

**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**

CASE & LYNCH BUSINESS CENTER  
 450, 460 and 480 Kilauea Avenue  
 Hilo, Hawaii

Registration No. 2493 (Partial Conversion)

Issued: SEPTEMBER 11, 1991  
 Expires: OCTOBER 11, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 8, 1991, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required       Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

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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>No. Rooms BR/Bath</u>	<u>Net Living-Area (sf)</u>	<u>Lanai/Patio (sf)</u>
A-1	1	4	4,831	N/A
B-1	1	1	6,219	N/A
B-2	1	4	2,214	N/A
B-3	1	1	2,376	N/A
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>See attached Exhibit C</u>	<u>64</u>
<b>Total Parking Stalls</b>	<b><u>64</u></b>

7. Recreational amenities: NONE

.. PEOPLE CONNECTED WITH THE PROJECT

Developer: CASE & LYNCH NAPIKIEHA, INC. Phone: 547-5400; 521-0211  
Name 737 Bishop Street (Business)  
26th Floor 235 Queen Street  
Business Address  
Honolulu, HI 96813 Honolulu, HI 96813

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

See attached Exhibit J  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker: Developer is developing Building B for Phone: N/A  
Name its own use. Building A (Apt. A-1) will be (Business)  
Business Address  
conveyed to the present mortgagee in  
satisfaction of the mortgage.

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211  
Name 235 Queen Street, 1st Floor (Business)  
Business Address  
Honolulu, HI 96813

General Contractor: Hilo Construction, Inc. Phone: 935-9775  
Name 232 Silva Street (Business)  
Business Address  
Hilo, Hawaii 96720

Condominium Managing Agent: Hawaiiana Management Company, Inc. Phone: 528-3800  
Name 1270 Ala Moana Boulevard (Business)  
Business Address  
Honolulu, HI 96814

Attorney for Developer: Case & Lynch (Gary L. Wixom) Phone: 547-5400  
Name 737 Bishop Street, 26th Floor (Business)  
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 - Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. 1836970

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. 861

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

- Proposed  
 Recorded - Bureau of Conveyances - Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. 1836971

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>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

See attached Exhibit I.



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: 450, 460 & 480 Kilauea Avenue Tax Map Key: (3) 2-2-010-016  
Hilo, Hawaii 96720 (TMK)

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

Land Area: 126,528.0  square feet       acre(s)      Zoning: CG-7.5

Fee Owner:	<u>CASE &amp; LYNCH, INC.</u>	<u>NAPIKIEHA, INC.</u>
	Name	
	<u>737 Bishop Street</u>	<u>235 Queen Street</u>
	<u>26th Floor</u>	
	Address	
	<u>Honolulu, HI 96813</u>	<u>Honolulu, HI 96813</u>

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: 2 Floors Per Building 1

Exhibit B contains further explanations.

3. Principal Construction Material:

Concrete       Hollow Tile       Wood

Other Pre-engineered steel, concrete slab and block wall



Boundaries of Each Apartment:

- A-1: Building A, including the exterior finish of the perimeter walls, the space within the perimeter walls, the roof and the floor slab.
- B-1, B-2 and B-3: The interior finished surfaces of the perimeter walls, floors and ceilings, and the doors and door frames, window and window frames along the perimeter walls.

Permitted Alterations to Apartments: Structural alterations require prior consent of the Board of Directors. Alterations costing more than \$25,000 require (1) plans prepared by a registered architect or engineer and approved by the Board of Directors, (2) a 100% performance and payment bond satisfactory to the Board of Directors, and (3) an amendment to the Declaration if the alterations or additions (other than alterations to the non-load bearing walls, floors or ceilings inside an apartment) are materially different from the Condominium Map. Prior consent of the Board of Directors is required for alterations or additions within an apartment or its appurtenant limited common elements and the consent of owners directly affected by such alterations or additions.

7. Parking Stalls:

Total Parking Stalls: 64

	<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>64</u>					<u>64</u>
Guest		<u>0</u>					
Unassigned		<u>0</u>					
Extra Available for Purchase		<u>0</u>					
Other:		<u>0</u>					
Total Covered & Open		<u>64</u>					

Each apartment will have the exclusive use of at least None 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 c contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

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

9. Present Condition of Improvements

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

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

N/A

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

N/A

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>  X  </u>	_____	_____
Structures	<u>  X  </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     D     describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit     D    

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     B     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 E describes the encumbrances against the title contained in the title report dated July 19, 1991 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

[x] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

Type of Lien

Mortgage in favor of Embassy Hawaii Corporation dated July 19, 1990, filed as Land Court Document No. 1748631.

Effect on Buyer's Interest  
if Developer Defaults

Lien limited to Apartment A-1; Buyer's rights to purchase would be terminated and Buyer would receive 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:

[ x ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[ ] self-managed by the Association of Apartment Owners.

[ ] other \_\_\_\_\_

**G. Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit F contains a schedule of maintenance fees and maintenance fee disbursements.

**H. Utility Charges for Apartments:**

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

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other \_\_\_\_\_

**I. Construction Warranties:**

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

1. **Building and Other Improvements:** No warranties are given with respect to the construction or condition of Apartment A-1 or its appurtenant limited common elements. Apartment A-1 will be transferred "as is", and "where is" with all faults, if any.

The Developers will require from the general contractor for Building B and the common elements not appurtenant to Building A a written warranty covering any defects due to faulty materials and/or workmanship which are discovered and reported within one year from the "Date of Substantial Completion" as defined in the construction contract. The Developers make no warranties themselves; however, the Developers will assign to each apartment owner of Building B any and all warranties given the Developer by the general contractor for the project and by any subcontractors or materialmen, and the Developers will cooperate with each apartment owner during the effective period of any such warranties in asserting any claims on such warranties.

2. **Appliances:** NONE

J. Status of Construction and Estimated Completion Date:

Apartment A-1 is existing and no construction is being done with respect to this apartment. Construction has commenced on Building B comprising Apartments B-1, B-2 and B-3. The estimate completion date is September 10, 1991.

K. Project Phases:

The developer  has  has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

See Exhibit I

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

Escrow Agreement dated December 12, 1990

Exhibit H 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. 2493 filed with the Real Estate Commission on July 31, 1991.

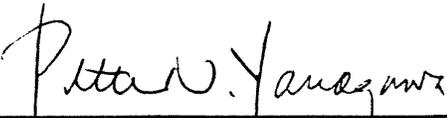
Reproduction of Report. When reproduced, this report must be on:

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 N. YANAGAWA, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Bureau of Conveyances

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

Federal Housing Administration

EXHIBIT "A"

DEVELOPER'S RIGHT TO CHANGE PROJECT DOCUMENTS

Prior to the conveyance of the first apartment, the Developer has reserved the right to make any changes to the project documents and the project as may be required by law, a title insurance company, an institutional lender a governmental agency and for any reason and in any manner as the Developer deems necessary, provided that no such change shall substantially impair the prospective use and enjoyment of the Apartment, substantially alter or reduce the usable space within the Apartment, render unenforceable a Buyer's mortgage loan commitment, increase the Buyer's share of common expenses, or reduce the obligations of the Developer for common expenses on unsold apartments. If there is a change in the project documents or the project after the issuance of this Condominium Public Report which causes this Report to be misleading as to purchasers, the developer will stop all sales and immediately submit sufficient information to the Real Estate Commission to enable it to issue a supplementary public report disclosing the change. If there is a material change, the purchaser may have rescission rights under the Condominium Property Act (Chapter 514A, Hawaii Revised Statutes).

EXHIBIT "B"

DESCRIPTION OF BUILDINGS AND APARTMENTS

DESCRIPTION OF BUILDINGS:

The project initially will consist of two single-story buildings without basements, designated Building "A" located on the portion of the Project referred to as Commercial Lot 1 and Building "B", located on Commercial Lot 2, each having a single level approximately at the surface of the ground. Building A is presently existing and comprises a single commercial apartment. Building B contains three commercial apartments.

The buildings are constructed principally of pre-engineered steel with concrete slab foundation, block wall and appropriate trim. Each building will be adjacent to a parking area as shown on the Condominium Map.

DESCRIPTION OF APARTMENTS:

The project contains four commercial apartments, numbered A-1 and B-1 through B-3 as shown on the Condominium Map. Each apartment has immediate access to the common elements of the Project.

Each apartment in the project is designated by a letter of the alphabet and an arabic number separated from the letter by a hyphen. The letter refers to the building in which an apartment is located and the number refers to the number of the apartment within the building. The apartment numbers and locations are more fully illustrated on the Condominium Map.

Apartment A-1 in Building A is divided into four rooms: a waiting room, two bathrooms, a shop area and also has a mezzanine and closets. Apartment A-1 includes all structural components of Building A, including perimeter walls and the paint or other finish on the exterior of the perimeter walls, the space within the perimeter walls, the doors and door frames, window and window frames, the foundations, girders, columns, beams, floor slabs, floors and ceiling and the roof, supporting beams, roofs and fixtures, if any, and all ducts, pumps, pipes, conduits, wires and other utility lines running through the apartment which do not serve or are not utilized by any other apartment or the common elements.

Each of Apartments B-1 and B-3, located in Building B, are comprised of a single room which may be divided from time to time by interior partitions. Apartment B-2 is divided into four rooms: two bathrooms, a reception area and a lunch room. Apartments B-1 and B-3 each have direct access to Apartment B-2 and to the common elements. Apartments B-1 through B-3 each include all walls, columns and partitions which are not load-bearing within the perimeter walls of the apartment, the inner decorated or finished

surfaces of all walls, floors and ceilings, the doors and door frames, the windows and window frames along the perimeter walls, the air space within the perimeter walls and all fixtures, if any, originally installed in the apartments. Apartments B-1 through B-3 shall not include the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing columns, girders, beams and walls, the undecorated or unfinished surfaces of the floors and ceilings surrounding each of the apartments, which shall be limited common elements.

APPROXIMATE FLOOR AREA OF APARTMENTS:

<u>Apt. No.</u>	<u>Approximate Net Area* (Square Ft.)</u>
A-1	4,831
B-1	6,219
B-2	2,214
B-3	<u>2,376</u>
TOTAL	15,640

\*The approximate net area of each apartment is measured from the interior surface of the apartment perimeter walls and includes all of the walls and partitions within its perimeter walls, whether load-bearing or non-load-bearing.

THE FLOOR AREAS SHOWN ARE APPROXIMATE ONLY. THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY PARTICULAR APARTMENT.

COMMON INTEREST:

- The common interest appurtenant to each apartment is as follows:

<u>Apartment</u>	<u>Common Interest</u>
A-1	15.343%
B-1	48.708%
B-2	17.340%
B-3	<u>18.609%</u>
	100%

2. The common interest initially has been, and upon future development will be, calculated as follows:

- a. The apartments located on a particular Commercial Lot shall have a common interest in the aggregate in the proportion that the area of the Commercial Lot bears to the total area of all Commercial Lots.
- b. The common interests attributable to apartments on a Commercial Lot shall be allocated in the proportion that the net area of each apartment bears to the aggregate net area of the apartments on a particular Commercial Lot.
- c. For purposes of the calculation, the areas of any undeveloped Commercial Lots will be treated as if they were consolidated with the area of Commercial Lot 2. Initially, the common interest allocated to the apartments in Building B has been calculated as if Lots 2 through 5 were a single Commercial Lot. The common interest of each apartment in Building B has been allocated among apartments B-1 through B-3 in the proportion that the net area of each apartment bears to total net area of all apartments in Building B. At such time or times as Commercial Lots 3, 4 or 5 are developed, the common interest attributed to the apartments in Building B will be recalculated and adjusted using the process described above. The common interest attributed to additional apartments will be calculated by first assigning to the apartments on a Commercial Lot an aggregate common interest in the proportion that the area of the newly developed Commercial Lot bears to the area of all Commercial Lots of the project (assuming, if such is the case that undeveloped Commercial Lots remain consolidated with Commercial Lot 2), and then allocating the common interest for that Lot among the apartments on that Lot in proportion to the net area of each apartment on that Lot. The common interest attributable to the apartments in Building B will be recalculated and adjusted using the same process. The common interest initially attributed to Building B will change as a result of future development. The common interest attributed to Apartment A-1 will not change unless the area of Commercial Lot 1 is changed.
- d. A similar reduction in the common interest of the apartments in Building B will result if all or a portion of Commercial Lots 3 through 5 are removed from the project.

EXHIBIT "C"

PARKING PLAN

The project has 64 parking stalls, all of which are uncovered and delineated on the Condominium Map. Parking stalls numbered 51 through 63 are regular size, and stall numbered 64 is a handicapped stall, all of which are located within Commercial Lot 1 and, as limited common elements appurtenant to Apartment A-1, are for the exclusive use of Apartment A-1.

Parking stalls 1 through 12, 15 through 20, 23 through 50 are regular size. Parking stalls numbered 13, 14, 21, and 22 are handicapped parking stalls. All of the foregoing parking stalls are located within Commercial Lot 2 and, as limited common elements appurtenant to Apartments B-1 through B-3, are for the exclusive use of those apartments.

Three parking stalls within Commercial Lot 2 may be withdrawn from use for parking and become a driveway for access to Commercial Lot 5 in connection with future development of the Project.

EXHIBIT "C"

(Page 1 of 1)

EXHIBIT "D"

DESCRIPTION OF THE COMMON ELEMENTS  
AND LIMITED COMMON ELEMENTS

COMMON ELEMENTS:

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

1. The land described in the Declaration, including Common Area Lots 1 and 2 as delineated on the Condominium Map.

2. All stairs and stairways and entrances of the buildings, yards, grounds, gardens, planters, plants, landscaping, refuse facilities, roads, driveways, walkways and parking areas.

3. All sewer lines, drainage facilities, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution, if any.

4. Any and all apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS:

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

1. Apartment A-1 has appurtenant to it as a limited common element the land area shown as Commercial Lot 1 on the Condominium Map. Commercial Lot 1 comprises parking stalls numbered 51 through 64 on the Condominium Map, trash enclosure, and all landscaping, driveway, walkways, stairs and stairways and entrances to the Apartment within Commercial Lot 1.

2. Apartments B-1 through B-3 have appurtenant to them as limited common elements the land area shown as Commercial Lot 2 on the Condominium Map. Commercial Lot 2 comprises parking stalls numbered 1 through 50 and all landscaping, driveway, walkways, stairs and stairways and entrances to the apartments.

3. Apartments B-1 through B-3 shall have appurtenant to them all structural components of Building B, the foundations, girders columns, beams, floor slabs, perimeter walls, floors and ceiling (except the inner or decorated surfaces of the perimeter walls, floors and ceilings) and the roof.

4. All other common elements of the project that are rationally related to less than all of the apartments shall be limited to the use of those apartments.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Any taxes that may be due and owing and tax liens that may be filed.
2. Designation of Easement "28" for road and utility purposes as shown on Map 36 of Land Court Application No. 1205 (amended), as set forth by Land Court Order No. 58199, filed October 21, 1980.
3. As to Easement "28" an easement in favor of Lots 31 through 38, 45 through 49 and 71 for access to Kilauea Street, as set forth by Land Court Order No. 58199, filed October 21, 1980.
4. Agreement regarding a floating easement dated January 13, 1981 filed as Land Court Document No. 1052665 by and between Siegfred Seiichi Kagawa, husband of Betsy Mitsuno Kagawa, et al., as sellers, and Blackfield Hawaii Corporation, a Hawaii corporation, as buyer.
5. Grant in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated dated September 24, 1987 filed as Land Court Document No. 1526564 granting a perpetual right and easement to construct, reconstruct, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity, etc.
6. Grant in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated dated December 7, 1987 filed as Land Court Document No. 1526568 granting a perpetual right and easement to construct, reconstruct, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity, etc.
7. Unrecorded lease dated June 4, 1987 by and between Blackfield Hawaii Corporation, as lessor, and Midas Realty Corporation, a Delaware corporation, as lessee, a memorandum of which was filed as aforesaid as Document No. 1540592, which lease was assigned to Pereira of Hilo, Inc., by unrecorded assignment dated May 22, 1989, a memorandum of which is filed as aforesaid as Document No. 1836969.
8. Mortgage, Security Agreement and Financing Statement dated July 19, 1990, filed as Land Court Document No. 1748631, in favor of Embassy Hawaii Corporation, assigned to Wilson Neill Limited, Wilson Neill Finance Limited and Wardells Wholesale Limited by Assignment of Note and Mortgage as Security dated July 30, 1990, filed as aforesaid as Document No. 1757576.
9. Assignment of Note and Mortgage as Security dated July 30, 1990, filed as Land Court Document No. 1757576 by Embassy Hawaii Corporation to Wilson Neill Limited, Wilson Neill Finance Limited and Wardells Wholesale Limited.
10. Condominium documents as noted on pg. 7 of this Public Report.

CASE & LYNCH BUSINESS CENTER  
Estimated Monthly Common Expenses  
as of May 1, 1991

<u>RECEIPTS</u>	<u>COMMON</u> <u>EXPENSES</u>
Maintenance Fees	\$ 640
TOTAL RECEIPTS	\$ 640
 <u>Administration</u>	
Office and Administration Expense	100
Management Services	400
Audit/Public Accounting	40
Total	\$ 540
 <u>Other</u>	
Directors & Officers Liability Insurance	\$ 75
Miscellaneous Expense	25
Total	\$ 100
TOTAL DISBURSEMENTS & RESERVE TRANSFERS	\$ 640
NET SURPLUS	\$ 0

It is hereby certified that the foregoing estimate of monthly common expenses of the project has been based on generally accepted accounting principles.

HAWAIIANA MANAGEMENT COMPANY, LTD.



William L. Burke  
Treasurer

Dated: May 1, 1991

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

MAINTENANCE FEE SCHEDULE  
CASE & LYNCH BUSINESS CENTER

UNIT	P.C.I.	MONTHLY MAINTENANCE
APARTMENT A-1	15.343%	98.20
APARTMENT B-1	48.694%	311.64
APARTMENT B-2	18.346%	117.41
APARTMENT B-3	17.617%	112.75
TOTALS	100.00%	640.00

EXHIBIT "G"

SUMMARY OF DEPOSIT, RECEIPT AND SALES CONTRACT

The Deposit Receipt and Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Deposit Receipt and Sales Contract states:

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

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

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

(d) That the Sales Contract will be subordinate to the lien of a construction lender.

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

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

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

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

(i) That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.

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

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

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

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

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

EXHIBIT "I"

SUMMARY OF RIGHTS RESERVED TO THE DEVELOPER

The Developer has reserved under the Declaration and will reserve in the apartment deeds substantial rights to further develop the project, which rights and privileges may or may not be exercised by the Developer and which, if exercised, may be exercised from time to time without the consent or joinder of the purchasers and their mortgagees. The rights reserved are summarized as follows :

1. The right to develop, sell and convey apartments of the project on a building by building basis.

2. The right to add within the area designated on the Condominium Map as the "Future Development Area" (also being Commercial Lots 3, 4 and 5) as many as thirty additional apartments in as many as six additional buildings on one or more commercial lots, together with additional common elements for the support and service of the additional apartments.

3. The right to seek approval of subdivision and to subdivide the land into two or more lots.

4. The right to apply for and issue supplementary public reports in connection with such changes to the project.

5. The right to remove and delete from the Project and from the Declaration, all or a portion of the land designated as the "Future Development Area" on the Condominium Map. If deemed necessary to effect deletion, purchasers will unconditionally quitclaim their interest, if any, in the land removed from the project.

6. The right to enter upon the common elements with employees, agents and contractors for all purposes reasonably necessary or useful for constructing, completing, and repairing the initial phase of development and adding additional apartments and common elements to the project.

7. The right to use, grant, delete, relocate and reserve easements and rights of way over, under, across and through the project at any time for utility and public service facilities, driveways, parking areas, access roadways and other similar purposes, whether or not for purposes of serving apartments or common elements of the project, provided that the reserved rights will be exercised in a manner that will not materially impair or interfere with the use of the apartments and their limited common elements.

8. The right to create and cause dust, noise and vibrations and other nuisance in connection with the development and construction of the project provides such activities are in compliance with applicable law.

9. Rights over the common elements of the project for the purposes of extensive sales activities and for noise and other nuisances incidental to sales activities until all apartments of the project have been sold.

10. The right to amend the Declaration and the Condominium Map to add additional apartments, describe the additions and reallocate the common interests allocated to apartments in the project in the manner provided in the Declaration.

11. The right to have purchasers and their mortgagees enter into such documents as may be reasonably necessary or useful to effect the development of additional apartments, and upon a purchasers failure to do so, the Developer may do so as attorneys-in-fact of the purchasers and their mortgagees.

Purchasers will release the Developer from any rights, claims or actions they may have against the Developer and its contractors and agents, for nuisance and noise arising out of construction and sales activities on the project.

THE FOREGOING IS MERELY A SUMMARY OF RIGHTS RESERVED TO THE DEVELOPER, THE EXERCISE OF WHICH BY THE DEVELOPER ARE SUBJECT TO THE PROVISIONS OF THE DECLARATION. PROSPECTIVE PURCHASERS ARE URGED TO READ THE DECLARATION FOR A FULL EXPOSITION OF THOSE RIGHTS AND PRIVILEGES AND THE BASES ON WHICH THE DEVELOPER CAN EXERCISE THESE RIGHTS AND PRIVILEGES.

EXHIBIT "J"

NAMES OF OFFICERS AND GENERAL PARTNERS OF DEVELOPER

1. NAPIKIEHA, INC., a Hawaii corporation.

<u>Name</u>	<u>Offices</u>
David T. Pietsch, Jr.	President and Director
Michael Pietsch	Vice President, Treasurer and Director
James Pietsch	Vice President, Secretary and Director

2. CASE & LYNCH, a Hawaii general partnership.

<u>Name</u>	<u>Kind of Partners</u>
Daniel H. Case Attorney at Law A Law Corporation	General
Paul A. Lynch Attorney at Law A Law Corporation	General
Gary L. Wixom Attorney at Law A Law Corporation	General
Robert E. Bethea	General
Valta A. Cook	General
James M. Cribley Attorney at Law A Law Corporation	General
Wesley W. Ichida Attorney at Law A Law Corporation	General
John R. Myrdal Attorney at Law A Law Corporation	General
Michael L. Biehl Attorney at Law A Law Corporation	General

Robert E. Rowland Attorney at Law A Law Corporation	General
David W. Proudfoot Attorney at Law A Law Corporation	General
Bruce C. Bigelow Attorney at Law A Law Corporation	General
Paul R. Mancini Attorney at Law A Law Corporation	General
Jeffrey Choi	General
Robert F. Schneider	General
Stephen D. Whittaker	General
Sylvester V. Quitiquit	General
Michael R. Marsh	General
Dennis M. Lombardi	General
C. George Sphikas	General
Diana L. Van De Car	General
Gregory M. Hansen Attorney at Law A Law Corporation	General
Ray K. Kamikawa	General
Danton S. Wong	General
Tod Z. Tanaka	General
Cathy Lee Sekiguchi	General
Vincent J. Lugani	General
David A. Feller	General
Steven S.C. Lim	General
Caroline P. Egli	General

Matthew G. Jewell	General
Nenad Krek	General
Scott D. Radovich	General
Rachel T. Shimazu	General
Catherine H. Lesica	General