



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

820 KAIIPII

820 Kaipii Street
 Kailua, Hawaii

Registration No. 2538 (Conversion)

Issued: November 15, 1991
 Expires: December 15, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 22, 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 land area beneath and adjacent to each unit is designated as a limited common element and does not represent a legally subdivided lot. Therefore, the dotted lines in the Condominium Map separating the designated units should not be considered as formal subdivision lot lines.

TABLE OF CONTENTS

	pag
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: Building and Unit Descriptions	
EXHIBIT B: Common Elements	
EXHIBIT C: Limited Common Elements	
EXHIBIT D: Encumbrances Against Title	
EXHIBIT E: Estimated Maintenance Fees	
EXHIBIT F: Specimen Sales Contract	
EXHIBIT G-1: Summary of Material Provisions of Escrow Agreement	
EXHIBIT H: Developer's Disclosure Abstract	
EXHIBIT I: City and County Letter Dated October 4, 1991	
EXHIBIT J: none	

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>
<u>Unit 820</u>	<u>1</u>	<u>3+ / 2</u>	<u>1,923</u>	<u>45</u>
<u>Unit 820 A</u>	<u>1</u>	<u>2 / 1</u>	<u>737</u>	<u>456 carport (only)</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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>4</u>
Guest Stalls	<u>none</u>
Unassigned Stalls	<u>none</u>
Extra Stalls Available for Purchase	<u>none</u>
Other: _____	<u>none</u>
Total Parking Stalls	<u>4</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: DANIEL EUGENE REIS and MICHELLE ANNETTE REIS

Phone: 955-8588

Name

(Business)

820 Kaipii Street

Business Address

Kailua, Hawaii 96734

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

N/A

Real Estate Broker:

LYN SAVAGE

Phone: 955-8588

Name

(Business)

Central Realty, Ltd.

Business Address

1585 Kapiolani Boulevard, Suite 1300

Honolulu, Hawaii 96814

Escrow:

FOUNDERS TITLE & ESCROW OF HAWAII

Phone: 946-2800

Name

(Business)

1585 Kapiolani Boulevard, Suite 1235

Business Address

Honolulu, Hawaii 96814

General Contractor:

N/A

Phone:

Name

(Business)

Business Address

Condominium

Managing Agent:

Project is to be self-managed by the

Phone:

Name

Association of Condominium Owners

(Business)

Business Address

Attorney for Developer:

DAVID Z. ARAKAWA

Phone: 536-0802

Name

(Business)

1001 Bishop Street, Suite 2700 Pauahi Tower

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. 91-139145
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Amendment to the Declaration of Condominium Property Regime, entitled Supplemental Exhibit A-1, was filed as Document No. 91-144703.

The First Amendment to the Declaration of Condominium Property Regime was filed as Document No. 91-151138.

- 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. 1564
 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. 91-139146
Book _____ Page _____
 Filed - Land Court - Document No. _____

Amendment date(s) and recording/filing information:

The Condominium Statute (Chap. 314A, 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

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: _____

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>Unit 820 A</u>	<u>1</u>	<u>2/1</u>	<u>737 sf</u>	<u>456 sf Carport</u>
<u>Unit 820</u>	<u>1</u>	<u>3+/2</u>	<u>1,923 sf</u>	<u>45 sf</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 condominium unit shall include: (a) all the walls and partitions which are not load-bearing within its perimeter walls; (b) all glass windows, louvers, doors and panels along its perimeter; (c) the inner decorated or finished surfaces of the perimeter walls or interior load-bearing walls; (d) the interior-finished surfaces of the floors and ceilings; (e) any utility system or component thereof which is located within any unit designed for the use of such unit; and (f) all of the air space encompassed within the condominium unit. (Also see §II of the Declaration.)

Permitted Alterations to Apartments: Unit owners may remodel, expand or alter their unit at their own expense, provided same is permitted by and done in complete accordance with all applicable ordinances, codes, rules, regulations or other requirements. Newly constructed improvements shall maintain a minimum setback of five feet from all property lines and shall not alter the essential nature and character of the Project. Alterations shall not unreasonably interfere with other unit owner's use or enjoyment of his unit or land area. (Also see §XVI of the Declaration.)

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	<u>2</u>	<u>2</u>	_____	_____	_____	_____	<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
- 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

It is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the individual condominium units appear to be sound and in satisfactory working conditions. However, no representation of any kind are made as to the useful life, if any, of the structural components and mechanical and electrical installation material to the use and enjoyment of the condominium unit(s).

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

The project is a conversion of a fully constructed and existing building to condominium status. Said building is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction or from any other ordinance, code, rule, regulation or other requirement.

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 Interests

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 B 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 C

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 _____ describes the common interests for each apartment.

As follows: Unit A and its owner(s) shall have appurtenant thereto a one-half (1/2) fractional interest (50.0 percentage interest) and Unit B shall have an appurtenant one-half (1/2) fractional interest (50.0 percentage interest) in the common elements of the project, for all purposes including voting, said interest being referred to as the "common interest."

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

Exhibit D describes the encumbrances against the title contained in the title report dated September 23, 1991 and issued by Founders 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>
none	

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 E 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:** The Purchasers understand that the structure was originally constructed in 1955 and renovated in 1991. The Seller is selling Unit 820 and Unit 820A together with appliances and other personal property in "as is" condition. The Seller is giving no warranties to Purchasers with respect to the construction, material or workmanship of Unit 820 or 820 A.

2. **Appliances:**

J. Status of Construction and Estimated Completion Date:

The Project is a conversion of an existing duplex structure built in 1955 and renovated in 1991. See Exhibit "I".

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit F contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated September 19, 1991

Exhibit G-1 contains a summary of the pertinent provisions of the escrow contract.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

None.

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. 2538 filed with the Real Estate Commission on October 22, 1991.

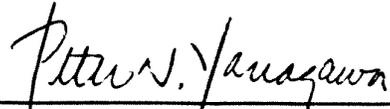
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the 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"
Building and Unit Descriptions

The Declaration of Condominium Property Regime and plans submitted by the Developer indicate that 820 KAIPII is a fee simple condominium conversion project.

The Project consists of a single-story wood-frame structure, without basement. Said Project is hereby divided into two (2) separate freehold estates, hereinafter referred to as "condominium units" (also referred to as herein as "unit" or "units"). Specifically, the two estates to created and designated area referred to hereinafter as "Unit 828" and "Unit 820A". Said condominium units are shown and designated on plans incorporated herein by reference and recorded in the Bureau of Conveyances of the State of Hawaii and/or filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii as a Condominium Map, (the number of which is noted on the first page hereof.) The units are described as follows:

- (a) "Unit 820", contained in the northwestern portion of the duplex structure, contains three bedrooms, two baths, living room, family dining room, kitchen, laundry room and courtyard area, all containing a net interior living area of approximately 1,923 square feet. Said unit also contains a lanai of approximately 45 square feet, a courtyard area and a driveway entrance and a concrete slab for two-car parking.
- (b) "Unit 820A", contained in the southeastern portion of the duplex structure, contains two bedrooms, one bath, living/dining/kitchen area, all containing a net interior living area of approximately 737 square feet. Said unit also contains an attached partially enclosed carport for two cars, of approximately 456 square feet, including a washer and dryer.

Each condominium unit shall include: (a) all the walls and partitions which are not load-bearing within its perimeter walls; (b) all glass windows, louvers, doors and panels along its perimeter; (c) the inner decorated or finished surface of the perimeter walls or interior load-bearing walls; (d) the interior-finished surfaces of the floors and ceilings; (e) any utility system or component thereof which is located within any unit designed for the use of such unit; and (f) all of the air space encompassed within the condominium unit.

Notwithstanding the foregoing, the condominium units shall not include: (a) that surrounding any load-bearing interior or perimeter wall within or surrounding any unit which, except for their inner finished surfaces, shall be deemed common elements; (b) finished surfaces, shall be deemed common elements; and (c) and pipes, shafts, chases, ducts or other enclosed spaces for wiring, plumbing, air exhaust or ventilation, serving or

being utilized by both condominium units of the Projects, the same being deemed common elements as provided herein below.

The condominium units are located in the manner shown on the said Condominium Map. Each unit has direct access to the common areas. The respective units shall not be deemed to include any pipes, wires, conduits or other utility lines running over, under or through any unit which are utilized for or serve more than one unit, the same being deemed common elements as hereinafter provided.

EXHIBIT "B"

COMMON ELEMENTS

One freehold estate is hereby designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- (a) The land in fee simple;
- (b) The common wall barrier separating Unit 820 from Unit 820A;
- (c) All foundations, columns, girders, beams, floor slabs, roofs, supports and load-bearing walls (except for the inner finished surfaces within each unit);
- (d) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, gas, light, water, sewage, irrigation and telephone;
- (e) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

EXHIBIT "C"

Limited Common Elements

Certain parts of the common elements, herein referred to as the "limited common elements", are hereby designated and set aside for the exclusive use of one or more units, and such unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) That certain land area upon and around which "Unit 820" is located, shown and designated on the Condominium Map, is deemed a limited common element appurtenant to and for the exclusive use of said "Unit 820".
- (b) That certain land area upon and around which "Unit 820A" is located, shown and designated on the Condominium Map, is deemed a limited common element appurtenant to and for the exclusive use of said "Unit 820A".

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

EXHIBIT "D"
Encumbrances

At the date hereof exceptions to coverage in addition to the Exceptions and Exclusions in said Policy form would be as follows:

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. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. LEASE NO. 3961
Dated: May 25, 1959
Book: 3638
Page: 212
Lessor: KANEOHE RANCH COMPANY, LIMITED, a Hawaiian corporation, "Kaneohe", PAUL WHITNEY TROUSDALE, LEWIS WINN STUNSTON, and HORACE WINFRED BEEK WHITE.
Lessee: ROBERT S. EDDY and EMALYN F. EDDY, husband and wife, as Tenants by the Entirety.
Term: Fifty-two (52) years commencing on January 1, 1959.

AMENDMENT AND EXTENSION thereof by instrument:

Dated: January 27, 1977
Book: 11999
Page: 338
The term of said Lease was extended for an additional term of twenty-one and one-half (21 1/2) years. Also amends annual rental.

MODIFICATION LEASE NO. 3961

Dated: October 4, 1982
Book: 16636
Page: 697
Lessor: JAMES C. CASTLE, also known as James Christian Castle, JAMES GORDON McINTOSH and HAWAIIAN TRUST COMPANY, LIMITED, Trustees of the Trust Estate established pursuant to Article Eighth of the Will of Harold K. L. Castle, deceased.
Lessee: JOHN MURRAY COOPER and JUANITA KEALOHA COOPER, husband and wife.
Term: Fifty-five (55) years commencing on January 1, 1977.

ASSIGNMENT thereof, through mesne assignments, by instrument:
Dated: August 23, 1988
Book: 22278
Page: 638
Assignor: GERALD LEE HARVEY and SUZANNE MARGARET HARVEY, husband and wife, as Tenants by the Entirety.

THE FOREGOING LEASE IS SUBJECT TO THE FOLLOWING:

(a) MORTGAGE
Dated: August 23, 1988
Recorded: June 24, 1988
Book: 22278
Page: 643
Mortgagor: DANIEL EUGENE REIS and MICHELLE ANNETTE REIS, husband and wife. FIRST FEDERAL LOAN ASSOCIATION OF AMERICA, which is organized and existing under the laws of the United States of America.
To secure an indebtedness of \$145,000.00 and any other amounts payable under the terms thereof.

NOTE: The foregoing Lease will merge with and into the fee simple upon payment of said Mortgage.

4. MORTGAGE
Dated: November 26, 1990
Filed: November 30, 1990
Document: 90-183337
Mortgagor: DANIEL EUGENE REIS and MICHELLE ANNETTE REIS, husband and wife.
Mortgagee: GECC FINANCIAL CORPORATION, a Hawaii corporation.
To secure an indebtedness of \$85,000.00 and any other amounts payable under the terms thereof.

EXHIBIT "E"

Estimated Maintenance Fees
For Period January 1, 1991 to December 31, 1991

As Prepared by Developer

Estimated Annual Expenses

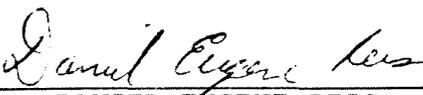
Ground Maintenance and *Water/Sewer and Electricity:	\$-0-
**Fire/Liability:	\$-0-
Management Fee:	\$-0-
Miscellaneous:	\$-0-
TOTAL ANNUAL EXPENSES	\$-0-

Estimated Monthly Expenses

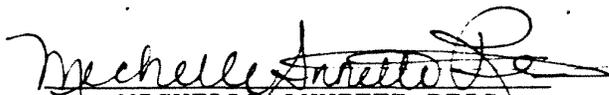
\$-0- for 12 months:	\$-0-
Estimated Monthly Maintenance Fee for Each Apartment:	\$-0-
TOTAL MONTHLY MAINTENANCE FEE FOR EACH APARTMENT:	\$-0-

- Note: *
- All utilities will be separately metered or otherwise charged, and the common elements will not incur separate utility charges.
- **
- It is contemplated that each apartment owner will purchase and maintain his own homeowner's insurance policy which will include fire and liability coverage, and naming the Association of Apartment Owner as an additional insured. If it is necessary for the Association to have its own public liability coverage (which could occur), this will become a common expense of the Association to be shared by the Apartment Owners.

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.



DANIEL EUGENE REIS



MICHELLE ANNETTE REIS

"Developer"

EXHIBIT "F"

HAWAII ASSOCIATION OF REALTORS' STANDARD FORMS
DEPOSIT RECEIPT OFFER AND ACCEPTANCE 5/87 (DROA)
(Standard Terms on the reverse side are part of the DROA)

If this transaction involves a sale of property at a price less than \$25,000 Hawaii's Plain Language Statute may apply and the form may not comply with that statute.

Reviewed By _____
Principal Broker, Broker in Charge, Authorized Signature

Reference Date _____

DEPOSIT RECEIPT

Received from _____ herein called Buyer the sum of \$ _____
in the form of _____ as an initial deposit on account of the offer. Receipt is acknowledged by (Broker)

Broker's firm and address _____
PHONES (Home) _____ (Bus) _____

OFFER

1 PURCHASE PRICE: _____
2 PROPERTY DESCRIPTION: Tax Map Key Division _____ Zone _____ Sec _____ Plat _____ Parcel _____ HPR _____
(a) Realty: All of that (leasehold) fee simple property situated at _____
_____ Hawaii described as follows _____

(b) Seller's Real Property Disclosure Statement dated _____ has not been reviewed and accepted by Buyer.
(c) Sale includes: All built-in furniture, attached fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, existing drapes, and the following items if checked: Chandelier () Range () Refrigerator () Disposal () Dishwasher ()
Compactator () Washer () Dryer () Air Conditioner () TV Antenna () TV Cable () and _____

(d) Title: Seller agrees to convey the property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances except _____
and any other covenants, easements, reservations or restrictions now of record which do not materially affect the value of the property.

(e) Assessments: _____ shall be paid by Seller at closing (assumed by Buyer).

3 FINANCING: Buyer agrees to pay said purchase price as follows:
ADDITIONAL DEPOSIT: \$ _____ in cash to be made on or before _____
\$ _____ in cash at closing including all deposits herein
\$ _____ by way of _____
\$ _____
\$ _____ Total Purchase Price (see paragraph #1 above)

4 CLOSING: Closing will be on or before _____ 19____ Escrowed by _____

5 OCCUPANCY: Seller agrees to give Buyer occupancy at closing or on _____ 19____

6 PRORATIONS: Property taxes, lease rents, interest on assumed obligations, mortgage insurance premiums, other insurance premiums, maintenance fees, tenants' rents if applicable and _____ shall be prorated as of the date of closing or _____ 19____ Tenants' security deposit if any, shall be charged to Seller and credited to Buyer at closing.

7 TENANCY: Title shall vest in Buyer(s) as follows _____
(print full legal names and marital status for all parties)
_____ Tenancy _____

8 SPECIAL TERMS (Please number): _____

9 AGENCY DISCLOSURE: By placing their initials here, Buyer () and Seller () acknowledge that _____
and all its salespeople represent the _____ and that oral or written disclosure was provided before the signing of this offer.

10 AGREEMENT TO BUY: Buyer agrees to buy the property on the terms and conditions contained herein including The Standard Terms On The Reverse Side, acknowledges receipt of a copy hereof, and agrees that this offer shall be binding if accepted by Seller before _____ AM/PM _____ 19____ Offer Date _____ 19____ AM/PM

Buyer's address _____ Buyer _____
_____ SSN _____
Phones (Home) _____ (Bus) _____ Buyer _____
_____ SSN _____
_____ signature

ACCEPTANCE

11 AGREEMENT TO SELL: Seller agrees to sell the property at the price and terms offered above, including The Standard Terms On The Reverse Side, and acknowledges that he has been given a copy of this offer.

12 SELLER'S AGREEMENT TO PAY COMMISSION: I agree to pay to _____ a commission for the above sale of _____ in U.S. dollars. I hereby instruct escrow to pay your commission directly to you at closing. I agree that I cannot change these instructions without your written consent. Unless otherwise agreed upon, I give you permission to share this commission as you see fit with the real estate company named here in the DEPOSIT RECEIPT section of this agreement. In the event of Buyer's default, if I retain the deposit, I agree to pay you one half of the amount I retain, but you shall not be paid more than what would have been your full commission.
Date _____ 19____ AM/PM

Seller's Name _____ Signature _____
Seller's Tax Identification # to be reported to IRS _____
Seller's Name _____ Signature _____
Seller's Tax Identification # to be reported to IRS _____ Owner/occupant () Other ()
Seller's Address _____ Phones (Home) _____ (Bus) _____
Seller's Address _____

ACKNOWLEDGEMENT OF ACCEPTANCE: The undersigned acknowledges that he has been given a copy of the acceptance of this offer.
Date _____ 19____ AM/PM Signature _____

EXHIBIT "G-1"

SUMMARY OF MATERIAL PROVISIONS OF ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the DEVELOPER and FOUNDERS TITLE & ESCROW OF HAWAII:

1. All payments due to Escrow. Developer shall deliver executed sales contract and any funds received to Escrow.

2. Funds held in Escrow. Escrow shall receive, deposit and hold funds pursuant to sales contracts or from Developer or any source with respect to the Project. Funds may be withdrawn or negotiated only by written approval and signature of Escrow.

3. Collection of funds. Escrow shall collect funds from Purchaser by notice in writing, subsequent to Developer's notice in writing to Escrow regarding payments due under sales contract.

4. Disbursement. Funds shall be used to pay finance/legal fees and other Project expenses, interest due on mortgagee loan funds, and sales commissions. Remaining funds shall be disbursed according to Developer's instructions.

5. Prerequisites to disbursement. The following conditions must be fulfilled before disbursements are made:

(a) The Real Estate Commission has issued the Project's Final Public Report;

(b) Developer or Developer's attorney has furnished a written opinion that all requirements of §514A-39, 514A-62 and 514A-63, HRS, as amended, have been satisfied; and that §514A-105, HRS has been complied with if the Project is a conversion project; and

(c) Developer has given Escrow a written waiver of any option reserved in any sales contract to cancel such contract.

6. Purchaser is entitled to return of funds. Escrow agrees to refund all payments, less fees and without interest, if Purchaser so requests in writing and one of the following has occurred:

(a) Escrow has received written request from Developer to return Purchaser's funds held in Escrow;

(b) Developer has notified Escrow of Developer's option to cancel or rescind the sales contract;

(c) Purchaser, whose funds were obtained prior to issuance of the Final Public Report, has cancelled the contract pursuant to §514A-63, HRS, as amended; and

(d) Purchaser has rescinded the contract pursuant to §514A-63, HRS, as amended.

Escrow may deduct from Purchaser's funds a cancellation fee that is no less than \$25.00 and no more than the agreed-upon escrow fee. The sales contract shall be returned to Developer following Purchaser's refund.

7. Purchaser's default. Developer shall certify in writing to Escrow that Purchaser has defaulted. Escrow shall notify Purchaser of default by certified mail. Thereafter, funds will be treated as Developer's funds, less the cancellation fee.

8. Execution and closing. Except for the executed sales contract, Escrow shall arrange and supervise the signing of all documents related to the Project and shall provide necessary services for closing the transaction.

9. Compensation of Escrow. The compensation of Escrow shall be \$schedule rate + tax for each condominium unit for which a sales contract is received.

10. Exculpation of Escrow. Escrow is relieved from all liability for acting in accordance with the terms and conditions of the Escrow Agreement. The Developer agrees to indemnify and hold harmless Escrow from all costs, obligations and liabilities incurred in connection with Escrow (except those arising from the negligence or misconduct of Escrow).

11. Termination. This Agreement may be terminated by Developer or Escrow upon 15 days written notice. All transactions in process shall be completed by Escrow and Escrow shall be entitled to receive all earned fees with cancellation fee for each unclosed unit.

12. Notices. All written notices required to be given to Developer or Escrow shall be registered or certified mail.

EXHIBIT "H"
DISCLOSURE ABSTRACT

Project

820 KAIIPII
820 Kaipii Street
Kailua, Hawaii 96734

Developers and Project Managers

Daniel Eugene Reis and Michelle Annette Reis
820 Kaipii Street
Kailua, Hawaii 96734
(808) 955-8588

Estimated Maintenance Fees/Costs per Condominium Unit

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

INDIVIDUAL INSURANCE: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the improvements portion of the Project. The Developer anticipates that the Association will elect to obtain separate policies for each individual apartment pursuant to Section XII of the Declaration. As such, the premiums on said policies will be the individual responsibility of each unit owner rather than common expenses of the Project.

Warranties

The Purchasers understand that Unit 820 and Unit 820A was constructed in 1955 and renovated in 1991. The Seller is selling each unit together with appliances and other personal property in "as is" condition. NO WARRANTIES OF ANY KIND ARE MADE AS TO THE CONSTRUCTION, MATERIALS AND WORKMANSHIP OF THE INDIVIDUAL CONDOMINIUM UNITS OR THE COMMON ELEMENTS OF THE PROJECT.

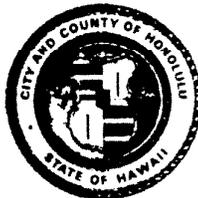
Use of Condominium Units

The 820 KAIIPII Condominium Project will consist of two (2) units which shall be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for no other purpose. There is no non-residential development in the Project.

EXHIBIT "I"
BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR



HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

Ex91-135

October 4, 1991

Mr. and Mrs. Daniel E. Reis
820 Kaipii Street
Kailua, Hawaii 96734

Dear Mr. and Mrs. Reis:

Subject: Condominium Conversion Project
820 and 820 A Kaipii Street
Tax Map Key: 4-3-81: 69

This is in reply to your letter dated August 19, 1991 requesting confirmation that the one-story two-family detached dwelling located at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that a one-story one-family detached dwelling was constructed in 1955. In 1988, this structure was converted into a two-family detached dwelling under building permit No. 262676. The dwelling with four off-street parking spaces met all applicable code requirements in effect at the time of conversion.

The Building Department cannot determine whether this project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

No variances or special permits were granted to allow deviations from any applicable codes.

Mr. and Mrs. Daniel E. Reis
October 4, 1991
Page 2

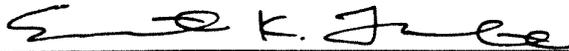
If you have any questions regarding this matter, please
contact Mr. Ivan Matsumoto at telephone number 527-6341.

Very truly yours,



HERBERT K. MURAOKA
Director and Building Superintendent

Subscribed and sworn to
before me this 4th day of
October, 1991.



Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1995