
Name  
1123 11th Avenue, Ste. 403  
Address  
Honolulu, HI 96816

Sublessor: \_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_

**C Buildings and Other Improvements:**

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

2. Buildings: 2 Floors Per Building 1 & 2  
[ ] Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

[ ] Concrete [X] Hollow Tile [X] Wood  
[ ] Other \_\_\_\_\_

4. Permitted Uses:

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

5. **Special Use Restrictions:**

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

- Pets No livestock or poultry; only animals that are customarily kept as pets are permitted.
- Number of Occupants: \_\_\_\_\_
- Other: \_\_\_\_\_
- There are no special use restrictions.

6. **Interior (fill in appropriate numbers):**

Total Apartments 2

Elevators -- Stairways -- Trash Chutes --

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
2551	1	3/2	1,680	175.66
2551A	1	2/1	696	280
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*\*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 inside or outside the dwelling, being utilized by only one apartment.

**Permitted Alterations to Apartments:**

Each apartment owner has the right to improve, renovate, remodel, make additions to, remove, replace or restore the improvements in or to his apartment, subject, however to certain conditions as provided in Sec. 18A of the Declaration.



9. Present Condition of Improvements N/A  
 (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

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	<u>X</u>		
Structures	<u>X (2551)</u>	<u>X (2551A ohana unit)</u>	
Lot	<u>X</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 \_\_\_\_\_

as follows:

1. The parking spaces assigned to each apartment (spaces 1 & 2 as shown in the Condominium Map are appurtenant to Apt. 2551 and spaces 3 & 4 are appurtenant to Apt. 2551A).
2. The land area beneath and adjacent to each apartment.

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>
2551	60%
2551A	40%

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 June 26, 1990 and issued by Hawaii Escrow & Title, Inc.

Developer represents that as of the date of this Public Report, there has been no change in the status of encumbrances except for the Blanket Liens: Bancorp loan mentioned in Exh. B herein.

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	Buyer's interest may be terminated by mortgagee, in which event Buyer will be entitled to a refund of all deposits.

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 \_\_\_\_\_

No maintenance fees are contemplated at this time. Each owner will be responsible for the maintenance of his limited common elements.

**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 \_\_\_\_\_ 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:**

The Developer will pass on to buyer the Contractor's warranty that construction will be completed in a workmanlike manner according to standard practices.

2. **Appliances:**

Warranty as provided by the appliance manufacturer.

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

Construction of both apartments is scheduled to be completed by December 1990.

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

Escrow Agreement dated Nov. 20, 1990

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

Other \_\_\_\_\_

#### IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Ohana Dwelling. Unit 2551A is being built pursuant to approval as an ohana dwelling unit. The designated ohana dwelling unit is subject to Section 3.120.B of the Land Use Ordinance restricting expansion and reconstruction of nonconforming structures. Prospective buyers of 2551A are urged to investigate the consequences of acquiring a nonconforming structure.

## **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. 2360 filed with the Real Estate Commission on December 4, 1990.

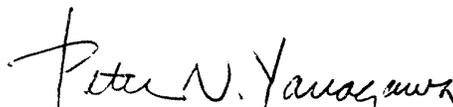
**Reproduction of Report.** When reproduced, this report must be on:

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

DESCRIPTION OF COMMON ELEMENTS

1. The land in fee simple as described in Exhibit "A" of the Declaration of Condominium Property Regime.

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 4-car garage situated below Unit 2551A.

4. 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

LIST OF ENCUMBRANCES

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

2. Easement dated November 5, 1962 and recorded in Liber 4409 at Page 19, in favor of HAWAIIAN ELECTRIC COMPANY LIMITED, a Hawaii corporation, affecting a portion of said premises for utility and incidental purposes.

3. Easement dated September 15, 1975 and recorded in Liber 11032 at Page 325, in favor of HAWAIIAN ELECTRIC COMPANY, a Hawaii corporation, for utility and incidental purposes.

4. Easement A (12-foot wide) for access purposes in favor of Lot 1 as described in instrument dated July 18, 1989 in Liber 23417, Page 669.

5. Easement B (5-foot wide) for utility purposes in favor of Lot 2 as described in instrument dated July 18, 1989 in Liber 23417, Page 669.

6. Mortgage in favor of First Hawaiian CreditCorp for \$96,000 as recorded in Liber 23417, Page 677.

7. Affidavit by H. Peter Kempf dated January 10, 1990, recorded in the Bureau of Conveyances as Instrument No. 90-011067 re: Building Permit for 2-story building.

8. Real property taxes due and payable. For more information contact City and County of Honolulu, Real Property Tax Assessment Division.

---

In addition to the foregoing the property is subject to the Declaration of Condominium Property Regime, Bylaws of the Association of Apartment Owners and Condominium Map as noted on page 7 of the public report and a construction loan mortgage in favor of Bancorp Hawaii, Inc. for \$325,000 pursuant to a commitment letter from the lender dated June 26, 1990.

EXHIBIT C

Summary of Sales Contract

The sales contract contains the price, description, number 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) The schedule of payments the buyer agrees to make.
- (b) Any interest on buyer's deposit will be credited to the Seller.
- (c) What a buyer must do to qualify for a loan if the buyer wants a mortgage loan to cover part of the purchase price.
- (d) That buyer's money will be held in escrow, under the terms of the escrow agreement.
- (e) If Seller elects, Buyer will pre-sign documents prior to the date of closing.
- (f) That the buyer has reviewed and approved the plans and other documents pertaining to the Project.
- (g) What will happen if there is a default under the sales contract.
- (h) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price and that Seller will give buyer 7 days notice of closing date.
- (i) 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 D

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) The escrow agreement says under what conditions escrow will disburse buyer's funds.

(e) The escrow agreement says under what conditions buyer's funds will be refunded if buyer cancels the sales contract.

(f) The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.

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

(h) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

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