



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

on

"636 KAIEMI"
 636 Kaiemi Street
 Kailua, Hawaii

Registration No. 2505 (Conversion)

Issued: September 16, 1991
 Expires: October 16, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 6, 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:

"SPECIAL ATTENTION"

THE DEVELOPER HAS DISCLOSED THE FOLLOWING:

1. This public report does not constitute an approval of the project, nor does it ensure that all county codes, ordinances and subdivision requirements have necessarily been complied with.

2. The land area beneath and immediately adjacent to each unit as shown on the condominium map is designated as a limited common element and does not represent a legally subdivided lot. The prospective purchaser is cautioned to carefully review the condominium documents for further information regarding the foregoing.

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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

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
A	1	4/3	1830	None
B	1	2/1	783	232 (open deck)

Total Apartments: 2

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>each</u> apartment has space for two cars	<u>4</u>
Total Parking Stalls	<u>4</u>

7. Recreational amenities:

NONE.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Uwe Ewald Duwel & Kai Margaret Duwel Phone: (808) 261-9808
Name 636 Kaiemi Street (Business)
Business Address
Kailua, Hawaii 96734

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

Real Estate Broker: N/A Phone: _____
Name (Business)
Business Address

Escrow: ISLAND TITLE CORPORATION Phone: (808) 261-7993
Name 315 Uluniu Street, #202 (Business)
Business Address
Kailua, Hawaii 96734

General Contractor: _____ Phone: _____
Name (Business)
Business Address

Condominium Managing Agent: Self-managed by the Association of Phone: _____
Name Apartment Owners (Business)
Business Address

Attorney for Developer: VERNON T. TASHIMA Phone: (808) 521-2951
Name Suite 888, 220 South King Street (Business)
Business Address
Honolulu, Hawaii 96813

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

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances - Document No. 91-104446
Book _____ Page _____
 Filed - Land Court - Document No. _____

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. 1535
 Filed - Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances - Document No. 91-104447
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

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

To grant, adjust easements; to file "as built" amendment; changing parking stalls; to comply with governmental and mortgagee requirements.

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>2</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: No restrictions

Number of Occupants: No restrictions

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

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

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>1</u>	<u>4/3</u>	<u>1830</u>	<u>None</u>
<u>B</u>	<u>1</u>	<u>2/1</u>	<u>783</u>	<u>232 (open deck)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

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

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

Boundaries of Each Apartment: Each apartment consists of a separate building.

Permitted Alterations to Apartments:

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>4</u>						
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open							

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: _____

9. Present Condition of Improvements

(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

Good condition. No representation made as to useful life.

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

All code requirements were met at time of construction.
 Reference: letter from City Building Department dated April 24, 1991.
 The City Building Department has issued the following statement:
 "Investigation revealed that the two dwellings with four off-street parking spaces met the applicable code requirements when they were constructed. The front dwelling was constructed in 1955 and the rear dwelling was constructed with an Ohana permit in 1983.

No variance or special permits were granted to allow deviations from any codes."

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X		
Structures	X (Unit "A")	X (Unit "B") *	
Lot	X		

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

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

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

*See letter from City Department of Land Utilization attached hereto as Exhibit "F" regarding future expansion or reconstruction.

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

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

Exhibit "A" describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit _____

as follows:

Yard Space. Each unit will have appurtenant to it, as a limited common element, a certain yard space surrounding each unit, and the site upon which each unit is situated, as shown on the Condominium Map.

NOTE: Unit A has a carport and Unit B, a garage each with spaces for two (2) cars.

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

Exhibit _____ describes the common interests for each apartment.

As follows:

Each unit has a 50% interest.

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

Exhibit "B"
August 8, 1991 describes the encumbrances against the title contained in the title report dated
and issued by Island Title Corporation.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
<u>As to the Fee:</u>	
1. Mortgage dated March 2, 1989, recorded in Liber 22987 at page 238 in favor of the Bank of Hawaii.	The buyer's deposit shall be returned. The buyer may lose all rights to acquire the apartment.
<u>As to the Leasehold:</u>	
1. Mortgage dated April 18, 1986 recorded in Liber 19454 at page 173 now held by SCG Mortgage Corporation.	Lease and leasehold mortgage to be released at time of conveyance of unit.
2. Mortgage dated May 6, 1988, recorded in Liber 22064 at page 675 in favor of the SBA.	
F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.	

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

G. Estimate of Initial Maintenance Fees:

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

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

Exhibit "C" contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

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.

2. Appliances: No warranties.

J. Status of Construction and Estimated Completion Date:

Units were completed in 1955 and 1983

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: No further plans.

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 Notice to owner occupants is not applicable per Section 514A - 108 HRS.
 Specimen Sales Contract Realty Board's Standard form of DROA.

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

- Escrow Agreement dated June 27 1991

Exhibit "E" contains a summary of the pertinent provisions of the escrow contract.

- Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

OHANA DISCLOSURE

RESPECTING UNIT "B" OF "636 KAIEMI"

Unit "B" of "636 Kaiemi" project was constructed in 1983 as an "ohana dwelling" pursuant to the provisions of Section 6.20 ("Housing: Ohana Dwellings") of the Land Use Ordinance of the City and County of Honolulu ("LUO"). At the time of its construction, said dwelling was fully conforming to the LUO.

Subsequently, on April 28, 1988, said Section 6.20 was amended to provide, among other things, that the maximum size of an "Ohana" accessory dwelling unit on a residentially zoned lot shall be restricted. Specifically, in a zoning district designated as R-5, as is this Project, the maximum permitted floor area of an ohana accessory dwelling unit is 700 square feet.

Accordingly, dwelling "B" of "636 Kaiemi", which previously conformed to the LUO, does not now comply with Section 6.20, as amended. The dwelling is, therefore, presently considered a "non-conforming structure" to the extent that its size exceeds 700 square feet. As such, under present law, the unit may not be expanded beyond its existing size.

In December 1989, the Honolulu City Council amended the Ohana Ordinance to permit dwellings that were approved as ohana accessory dwelling units prior to square footage limitations imposed in 1988 to be rebuilt to their original size, subject to certain conditions.

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. 2505 filed with the Real Estate Commission on August 23, 1991.

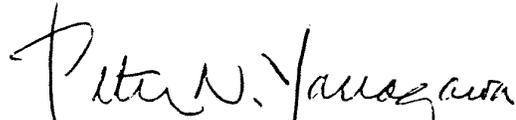
Reproduction of Report. When reproduced, this report must be on:

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, City & County of Honolulu

Planning Department, City & County of Honolulu

Federal Housing Administration

EXHIBIT "A"

COMMON ELEMENTS

The common elements will include the limited common elements and all other portions of the land and improvements other than the apartments, the land on which it is located and all elements mentioned in the Condominium Property Act which are actually constructed on the land herein described, and specifically shall include, but not limited to:

- a) Land herein described in Exhibit "A" [attached to the Declaration] in fee simple.
- b) All yards, boundary walls, if any, grounds and landscaping.
- c) All walkways, sidewalks, pathways, parking areas and driveway, if any.
- d) All electrical equipment, wiring and other appurtenant installations, including power and light, water, sewer and gas lines; all pipes, wires, conduits or other utility or service lines, including TV cable, if any which are utilized by or serve all of the buildings.

END OF EXHIBIT "A"

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes, that may be due and owing. Reference is made to the Office of the Tax Assessor, City and County of Honolulu.

2. Condominium Map No. 1535 filed in the Bureau of Conveyances, State of Hawaii.

3. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in the Declaration Submitting Property to the Condominium Property Regime dated June 3, 1991 in the Bureau of Conveyances, State of Hawaii, as Document No. 91-104446.

4. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of 636 Kaiemi, dated June 3, 1991, in the Bureau of Conveyances, State of Hawaii, as Document No. 91-104447.

5. Mortgage dated March 21, 1989, recorded in Liber 22987, at page 238, in favor of Bank of Hawaii.

7. Lease dated July 29, 1955, between Kaneohe Ranch Company, Limited, et al., Lessors and James Marion Harshey and Shirley Won Harshey, husband and wife, recorded in Liber 3006 at page 128; as amended; which was assigned to Uwe Ewald Duwel and Kia Margaret Duwel by assignment dated May 24, 1984, recorded in Liber 17913 at page 199.

Said Lease is subject to the following:

- (a) Mortgage dated April 18, 1986, recorded in Liber 19454 at page 173 in favor of Amfac Mortgage Corporation, which was assigned to SCG Mortgage Corporation, by instrument dated April 21, 1989, recorded in Liber 23448 at page 50.
- (b) Mortgage dated May 6, 1988, recorded in Liber 22064 at page 675 in favor of The Administrator of the Small Business Administration.

Note: Lease and leasehold mortgage to be released at time of conveyance of that unit.

END OF EXHIBIT "B"

EXHIBIT "C"

DISCLOSURE PERTAINING TO:

"636 KAIEMI"

CONDOMINIUM BUILDING

1. Name and address of project
 - A) Name of Project
"636 Kaiemi"
 - B) Address:
636 Kaiemi Street
Kailua, Hawaii 96734
2. Name, address and telephone number of Developer or Agent
 - A) UWE EWALD DUWEL and KIA MARGARET DUWEL, husband and wife
 - B) 636 Kaiemi Street
Kailua, Hawaii 96734
 - C) Phone: (808) 261-9808
3. Name, address and telephone number of Project Manager or Agent
 - A) UWE EWALD DUWEL and KIA MARGARET DUWEL, husband and wife
 - B) 636 Kaiemi Street
Kailua, Hawaii 96734
 - C) Phone: (808) 261-9808
4. Maintenance fees:
NOT APPLICABLE - NO COMMON ELEMENT
5. Warranties of units and Common Elements:
(appliances and workmanship)
 - A) 1. Apartments:
No Warranties
 - B) 1. Appliances:
No Warranties

6. Use of units:

(a) Residential Use:

2 units

(b) Hotel Use:

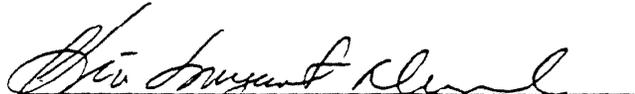
N/A

CERTIFICATION

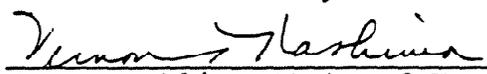
I hereby certify that the foregoing disclosure figures are based upon generally accepted accounting principles.

Dated: Honolulu, Hawaii June 3, 1991


UWE EWALD DUWEL


KIA MARGARET DUWEL

Subscribed and sworn to before me
this 3rd day of June, 1991.

v. S.

Notary Public, State of Hawaii

My commission expires: 9/26/93

The undersigned acknowledges receipt of a copy of the foregoing disclosure.

DATED: _____

EXHIBIT "D"

SUMMARY OF THE PROVISIONS
OF THE ESCROW AGREEMENT

Among other provisions of the Escrow Agreement, the Agreement provides that:

Disbursement from the escrow fund may be made to pay for construction costs upon certification and approval for payment by an architect or engineer, and approved by Seller's lender. However, the agreement further provided that no disbursements of Purchaser's funds shall be made until Escrow is notified by Seller that the Real Estate Commission has issued a Final Public Report on the project and that each Purchaser has been given a copy of said Final Public Report.

Further, Purchaser shall be entitled to a refund of Purchaser's funds, and Escrow shall pay the funds to Purchaser, without interest and less Escrow's cancellation fee upon receipt by Escrow of a written request from Seller to return to Purchaser the funds of such Purchaser then held hereunder by Escrow.

END OF EXHIBIT "D"

EXHIBIT "E"

SUMMARY OF SALES CONTRACT

The pertinent provisions of the Hawaii Association of Realtor's Standard Form DROA, being the sales contract for this project are as follows:

1. Warranty Deed:

Seller agrees to convey the property with warranties, free and clear of encumbrances except certain matters of record which do not materially affect the value of the property.

2. In case of default:

A. By Buyer: Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein, as liquidated damages; and (c) Buyer shall be responsible for any cost incurred in accordance with the contract.

B. By Seller: Buyer may (a) bring an action against Seller for damages for breach of contract; (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract.

3. Time is of the Essence:

The contract provided that if either Seller or Buyer cannot perform his obligations for reasons beyond his control by the closing date, the closing date may be extended for not more than 30 days, by giving escrow notice in writing.

END OF EXHIBIT "E"

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET
HONOLULU, HAWAII 96813 • (808) 523-4432

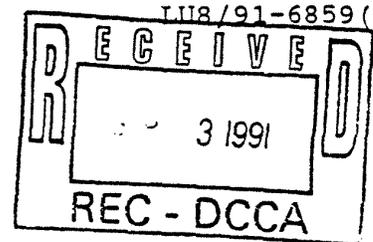
FRANK F. FASI
MAYOR



DONALD A. CLEGG
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

August 29, 1991



Mr. Vernon T. Tashima
220 South King Street, Suite 888
Honolulu, Hawaii 96813

Dear Mr. Tashima:

**Proposed Condominium Conversion
636 Kaiemi Street; Tax Map Key 4-3-81: 25**

This is in response to your submission of documents relating to condominium conversion for this project.

The draft public report indicates on page 13 that the rear unit was constructed with an ohana permit. The report should also disclose that Unit B, the ohana dwelling, is a nonconforming structure, because it exceeds the current floor area limitation of 700 square feet for ohana dwellings in the R-5 Residential District.

Accordingly, Unit B may not be expanded, because this would increase its nonconformity. See Section 3.120.B of the Land Use Ordinance (LUO), relating to nonconforming structures. The unit, if destroyed, may be rebuilt to its original size under certain conditions set forth in LUO Section 6.20-1.A. Copies of the applicable LUO provisions are enclosed for your information.

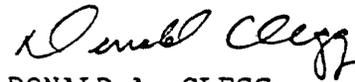
Item 10.b. on page 13 should be corrected to note that Unit B is a nonconforming structure. A more complete explanation, similar to the attached Ohana Disclosure for another project involving an ohana dwelling, should be provided as well.

EXHIBIT "F"

Mr. Vernon Tashima
Page 2

If you have any questions, please contact Carol Whitesell of our staff at 523-4256.

Very truly yours,



DONALD A. CLEGG
Director of Land Utilization

DAC:cw
Kaiemi.cbw

cc: ✓ Real Estate Commission
Attachments

END OF EXHIBIT "F"