



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

AKULEANA HALE
 1469 Akuleana Place
 Kailua, Hawaii 96734

Registration No. 2435 (Conversion)

Issued: NOV 4 1991
 Expires: DEC 4 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 25, 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:** (yellow) 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.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
 This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

Special Attention:

The Developer has disclosed the following:

1. The dwelling "lots" are not legally subdivided. The dotted lines on the condominium map merely represent the approximate locations of the limited common elements appurtenant to each apartment.
2. He has reserved future development rights to add another dwelling unit to 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 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.

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 (5 stories or more) Low Rise
- 4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
1	1	4/2	1,716(excl. garage)	100

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.

6. Parking:

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

7. Recreational amenities:

N/A

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: LEONARD C. K. GONZALES
Name
P.O. Box 998
Business Address
Kailua, Hawaii 96734

Phone: 262-2767
(Business)

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

Real Estate Broker: Patricia Bovard of Kailua Realty, Ltd.
Name
130 Kailua Road, Suite 110
Business Address
Kailua, Hawaii 96734

Phone: 263-6000
(Business)

Escrow: Founders Escrow Corporation
Name
116 Hekili Street, Suite 7
Business Address
Kailua, Hawaii 96734
Attention: Corinne Kaonohi

Phone: 263-6690
(Business)

General Contractor: N/A
Name

Business Address

Phone: _____
(Business)

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

Business Address

Phone: _____
(Business)

Attorney for Developer: Bruce T. Yoshida
Name
220 South King Street, 20th Floor
Business Address
Honolulu, Hawaii 96813

Phone: 545-3030
(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. 91-013272
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

First Amendment dated April 29, 1991 recorded as Document No. 91-055506.

Second Amendment dated October 5, 1991 recorded as Document No. 91-146814.

- 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. 1442
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

First Amendment dated April 29, 1991 recorded as Document No. 91-055506.

- 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. 91-013273
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>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</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

Developer may amend the Declaration to file the "as built" verified statement required by HRS Section 514A-12 and to effect changes required by any governmental agency or authority. Developer reserves the right to add to the project phase 2 consisting of another Home on the empty adjacent lot. Developer reserves the right to merge the existing Home with the planned structure once it is finished. The second Home will be a one-story, 4-bedroom, 3-bath structure with a net living area of 2,172 sq. ft. with a two-car garage, and will be constructed mainly of concrete and wood.

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 - Cancelled
 - Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

B. Underlying Land:

Address: 1469 Akuleana Place Tax Map Key: (1)4-2-92-25
Kailua, Hawaii 96734 (TMK)

Address TMK is expected to change because of CPR

Land Area: 10,260 square feet acre(s) Zoning: R-5

Fee Owner: Leonard C. K. Gonzales and Jennifer K. Gonzales
Name

904 Aalapapa Street
Address

Kailua, Hawaii 96734

Sublessor: _____
Name

Address

C Buildings and Other Improvements:

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

2. Buildings: one Floors Per Building one

Exhibit "A" contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

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	<u>1</u>	<u>yes</u>	<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 None Stairways None Trash Chutes None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1</u>	<u>1</u>	<u>4/2</u>	<u>1,716 (excl.garage)</u>	<u>100</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: consists of the space within the boundaries shown on the Condominium File Plan, which is enclosed by the exterior perimeter walls, interior, non-load bearing partition walls, and if no walls, the imaginary plan's, floor and ceiling of Home, as shown on the Condominium File Plan.

Permitted Alterations to Apartments:

See Exhibit "B"

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> </u>					
Guest	<u> </u>						
Unassigned	<u> </u>						
Extra Available for Purchase	<u> </u>						
Other:	<u> </u>						
Total Covered & Open	<u>2</u>	<u> </u>	<u>0</u>	<u> </u>	<u>0</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
- 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

The existing unit is 18 years old with an all-Monier tile roof, double-walled, concrete and wood construction in good condition. The developer does not warrant as to expected useful life of structural components, mechanical, and electrical installations.

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

Apartment 1469 Akuleana Place was built in compliance with applicable codes at the time of its construction in 1972. Verification of such compliance is on file with the Real Estate Commission.

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 G 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 H

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 I describes the common interests for each apartment.

As follows:

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

Exhibit "C" describes the encumbrances against the title contained in the title report dated March 11, 1991 and issued by Founders Title & Escrow of Hawaii.

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	The Buyer's deposit will be returned, the Buyer's contract may be cancelled, and the Buyer may lose all rights 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:** N/A

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.

See attached Disclosure Abstract (Exhibit F)

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 for the existing unit.

2. **Appliances:**

No warranty for the existing building.

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

Apartment 1469 Akuleana Place was constructed in 1972.

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:

Developer reserves until November 30, 2001 the right to build a 4-bedroom, 3-bath residential unit behind the existing unit and will offer the proposed and existing units for sale. The general description of the proposed structure is set forth in Exhibit "A".

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

Escrow Agreement dated January 17, 1991

Exhibit "E" _____ 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.

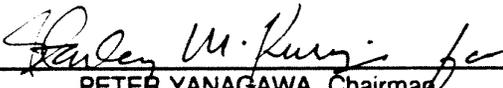
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) 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. 2435 filed with the Real Estate Commission on May 6, 1991.

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 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 APARTMENTS

Akuleana Hale consists of one one-story home and an empty lot on which another dwelling may be built (without basements), as shown on the Condominium File Plan. Developer plans to build a one-story, 4-bedroom, 3-bath house constructed of concrete and wood. It will have living area of approximately 2,172 sq ft, excluding garage.

The existing building is constructed primarily of concrete and wood. If the descriptions and divisions set forth in the Declaration conflict with the depictions and divisions shown on the Condominium File Plan, the Condominium File Plan shall control; and provided, further, that the Condominium File Plan is intended only to show the layout, location, Apartment number and dimensions of the Apartment and elevations of the Building and is not intended and shall not be deemed to contain or make any other representation or warranty. The Apartment has access directly to limited common element grounds

The existing Apartment consists of the space within the boundaries shown on the Condominium File Plan, which is enclosed by the exterior perimeter walls, interior, non-load bearing partition walls, and if no walls the imaginary vertical planes, floor and ceiling of the Apartment, as shown on the Condominium File Plan.

The existing Apartment in the Project is identified by an Apartment number on the Condominium File Plan and each Apartment will be located in the Project as shown on the Condominium File Plan. The floor plan of each Apartment is as shown on the Condominium File Plan.

The approximate net floor areas set forth below are based on measurements taken from the interior surface of all perimeter walls, interior walls and/or imaginary vertical planes as shown on the Condominium File Plan, except that no reduction is made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls, interior walls and/or said imaginary vertical planes. The floor area set forth herein is not exact but is approximation based on the floor plan of the Apartment. The floor area set forth herein has been rounded to the next lowest full square foot.

Notwithstanding the floor area set forth below and the manner in which such floor area is measured, the Apartment shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, nonload bearing walls, or partition walls, the foundations, columns, girders, beams, floor slabs, footings, supports, roof and ceilings located within or at the perimeter of or surrounding the Apartment, any pipes, wires, vents, shafts, ducts, conduits or

other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within the Apartment which are utilized for or serve more than one Apartment, all of which are deemed common elements as hereinafter provided.

EXHIBIT B

ALTERATION OF PROJECT

Except as otherwise provided herein, the Association of Apartment Owners of Akuleana Hale (the "Association") or any Apartment Owner shall undertake any alteration, repair or replacement of the Building only pursuant to an amendment of the Declaration of Akuleana Hale (the "Declaration") duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the Apartment Owners by interest and accompanied by the written consent of the holders of all liens affecting any of the Apartments. In accordance with all of the requirements of Section F(6) of the Declaration, promptly upon completion of such alteration, replacement or construction, the Association shall duly record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

Any other provision in the Declaration to the contrary notwithstanding, any Owner of a Home shall have the right to make any alterations or additions to his or her Home or its appurtenant Limited Common Elements, provided that (i) such work will not jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement or hereditament; (ii) the Owner making such additions or alterations shall comply strictly with all applicable laws, ordinances, and regulations of any governmental entity, and shall also obtain all necessary permits, at such Owner's sole expense; (iii) in case of addition of any material structure or excavation of any additional basement or cellar, the Owner shall first obtain the unanimous consent of the Owners of all of the other Homes. An Owner may make any improvement on or to the Common Elements, provided that the Owner obtain a bond or certificate thereof naming as Obligees the Owners of all of the Homes as their interests may appear, in a penal sum not less than the full amount of the cost of such construction and with a corporate surety authorized to do business in Hawaii, guaranteeing completion of such construction free and clear of all mechanics' and materialmen's liens or claims which might be imposed against the common funds of the Association pursuant to the Condominium Property Act, unless waived upon the concurring vote of all of the Association's Members, as defined in Article I, Section 1 of the By-Laws.

EXHIBIT C

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.
2. Terms, provisions, conditions, covenants and reservations as contained in that certain Trust Agreement dated May 13, 1983 and known as Turst Number 61-1177 herein referred to and the effect of any failure to comply with such terms, provisions and conditions.
3. Mortgage in favor of First Interstate Bank of Hawaii dated November 20, 1990 and filed in the Bureau of Conveyances with Document No. 90-180212, to secure an indebtedness of \$312,750 00.
4. Real property taxes as may be due and owing. Refer to the Director of Finance, City and County of Honolulu.

EXHIBIT D

SUMMARY OF SALES CONTRACT

1. The AKULEANA HALE Deposit, Receipt, Reservation Agreement ("Sales Contract") is not a present transfer of any interest in the Project but only an agreement to purchase and sell apartments therein.
2. Buyer's interest will be subject to the restrictions, covenants and conditions contained in the Declaration of Condominium Property Regime of Akuleana Hale.
3. Seller shall at its own cost deliver to Buyer a report from a licensed pest control company that there is no live visible termite infestation in the improvements.
4. The Sales Contract is a reservation only until such time as Buyer receives a Final Public Report and has acknowledged receipt of said Final Public Report and forty-eight (48) hours have elapsed or thirty (30) days has passed since such receipt by Buyer. Until such time, either party may terminate this reservation and all funds shall be returned to Buyer less any escrow costs.
5. Upon the closing date, Buyer is obligated to fulfill his obligations regardless of satisfaction of his inspection of the Apartment, and regardless of whether common areas of the Project have been completed.
6. Buyer has the right to rescind the Sales Contract if there is a material change in the Project which directly, substantially and adversely affects the use or value of Buyer's Apartment.
7. The right to rescind the sales contract as provided in item 6 above shall be waived upon delivery to Buyer of the Supplementary Public Report when describes the material change and when material change is: (i) approved by Buyer; or (ii) thirty (30) days have lapsed from the date of delivery of such Supplementary Public Report; or (iii) ninety (90) days have lapsed since Buyer has accepted or occupied the Apartment.
8. Seller shall furnish all materials and perform all labor necessary to complete the construction in accordance with the plans and specifications which Buyer acknowledges he has examined and/or waives any objections he may have thereto.
9. In an event of default by Buyer to perform any obligations required under the Sales Contract, Seller shall, at Seller's option, terminate this Agreement and retain as damages,

EXHIBIT E

SUMMARY OF ESCROW AGREEMENT

1. Buyer shall pay all monies payable under the Sales Contracts to FOUNDERS TITLE & ESCROW OF HAWAII ("Escrow").

2. Escrow will deposit Buyer's funds into a federally-insured account. All interest earned on such deposits will belong to Seller.

3. Upon receipt of a written notice from Seller that payments are due under any Sales Contracts, Escrow will give written notice to Buyer requesting such payments be made directly to Escrow.

4. After the Final Public Report on the Project has been issued and received by each Buyer and the Seller receives an executed receipt for it, the Seller will notify Escrow in writing that all of the requirements of Sections 514A-39, 514A-63 and 514A-65 have been satisfied, and upon the closing of the respective Sales Contracts, Escrow will disburse funds in proportion to the amount paid for the apartment conveyed.

5. If closing of a Purchaser's Sales Contract is to occur prior to Escrow receiving satisfactory evidence that all mechanics' and materialmen's liens have been cleared, if liens are filed, or prior to the expiration of the forty-five (45) day period commencing after publication of notice of completion, then Escrow shall not release any of the Purchaser's funds from the trust fund until Escrow receives satisfactory evidence that Seller has (i) provided Purchaser with an Owner's title insurance policy with appropriate mechanics' lien endorsement, protecting the Purchaser against all future mechanics' and materialmen's liens; and (ii) provided the Real Estate Commission with a release by Seller's general contractor of the general contractor's lien rights.

6. Buyer will be entitled to a refund of Buyer's monies without interest and less Escrow's cancellation fee if one of the following shall occur:

(a) Seller directs Escrow to make the refund;

(b) Buyer rescinds the Sales Contract because of a material change in the Project adversely affecting Buyer's interest;

(c) Buyer rescinds the Sales Contract because Buyer paid its funds to Escrow before issuance of the Final Public Report, which when issued is materially different from the Preliminary Public Report;

EXHIBIT "F"

DISCLOSURE ABSTRACT

Akuleana Hale
1469 Akuleana Place
Kailua, Hawaii 96734

Pursuant to Section 514A-61, Hawaii Revised Statutes
Condominium Property Act

Developer

Leonard C. K. Gonzales,
dba Kauhale Builders
P.O. Box 998
Kailua, Hawaii 96734

Project Manager

Project is to be self-managed

Estimated Maintenance Fee Assessments and Disbursements

MAINTENANCE FEES: The regular maintenance and repair of each condominium unit, including all utility charges and all costs for landscaping, replacement and improvement is the sole responsibility of each respective unit owner.

Use of Condominium Units

Both units comprising the Project may be occupied and used for residential purposes and such other purposes as permitted by applicable zoning ordinances. There is no commercial or other non-residential development in the Project.

Warranties

Purchasers should be aware that the existing condominium unit is approximately 18 years old. Said unit has unavoidably undergone a certain amount of "wear and tear" commensurate with its age. Accordingly, purchaser should not expect that unit in "like-new" condition. NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO THE INDIVIDUAL CONDOMINIUM UNITS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE EXISTING UNIT. THE EXISTING UNIT IS SOLD "AS IS".

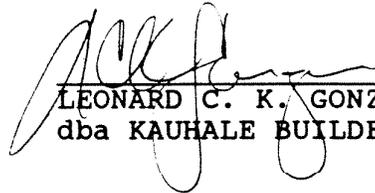
Structural Components and Mechanical & Electrical Installations

Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural components and mechanical and electrical installations material to be used and enjoyment of the individual condominium units appear to be sound and in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND

MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE CONDOMINIUM UNIT(S).

Code Violations

To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the County of Hawaii.


LEONARD C. K. GONZALES,
dba KAHALE BUILDERS

**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>
Unit 1	\$ 0.00
Unit 2	\$ 0.00

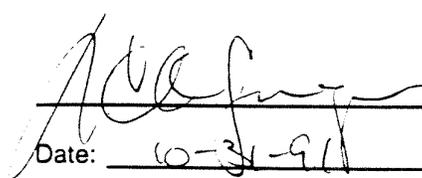
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services	\$ 0.00
Air Conditioning	
Electricity	
[] common elements only	
[] common elements and apartments	
Gas	
Refuse Collection	
Telephone	
Water and Sewer	
Maintenance, Repairs and Supplies	\$ 0.00
Building	
Grounds	
Management	\$ 0.00
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	\$ 0.00
Reserves	\$ 0.00
Taxes and Government Assessments	\$ 0.00
Audit Fees	\$ 0.00
Other	\$ 0.00
TOTAL	\$ 0.00

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


Date: 10-31-91

COMMON ELEMENTS

One freehold estate is hereby also designated in all the remaining portions and appurtenances of the Project, including specifically but not limited to:

- (a) The land making up the Project in fee simple;
- (b) All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which will serve both Home One and Home Two for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution;
- (c) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to the existence, maintenance or safety, and normal in common use;
- (d) The portion of the land making up the vacant lot which consists of 5,092 square feet, more or less, of real property described in Section 1(b) of this Declaration and more particularly designated on the File Plan as the site of the "Proposed Dwelling" and "Proposed Driveway" (hereinafter called the "Proposed Home Two Lot"); provided, however, that the Proposed Home Two Lot shall automatically become a Limited Common Element for the exclusive benefit of Home Two, if and when the Fee Owner amends the Declaration to add Home Two.

"EXHIBIT G"

LIMITED COMMON ELEMENTS

Certain parts of the Common Elements are set aside and reserved for the exclusive use of each Home and shall constitute "Limited Common Elements" appurtenant thereto. Each Home shall have an exclusive easement for the use of the Limited Common Elements appurtenant thereto, except as otherwise provided herein. 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 by the owner of the Home or Homes to which such Limited Common Element is appurtenant. The Limited Common Elements so set aside and reserved are as follows:

(a) The site on which Home One is located, called hereinafter "Home One Lot", consisting of the land beneath and immediately adjacent to Home One, as shown and delineated on the File Plan, for the exclusive benefit of Home One.

(b) If the Fee Owner adds Home Two to the Project pursuant to Section M of this Declaration (hereinafter called "Phase 2"), there would be the following Limited Common Elements: (a) Home One Lot for the exclusive benefit of Home One, and (b) the Proposed Home Two Lot, for the exclusive benefit of Home Two. Until the Fee Owner adds Phase 2 and transfers Home Two to a third party, the Fee Owner shall bear all of the costs and expenses relating to the Proposed Home Two Lot, including, without limitation any real property taxes, insurance and cost of maintenance relating thereto."

"EXHIBIT H"

COMMON INTEREST

The percentage of undivided interest each of the Homes shall have appurtenant in the Common Elements shall be as follows:

1. Subject to Section B.2 of this Declaration, Home One shall have appurtenant thereto an undivided one hundred percent (100%) interest in all Common Elements of the Project (hereinafter called the "Common Interest"), and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting on all matters requiring action by the Home owners. Except as set forth in Section B.2 and Section D of this Declaration, no change or reallocation of the Common Interest appurtenant to any Home may be made.

2. If the Fee Owner adds Phase 2 to the Project, then the percentage of undivided interest in the Common Elements shall be changed so that thereafter Home One shall have appurtenant thereto an undivided fifty percent (50%) interest, and Home Two shall have appurtenant thereto an undivided fifty percent (50%) interest in all Common Elements of the Project, and the same proportionate share in all common profits and expense of the Project and for all other purposes, including voting as aforesaid.

"EXHIBIT I"