



**REAL ESTATE COMMISSION**  
 STATE OF HAWAII  
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS  
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION  
 250 South King Street Room 702  
 Honolulu, Hawaii 96813

**CONDOMINIUM PUBLIC REPORT**

HALE AKUA ESTATES  
 84-716 Farrington Highway  
 Waianae, Hawaii

Registration No. 2644 (Conversion)

Issued: June 12, 1992  
 Expires: July 12, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 3, 1992, 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:

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*****
*
*                               SPECIAL ATTENTION                               *
*
*   This is CONDOMINIUM PROJECT, not a subdivision. The                       *
*   land area beneath and immediately adjacent to each                       *
*   unit is designated a LIMITED COMMON ELEMENT. The dotted                 *
*   lines on the Condominium Map are for illustrative                       *
*   purposes only and merely approximate the size and location             *
*   of each limited common element and do not represent the                 *
*   boundaries of legally subdivided lots.                                  *
*
*   This public report does not constitute approval of the                  *
*   Project by the Real Estate Commission, nor does it ensure               *
*   that all applicable County codes, ordinances, and                       *
*   subdivision requirements have necessarily been complied                  *
*   with.                                                                     *
*
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW             *
*   THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION WITH                 *
*   REGARD TO 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**

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1</u>	<u>1</u>	<u>3/1</u>	<u>938.5</u>	<u>0</u>
<u>2</u>	<u>1</u>	<u>3/1 1/2</u>	<u>1026.42</u>	<u>0</u>
<u>3</u>	<u>1</u>	<u>4/1</u>	<u>1041.5</u>	<u>0</u>
<u>4</u>	<u>1</u>	<u>3/1</u>	<u>802.5</u>	<u>0</u>
<u>5</u>	<u>1</u>	<u>3/1</u>	<u>802.5</u>	<u>0</u>

Total Apartments: 5

*\*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>10</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
<b>Total Parking Stalls</b>	<b><u>10</u></b>

**7. Recreational amenities:**

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: R. Tongg Development, Inc., a Hawaii Corporation
Name Corporation
1542 Hooli Circle
Business Address
Pearl City, Hawaii 96782
Phone: 455-7220 (Business)

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

Richard Randall Tongg - President, Vice-President, Secretary, Treasurer

Real Estate Broker: Kenneth Randolph Sikes
Name dba KEBOJINA, Ltd.
98-029 Hekaha St. Suite 19
Business Address Aiea, Hawaii 96701
WEST BEACH REALTY, INC.
85-845E Farrington Hwy.
Waianae, Hawaii 96792
Phone: 488-0472 (Business)
696-4774

Escrow: T.I. of Hawaii, Inc.
Name Four Waterfront Plaza Suite 300
500 Ala Moana Blvd.
Business Address
Honolulu, Hawaii 96813
Phone: 526-3571 (Business)

General Contractor: N/A
Name
Business Address
Phone: (Business)

Condominium Managing Agent: Developer
Name
Business Address
Phone: (Business)

Attorney for Developer: Richard B.W. Ing, Esq.
Name
1188 Bishop St. Suite 702
Business Address
Honolulu, Hawaii 96813
Phone: 523-7541 (Business)

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

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

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

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances - Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document No. 1901078

Amendment date(s) and recording/filing information:

Amendment dated May 6, 1992, filed May 8, 1992 as Land Court Document No. 1910936

- 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. 897

Amendment date(s) and recording/filing information:

Amended by instrument dated May 6, 1992, filed May 8, 1992 as Land Court Document No. 1910936

- 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. 1901079

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>66%</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 c House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws c House Rules

Developer reserves future development rights to remove and subdivide two (2) 7,500 sq. ft. lots from the Hale Akua Estates Condominium Property Regime project. Developer reserves these rights until July 1, 2002, with extension rights until July 1, 2007 (see Declaration, page 17). The "Map of Intended Removal and Subdivision" details this removal and subdivision (see Exhibit J of this report).





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>5</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 livestock or commercial pet breeding allowed. Dogs, cats or other common household pets are permitted in reasonable number.

Number of Occupants: \_\_\_\_\_

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

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0                      Stairways 0                      Trash Chutes 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1</u>	<u>1</u>	<u>3/1</u>	<u>938.5</u>	<u>0</u>
<u>2</u>	<u>1</u>	<u>3/1 1/2</u>	<u>1026.42</u>	<u>0</u>
<u>3</u>	<u>1</u>	<u>4/1</u>	<u>1041.5</u>	<u>0</u>
<u>4</u>	<u>1</u>	<u>3/1</u>	<u>802.5</u>	<u>0</u>
<u>5</u>	<u>1</u>	<u>3/1</u>	<u>802.5</u>	<u>0</u>
_____	_____	_____	_____	_____

Total Apartments: 5

*\*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 shall not include perimeter walls or interior load-bearing wall or the floors and ceilings surrounding each apartment (except in each case for the interior decorated or finished surfaces of the perimeter wall, interior load-bearing wall, floors or ceilings) or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment. . . Each apartment shall include all of the walls and partitions which are not load-bearing, including any glass windows, ceilings and fixtures contained or installed therein.

Permitted Alterations to Apartments: Restoration or replacement in any material respect must be by affirmative vote of all apartment owners and consent of all holders of liens affecting the apartment and in accordance with complete plans and specifications certified by a professional engineer or architect, first approved by the Board. Amendments to the Declaration must be filed, along with a complete set of floor plans.

7. Parking Stalls:

Total Parking Stalls: 10

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		8		2			10
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total							
Covered & Open	8		2				

Each apartment will have the exclusive use of at least two (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 A 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

Based on the Professional Engineer's report attached hereto as Exhibit B, the Developer has concluded that the expected useful life of structural components, mechanical and electrical installations is ten (10) years.

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

The project is in compliance with Building Codes and municipal regulations. See letter from the City and County of Honolulu Building Department dated January 15, 1992 attached as Exhibit I.

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>                    </u>	<u>X*</u>	<u>                    </u>
Lot	<u>X</u>	<u>                    </u>	<u>                    </u>

\*See page 18

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       C       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:

Certain parts of the common elements have been set aside for the exclusive use of each apartment, including the site of the apartment, as depicted on Condominium Map No. 897, the walkways, driveways connectin the apartments to the roadway, and all other common elements related to less than all of said apartment or apartments served thereby. All costs pertaining to each limited common element shall be borne entirely by the apartment or apartments to which it is appurtenant.

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       A       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  D  describes the encumbrances against the title contained in the title report dated  December 17, 1991  and issued by  T.I. of Hawaii, Inc.  confirmed March 9, 1992

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Purchase money 1st Mortgage	Seller will not be able to convey title free and clear of all liens and encumbrances, and all deposits made by Buyers will be returned.
Federal Tax Lien	

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.

[X] 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     G     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: None

2. Appliances: None



#### IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

The Developer has been advised by letter dated January 15, 1992 from the City and County of Honolulu Building Department that the five dwellings comprising the "Hale Akua Estates" condominium project are considered "non-conforming" structures (copy attached herein as Exhibit I). This "non-conforming" status may restrict or prohibit reconstruction of any apartment in the event that such apartment is destroyed by any means to an extent of more than 50 per cent of its replacement cost. An application for an Existing Use Permit is pending with the Building Department to limit the likelihood of such restriction or prohibition of reconstruction, but the Buyer is cautioned to inquire further as to the effect this may have on the purchase of a particular apartment.

**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 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. 2644 filed with the Real Estate Commission on May 11, 1992.

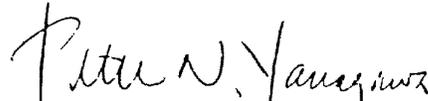
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white paper stock

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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.



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PETER YANAGAWA, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

**Distribution:**

Bureau of Conveyances

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

Federal Housing Administration

EXHIBIT "A"

HALE AKUA ESTATES

(PHASE I)

DESCRIPTION OF APARTMENTS

<u>Dwelling No.</u>	<u>Street Address (Farrington Hwy)</u>	<u>Net Living Area</u>	<u>Percentage of Common Elements</u>
1	84-716-B	938.5 sq. ft.	20.35%
2	84-716	1026.42 sq. ft.	22.26%
3	84-716-D	1041.5 sq. ft.	22.59%
4	84-716-A	802.5 sq. ft.	17.40%
5	84-716-E	802.5 sq. ft.	17.40%
		TOTAL	100.00%

NOTE: Each apartment has two parking stalls appurtenant to it as a limited common element for its exclusive use, as depicted on the Condominium Map for the Project. Apartments 1, 2 and 4 each have two regular-sized stalls; Apartments 3 and 5 each have one regular-sized stall and one compact stall.

The percentage of common elements for each apartment if Phase II is merged with Phase I will be computed by dividing the square feet in floor area for each apartment by the total square feet in area for all apartments in the project combined. By way of example, if the floor area for an apartment is 1,200 sq. ft. and the total combined floor area for all apartments is 6,000 sq. ft., divide 1,200 by 6,000 = .20%.

The percentage of common elements for each apartment if Phase III is merged with Phase I and Phase II will be determined in identical manner.

END

February 18, 1992

Mr. Richard Randall Tongg  
1542 Hooli Circle  
Pearl City, Hawaii 96782

Dear Mr. Tongg:

Subj: Inspection - Hale Akua Estates: Condominium Project,  
Units 84-716, A, B, C and D, Farrington Highway, Makaha,  
Waianae, Hawaii 96792. TMK 1-8-4-17:2

I inspected the subject properties on February 6, 1992 and found the following:

1. Condition of units;

APT. 84-716	3 bdrm., 1 1/2 Bth.	Fairly good
APT. A and E	3 Bdrm., 1 Bth.	Fairly good
APT. B	3 Bdrm., 1 Bth.	Good
APT. D	4 Bdrm., 1 Bth.	Poor

2. Construction;

All units are of single story, single wall wooden frame post and pier construction.

3. Service;

Electrical (overhead), water, telephone and sanitary.

4. Building Code;

All buildings appear to be generally in compliance with current building code requirements with the following exceptions:

Units "A" and "E" have bedroom windows throughout that exceed 44" finished floor to finished sill.

Unit 84-716 has windows in the front bedroom that exceed 44" fin. flr. to fin. sill.

In addition, while the structural, electrical and plumbing systems appeared to be sound and in working

**EXHIBIT B**

PAGE TWO

condition, no detailed analysis of structural, electrical or plumbing compliance with current building code standards was made.

Sincerely;

A handwritten signature in cursive script, appearing to read "Paul Michael Troeger".

Paul Michael Troeger PE 3891-s

EXHIBIT "C"

COMMON ELEMENTS

One freehold estate is hereby designated in all remaining portions and appurtenances of the project, herein called the "common elements", including specifically, not limited to:

- (a) Said land in fee simple.
- (b) All fencing, grounds, landscaping, boundary walls, perimeter walls, refuse facilities and mail boxes.
- (c) All driveways and walkways.
- (d) All 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.
- (e) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS

Certain parts of the common elements herein called the "limited common elements", are being designated and set aside for the exclusive use of certain apartments. Each apartment owner shall be responsible for and pay the costs of property repairing and maintaining the limited common elements set aside and reserved for the exclusive use of such apartment. The limited common elements set aside and reserved for the exclusive use of each apartment is depicted and delineated by the areas bounded by dotted lines shown on Condominium Map No. 897, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as amended by Land Court Document No. 1910937.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE  
CONTAINED IN TITLE REPORT DATED MARCH 9, 1992

1. Real property taxes, as may be due and owing. Refer to the Director of Finance, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Makaha Sewers Assessment, Improvement District No. 265, on Lot 30.
4. Grant dated April 26, 1962, filed as Land Court Document No. 289803, in favor of THE HAWAIIAN ELECTRIC COMPANY, LIMITED, a Hawaii corporation, and HAWAIIAN TELEPHONE COMPANY, also a Hawaii corporation, granting a perpetual right and easement for utility purposes.
5. Mortgage dated March 14, 1988, filed March 17, 1988, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1536999, in favor of First Nationwide Bank, a Federal Savings Bank.
6. Mortgage, Security Agreement and Financing Statement dated May 21, 1991, filed May 22, 1991, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1821820, in favor of Ethan Tetsumi Toyama, unmarried, Asa Kazuo Toyama, unmarried, Reuel Sakae Toyama, unmarried, and Kevin Toshito Toyama, unmarried.
7. Designation of Easement 341 for sanitary sewer purposes over and across Lot 387, as shown on Map 249, as set forth by Land Court Order No. 102462, filed on May 31, 1991.
8. Declaration of Condominium Property Regime of Hale Akua Estates dated March 19, 1992, filed April 1, 1992, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1901078.
9. By-Laws of the Association of Apartment Owners of Hale Akua Estates dated March 19, 1992, filed April 1, 1992, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 1901079.
10. Land Court Condominium Map. No. 897.
11. Federal Tax Lien dated September 3, 1991, recorded September 13, 1991, in the Bureau of Conveyances of the State of Hawaii, as Document No. 91-125147.

EXHIBIT "E"  
SUMMARY OF PERTINENT PROVISIONS  
OF THE SALES CONTRACT

The Deposit Receipt and Sales Contract for Hale Akua Estates contains the following pertinent provisions:

1. Identity of the unit sold;
2. Identity of the escrow agent who will handle the closing of the sale and purchase: T. I. OF HAWAII, INC.
3. The Seller's name: R. TONGG DEVELOPMENT, INC.
4. Amount of total Purchase Price;
5. Amount of Initial Deposit (Payment A);
6. Balance to be paid at closing (Payment B(;
7. The name of the owners to whom title is to be conveyed, and the type of tenancy desired by Buyer(s)
8. The name of the real estate broker representing Seller: KEBOJINA, LTD., a Hawaii corporation; the name of the real estate broker representing Buyer(s);
9. Addendum A, containing the following provisions:
  - A. The property is being sold in an "as is" condition without expressed or implied warranties or guarantees regarding condition, fitness or structural soundness of the foundation, improvements, roofs, walls, fences, termite damage, asbestos, hazardous waste or substance, soil, subdivisions, uses, encroachments of any kind, if any, easements re corded or unrecorded, if any, or future claims to title to the property. Seller shall not be required to repair defects subsequently discovered.
  - B. Seller has no obligation to correct encroachments;
  - C. Seller is not obligated to repair or correct any defect required to be repaired or corrected by Buyer's lender.
10. Exhibit "B" contains provisions relating to the payment of the Purchase Price, escrow funds and loan qualification, date of occupancy, time of possession, pre-closing, risk of loss, minor changes in documents, need for Final Public Report, termination of rights, Buyer's consent to changes, Seller's right to cancel and various requirements of Buyer, if Buyer is purchasing as Owner-Occupant.

EXHIBIT "F"

SUMMARY OF PERTINENT PROVISIONS  
OF ESCROW AGREEMENT

The Escrow Agreement between R. Tongg Development, Inc. ("Seller") and T. I of Hawaii, Inc., ("Escrow"), both Hawaii corporations, ("Escrow") dated February 21, 1992, contains the following pertinent provisions:

1. All contracts must be in writing and all funds received by Seller must be immediately deposited with Escrow.

2. Escrow shall hold all monies collected under the sales contract from Purchaser(s) or others, in a escrow trust account.

3. Upon written receipt from Seller, Escrow will give written notice to Purchaser(s) of any required payments to be made to Escrow, any "late charges" or similar penalties, in accordance with the sales contract.

4. Escrow will disburse finance, legal fees, other project expenses, interest on Seller's loan, and sales commissions, upon written request from Seller and approval by Seller's mortgagee.

5. However, no disbursements shall be made from the escrow fund until the issuance of a Final Public Report from the Real Estate Commission of the State of Hawaii, and Seller's attorney shall have furnished a written opinion to Escrow that the sales contract is in full force and effect and all requirements of Sections 514A-63 through 514A-66, Hawaii Revised Statutes, have been met.

6. Purchaser(s) shall be entitled to a refund of all payments, less fees described in the agreement, and without interest if:

A. Escrow receives written request from Seller;

B. If Purchaser(s) funds were received prior to the issuance of a Final Public Report and there is a change in building plans requiring approval from the City and County of Honolulu, unless Purchaser(s) approve the changes in writing;

C. Escrow will not be liable if there are insufficient amounts in the escrow fund to cover refund requests;

D. Escrow may deduct \$25 for cancellation fee, plus the cost of Credit Reports, long distance telephone calls on Purchaser(s) behalf. Escrow will give Purchaser(s) written notice of charges (except for cancellation fee) within a reasonable time after incurred;

7. If Purchaser(s) default and Escrow is given written notice by Seller, Escrow will give Purchaser(s) written notice by certified mail and if there is no dispute or conflict, shall treat the escrowed fund as belonging to Seller. Escrow shall be entitled to a cancellation fee of \$25.

8. All interest earned on deposits shall be the property of the Seller only.

9. Escrow shall close the transaction after all requirements have been met, and record and/or file the necessary documents within five (5) business days, provided that the documents are not defective. Once corrected, Escrow shall file or record the documents within five (5) business days and if delinquent for at least 2 days, Escrow shall pay interest to Seller on interim or other financing, if any.

10. For its services, Escrow shall be entitled to \$250, as and for escrow fees.

11. Escrow shall not be liable for acting according to the escrow agreement and Seller agrees to indemnify and save and hold Escrow harmless for claims arising out of its performance under the escrow agreement.

12. Escrow shall not be responsible for the validity or sufficiency of the sales contract, or for divulging to Seller or Purchaser(s) any facts coming to escrow's attention regarding the project or the transaction, so long as it does not prevent escrow's compliance with the escrow agreement or Seller's written instructions.

13. If there is a dispute or difference between Seller and Purchaser(s), Escrow has no obligation to determine who is right, or to take any legal action and may wait until the matter is resolved in court or otherwise, or may bring an action in interpleader, at its sole option. Escrow has a right to reimbursement of court costs or legal fees for doing so.

14. The escrow agreement may be terminated upon 15 days notice by Seller or Escrow.

EXHIBIT           G          

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
No. 1	\$94.72 x 12 = \$1,136.64
No. 2	\$103.61 x 12 = \$1,243.32
No. 3	\$105.14 x 12 = \$1,261.68
No. 4	\$ 80.99 x 12 = \$ 971.88
No. 5	\$ 80.99 x 12 = \$ 971.88

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

**Estimate of Maintenance Fee Assessments:**

**Monthly x 12 months = Yearly Total**

**Utilities and Services**

Air Conditioning	None
Electricity	None
<input type="checkbox"/> common elements only	
<input type="checkbox"/> common elements and apartments	
Gas	
Refuse Collection	
Telephone	
Water and Sewer	\$190.00 x 12 = \$2,280.00

**Maintenance, Repairs and Supplies**

Building	None
Grounds	\$ 20.00 x 12 = \$ 240.00

**Management**

Management Fee	\$ 40.00 x 12 = \$ 480.00
Payroll and Payroll Taxes	
Office Expenses	

Insurance	\$ 50.00 x 12 = \$ 600.00
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Reserves	\$ 10.00 x 12 = \$ 120.00
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**Taxes and Government Assessments**

Real Property Tax - \$1,198.74/Yr.;	\$145.44 x 12 = \$1,745.28
Assessment - \$546.48/Yr.	\$ 10.00 x 12 = \$ 120.00
Audit Fees	

**Other**

TOTAL	\$465.44	\$5,585.28
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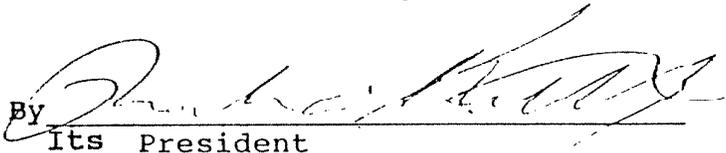
I/We, Richard Randall Tongg, as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
Date: 3-21-92

EXHIBIT "H"  
STATEMENT OF CONDITION  
PURSUANT TO HRS CHAPTER 514A

1. These disclosures pertain to Hale Akua Estates, a condominium project located at 84-716 Farrington Highway, Makaha, Waianae, Hawaii 96792 (T.M.K.: (1) 8--4-17:2).
2. The developer of the project is R. TONGG DEVELOPMENT, INC., whose principal place of business and post office address is 1542 Hooli Circle, Pearl City, Hawaii 96782.
3. The project manager is RICHARD RANDALL TONGG, 1542 Hooli Circle, Pearl City, Hawaii 96782. Phone: 455-7220.
4. A breakdown of the estimated maintenance fees and the monthly estimated cost for each apartment based on generally accepted principles is attached to the Final Public Report as Exhibit "F" and incorporated herein by reference.
5. There are no warranties against defects of material and workmanship in either individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "as is" condition. Based on a professional engineer's report, developer concludes that the units are in poor to average condition and developer estimates the useful life of each unit to be 10 years.
6. All of the apartments of the project are to be used for residential purposes only. No apartments shall be used for hotel or commercial purposes.
7. No commercial or other non-residential development is included in the project.
8. The developer has reserved the right to subdivide certain portions of the project's total land area described and depicted as Phase II on Condominium Map No. 891 and to withdraw said areas from the project; or in the alternative, not to withdraw said areas. In either case, developer reserves the right to construct additional dwellings on Phase II.

R. TONGG DEVELOPMENT, INC.

By   
Its President

Developer

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

EX92-6

January 15, 1992

Mr. Richard Randall Tongg  
1542 Hooli Circle  
Pearl City, Hawaii 96782

Dear Mr. Tongg:

Subject: Condominium Conversion Project  
84-716, 84-716A, 84-716B, 84-716D and  
84-716E Farrington Highway  
Tax Map Key: 8-4-17: 02

This is in response to your letter dated December 17, 1991 requesting verification that the five one-story single-family dwellings located at 84-716, 84-716A, 84-716B, 84-716D and 84-716E Farrington Highway are in compliance with all applicable zoning and building ordinances and codes.

Investigation revealed that the three dwellings located at 84-716D (constructed in 1949), 84-716E (constructed in 1962) and 84-716B (relocated in 1963) Farrington Highway met the applicable code requirements when they were constructed or relocated. The dwelling located at 84-716D Farrington Highway is extensively termite and/or rot damaged and must be repaired.

Building permits are active for the dwellings located at 84-716 and 84-716A Farrington Highway.

Since the five dwellings are considered to be nonconforming dwellings, if any of the dwellings are destroyed by any means to an extent of more than 50 percent of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with the provisions of LUO Section 3.120 D unless an existing use permit has been obtained from the Department of Land Utilization (DLU).

EXHIBIT "I"

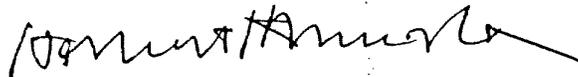
Mr. Richard Randall Tongg  
January 15, 1992  
Page 2

For your information, existing use permit NO. 91/EU-9 is pending at DLU. The Building Department cannot determine whether this project contains any other 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.

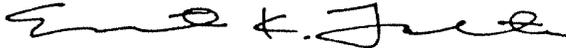
If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at telephone number 527-6341.

Very truly yours,



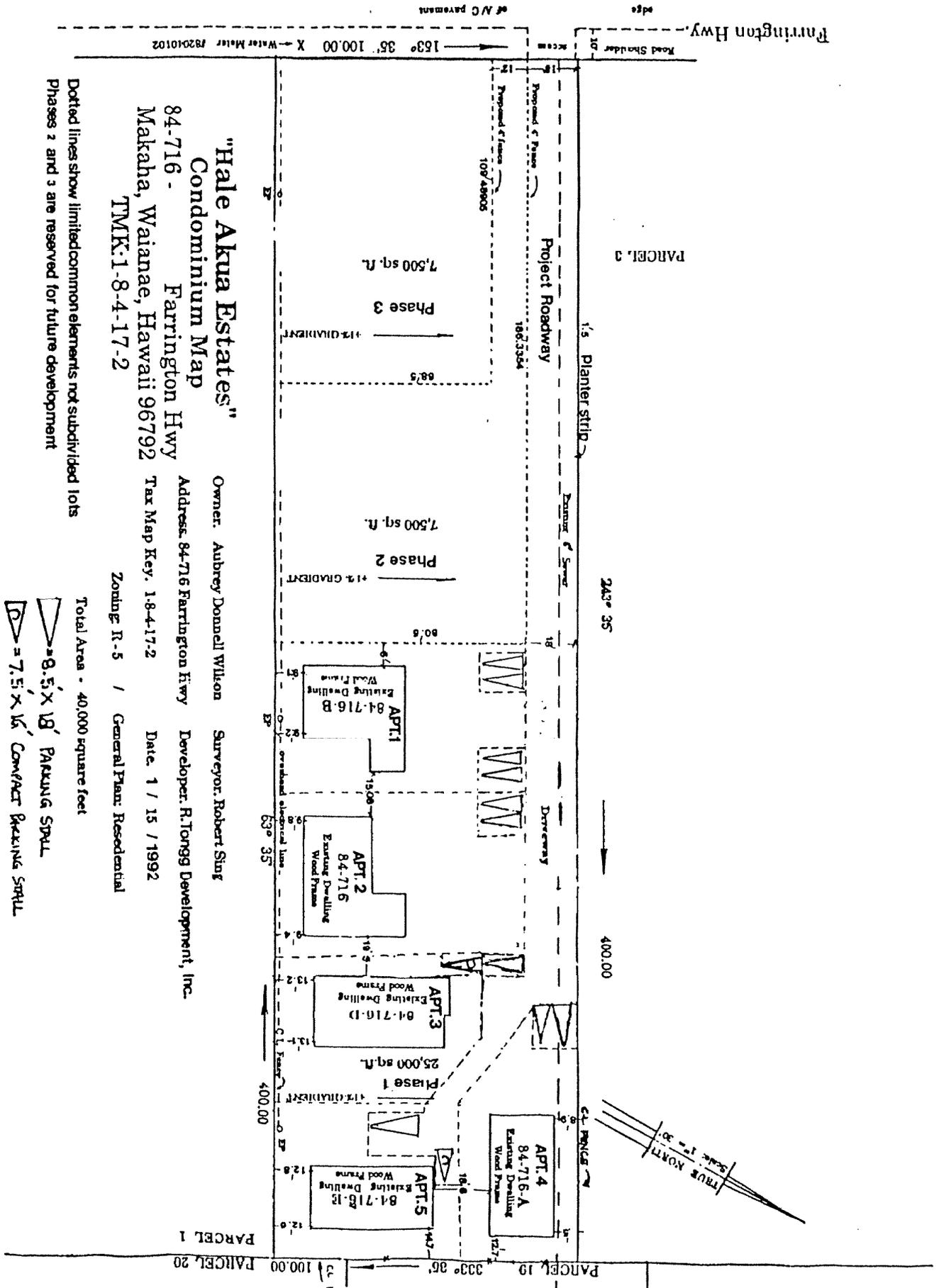
HERBERT K. MURAOKA  
Director and Building Superintendent

Subscribed and sworn to  
before me this 16th day of  
January, 1992.



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

END OF EXHIBIT "I"



**"Hale Akua Estates"**

Condominium Map

84-716 - Farrington Hwy

Makaha, Waianae, Hawaii 96792

TMMK-1-8-4-17-2

Owner: Aubrey Donnell Wilson

Address: 84-716 Farrington Hwy

Tax Map Key: 1-8-4-17-2

Zoning: R-5 / General Plan: Residential

Developer: R. Tongg Development, Inc.

Date: 1 / 15 / 1992

Surveyor: Robert Sturg

Dotted lines show limited common elements not subdivided lots  
 Phases 2 and 3 are reserved for future development

Total Area - 40,000 square feet

- = 8.5' x 18' PARKING SPACE
- = 7.5' x 16' COMPACT PARKING SPACE