



**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**

on

2740/2740-A FERDINAND AVENUE  
 2740/2740-A Ferdinand Avenue  
 Honolulu, Hawaii 96822

Registration No. 2760 (CONVERSION)

Issued: February 17, 1993  
 Expires: March 17, 1994

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 10, 1993, 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

This is CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable City and County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

Two of the developers, Sharon M.Y. Au (RB-14292) and Gaylien S. Hall (RB-12616), are current and active Hawaii licensed real estate brokers. This information and the fact that they are also co-owners of the property shall be disclosed to all prospective buyers pursuant to Section 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"). Further, pursuant to Section 16-99-11(c), HAR, "(n)o licensee shall advertise 'For Sale by Owner, . .

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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 (2740-A)  
 Mixed Residential and Commercial  Agricultural  
 Other \_\_\_\_\_
- 3.  High Rise (5 stories or more)  Low Rise
- 4.  Single or  Multiple Buildings

**5. Apartment Description**

<u>Unit</u>	<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>	<u>Garage (sf)</u>
2740	A	1	3/2	1154.97		252
2740A	B	1	3/2	1320.36		274.94

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>1</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: <u>2</u> Garages (one stall each)	<u>2</u>
<b>Total Parking Stalls</b>	<b><u>3</u></b>

**7. Recreational amenities:**  
None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Sharon Mei Youk Au, Gaylien Sung Hall,  
Ernest Keong Fat Lum & Eileen Setsuko Lum Phone: (808) 524-2844  
Name (Business)  
2225 Kamehameha Avenue  
Business Address  
Honolulu, Hawaii 96822

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker: None. Developers have indicated they  
do not plan to sell at this time. Phone: \_\_\_\_\_  
Name (Business)  
Business Address  
\_\_\_\_\_

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

General Contractor: None Phone: \_\_\_\_\_  
Name (Business)  
Business Address  
\_\_\_\_\_

Condominium Managing Agent: Self-managed by Association of  
Name (Business)  
Apartment Owners  
Business Address  
\_\_\_\_\_

Attorney for Developer: Ashford & Wriston Phone: 539-0400  
(Attention: Galen C. K. Leong) (Business)  
Name  
P. O. Box 131  
Business Address  
Honolulu, Hawaii 96810

**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. 1655808

Amendment date(s) and recording/filing information:

Amendment of Declaration dated January 25, 1990, filed as Land Court Document No. 1706562.  
Second Amendment dated December 16, 1992, filed as Land Court Document No. 1983147.  
Third Amendment dated January 27, 1993, filed as Land Court Document No. 1995960.

- 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. 731

Amendment date(s) and recording/filing information:

Amendment of Condominium Map dated January 27, 1993, filed as Land Court Document No. 1995960.

- 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. 1655809

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 153A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The House Rules for this condominium are:

Proposed                       Adopted                       Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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



For Subleaseholds:

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

**B. Underlying Land:**

Address: 2740-2740-A Ferdinand Avenue Tax Map Key: (1) 2-9-16-23  
Honolulu, Hawaii 96822 (TMK)

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

Land Area: 6,439     square feet     acre(s)    Zoning: R-7.5

Fee Owner: Sharon Mei Youk Au      Gaylien Sung Hall  
Name      2225 Kamehameha Avenue  
2225 Kamehameha Avenue      Honolulu, Hawaii 96822  
Address      and  
Honolulu, Hawaii 96822      Ernest Keong Fat Lum and  
Eileen Setsuko Lum  
3405 Ala Hinalo Place  
Honolulu, Hawaii 96818

Sublessor: \_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_

**C Buildings and Other Improvements:**

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

2.    Buildings: 2      Floors Per Building 2

Exhibit \_\_\_\_\_ contains further explanations.

3.    Principal Construction Material:

Concrete       Hollow Tile       Wood

Other \_\_\_\_\_

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
[ ] Commercial	_____	_____	[ ] Industrial	_____	_____
[x] Residential	<u>2</u>	<u>Yes</u>	[ ] Agricultural	_____	_____
[ ] Timeshare/Hotel	_____	_____	[ ] Recreational	_____	_____
[ ] Other: _____	_____	_____		_____	_____

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?  
 [X] 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:

- [x] Pets: See Exhibit C
- [ ] Number of Occupants: \_\_\_\_\_
- [ ] Other: \_\_\_\_\_
- [ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 2 Trash Chutes 0

<u>Unit</u>	<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Lanai/Patio (sf)</u>	<u>Garage (sf)</u>
2740	<u>A</u>	<u>1</u>	<u>3/2</u>	<u>1154.97</u>	_____	<u>252</u>
2740A	<u>B</u>	<u>1</u>	<u>3/2</u>	<u>1320.36</u>	_____	<u>274.94</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:**

The respective apartment shall not be deemed to include any pipes, wires, conduits or other utility or service lines running through one apartment which are utilized for or serve both apartments, the same being deemed common elements. Each apartment shall be deemed to include the entire building in which the apartment is located and all fixtures and appliances originally installed in such apartment for its exclusive use.

**Permitted Alterations to Apartments:**

Additions to or alterations of an apartment made within such apartment shall be permitted with the approval of the Board only. Upon completion of any addition or alteration which changes the floor plan of the apartment, a revised floor plan shall be filed as an amendment of the Declaration and Condominium Map at the expense of the apartment owner.

**7. Parking Stalls:**

Total Parking Stalls: 3

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>2</u>	<u>1</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Guest	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Unassigned	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Extra Available for Purchase	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Other:	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Covered & Open	<u>3</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>

Each apartment will have the exclusive use of at least 1 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

See Exhibit "E" - Letter from registered structural engineer. No representations are being made about the useful life of any structural components, mechanical and electrical installations. The structures are in fair condition.

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

The verification from the City and County of Honolulu (see Exhibit D) states that the buildings met code requirements at the time of construction.

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:

Variance No. 44Z-123 was granted in 1944 for the subdivision of Lot 1-A-24, area 6,439 square feet.

Building Permit No. 248919 was issued for the Ohana dwelling at 2740-A Ferdinand Avenue.

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	X		
Structures	X	X *	
Lot		X **	

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

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

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

\*Apartment 2740-A, which previously conformed to the Land Use Ordinance ("LUO") does not now comply with the LUO. Apartment 2740-A is, therefore, considered a "nonconforming structure" to the extent that its site exceeds 700 square feet. <sup>13</sup> See page 13.

\*\*A variance was granted for the subdivision of the parcel which has a lot area of 6,434 square feet.

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

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

Exhibit     A     describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit \_\_\_\_\_

as follows:

- (a) The area of the yard adjoining the front, rear and the sides of each building, as shown on the Condominium Map.

NOTE: Yards referenced herein are not portions of legally subdivided lots.

- (b) The land over which each apartment is constructed.

- (c) The driveway shown on the Condominium Map shall be appurtenant to and for the exclusive use of Apartment 2740-A, for ingress and egress, but that portion which is adjacent to Apartment 2740 shall be subject to non-vehicular access rights in favor of Apartment 2740. The owner of Apartment 2740-A shall be responsible for the maintenance of the driveway.

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

Exhibit \_\_\_\_\_ describes the common interests for each apartment.

As follows:

Each apartment shall have appurtenant thereto an undivided 50% interest in all the common elements of the project.

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

Exhibit B describes the encumbrances against the title contained in the title report dated September 8, 1992 and issued by Title Guaranty of Hawaii, Inc. and by title report dated October 12, 1992 issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest if Developer Defaults</u>
Mortgage	Buyer's interest may be terminated. Buyer's funds will be returned if Developer defaults.

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 \_\_\_\_\_ contains a schedule of maintenance fees and maintenance fee disbursements.

See page 18.

**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:** When the Developers later decide to sell, the apartments will be sold together with appliances and other personal property in an "AS IS" condition, without benefit of warranties. The buyers may have their own architects, engineers and other personnel examine the apartments with sufficient thoroughness to enable the buyers to decide if they want to purchase the apartments. The purchase of apartments by the buyers shall be deemed to include (i) a complete and comprehensive assumption of all liabilities arising with respect to the apartments from and after closing, including all claims based on faulty planning, design, engineering, construction, or defective materials or workmanship; and (ii) a release and discharge of the sellers, their respective heirs, assigns, devisees and personal representatives, from all claims, obligations and liabilities arising out of the condition of the apartments, and any disclosures made or not made with respect thereto. The buyers recognize that the foregoing itemization of potential claims or liabilities is not intended to be exclusive, or to limit the generality of the buyers' acceptance of the apartments in an "AS IS" condition, given the most expansive interpretation of those words.

2. **Appliances:** The buyers will have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartments, if any exist at the time of the sale.

J. Status of Construction and Estimated Completion Date:

The apartments were built approximately sixty years ago.

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 and Acceptance ("DROA") will be used at the time of sale. The Hawaii Association of Realtors' form of Deposit Receipt, Offer

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

Escrow Agreement dated December 10, 1992

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

Other

Ohana dwelling unit

Unit 2740 A, also identified as Unit B on the condominium map is an Ohana dwelling unit.

If this unit is destroyed to more than fifty percent of its replacement value, the unit may be rebuilt to its previously existing size under the following conditions.

1. The ohana dwelling unit was legally constructed.
2. The replacement unit will meet all current underlying district standards relating to height limits, required yards, maximum building area and parking.
3. The floor area may be the larger of the floor area shown on approved building plans prior to its destruction or the maximum floor area for ohana dwellings in R-7.5 districts (700 square feet).

The current Land Use Ordinance permits expansion of ohana dwelling units subject to Chapter 514A, Hawaii Revised Statutes if the Declaration of Condominium Property Regime was filed with the Bureau of Conveyances of the State of Hawaii on or before December 31, 1988 and the building permit was issued prior to April 28, 1988. Since the Declaration of Condominium Property Regime for this project was filed after December 31, 1988, current laws do not allow for expansion of the ohana dwelling unit, Apartment 2740-A, beyond the existing 1,596 square feet.

Maintenance Fees:

All costs associated with the maintenance of each apartment and its respective limited common elements are the sole responsibility of each apartment owner.

Section 514A-86, Hawaii Revised Statutes, requires that the Association of Apartment Owners purchase and maintain fire insurance to cover the improvements of the project, and that fire insurance premiums shall be a common expense.

The developer anticipates that the Association will elect to require each owner to obtain separate fire and liability insurance for his apartment and name the Association as an additional insured. In such case, insurance premiums will be the individual responsibility of each apartment owner.

The developer estimates the annual premium expense for each apartment to be approximately \$336.00 and certifies that this estimate was prepared based on generally accepted accounting principles.

**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 part of Registration No. 2760 filed with the Real Estate Commission on  
December 24, 1992.

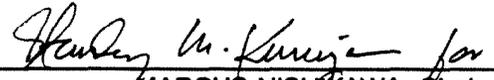
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary public Report is issued or unless the Commission issues an order extending the effective period for the report.

  
\_\_\_\_\_  
MARCUS NISHIKAWA, Chair  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

Department of Finance, City & County of Honolulu  
Planning Department, City & County of Honolulu  
Federal Housing Administration

EXHIBIT A

The common elements of the Project include:

- (a) The land on which the Project is located;
- (b) All pipes, wires, conduits or other utility or service lines running through one apartment which are utilized for or serve both apartments and any other appurtenant installations for utility and other common services, such as power, light, gas, water, telephone and refuse;
- (c) All other apparatus and installations existing for common use;
- (d) All other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT B

Encumbrances Against Title

1. Real Property Taxes as may be due and owing. Refer to the Director of Finance, City and County of Honolulu, for further information. Tax Key: 2-9-016-023 (1)
2. Covenants, conditions and restrictions set forth in DEED dated May 28, 1924, filed as Land Court Document No. 5927.
3. Mortgage dated March 28, 1984, in favor of Wells Fargo Mortgage Company, a California corporation, filed in said Office as Document No. 1226937, which mortgage was assigned to American Savings and Loan Association, a California corporation, by instrument dated August 22, 1984, filed in said Office as Document No. 1254546.
4. Mortgage dated December 9, 1988, in favor of American Savings Bank, F.S.B., a federal savings bank, filed in said Office as Document No. 1599987.
5. Declaration of Condominium Property Regime dated September 12, 1988, filed said Office as Document No. 1655808, as amended by Amendment of Declaration of Condominium Property Regime of 2740/2740-A Ferdinand Avenue dated January 25, 1990, filed as Land Court Document No. 1706562, by Second Amendment of Declaration of Condominium Property Regime of 2740/2740-A Ferdinand Avenue dated December 16, 1992, filed as Land Court Document No. 1983147, and by Third Amendment of Declaration of Condominium Property Regime of 2740/2740-A Ferdinand Avenue dated January 27, 1993, filed as Land Court Document No. 1995960.
6. By-Laws of the Association of Apartment Owners of the Condominium Project known as "2740/2740-A FERDINAND AVENUE" dated September 12, 1988, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1655809, as the same may hereafter be amended.

-NOTE:-

Owner's Certificate(s) of Title referred to herein located at the Office of the Assistant Registrar of the Land Court, State of Hawaii, as of February 13, 1992.

EXHIBIT C

Pets

No livestock, poultry or other animals whatsoever shall be allowed or kept in any part of the project, except that in each apartment the apartment owners may keep an unlimited number of fish confined in aquariums and two additional pets, consisting of any combination of dogs, cats or small birds, but not more than two such pets in the aggregate, subject to the following conditions:

(1) such pets shall be confined to the respective apartment and yard of their owners;

(2) they shall not be kept, bred or used therein for any commercial purposes; and

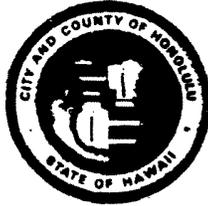
(3) they shall not be allowed on any common elements except in transit when carried or, in the case of a dog, on leash; provided that their owners shall indemnify the Association and hold it harmless against any loss or liability of any kind or character whatsoever arising from or growing out of having any such pet or pets in the project (the young of such permitted animals are excluded from numerical limitations when under six (6) weeks of age).

Pet owners shall be responsible for promptly cleaning up any waste or mess and keeping the project free of fleas, ticks, and odors created by their pet or pets on the project. Any pet causing a nuisance or unreasonable disturbance to any other occupant of the project shall be permanently removed therefrom promptly upon notice given by the Board of Directors.

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

Ex88-41

May 5, 1988

Ms. Sharon M. Y. Au  
333 Queen Street, Suite 710  
Honolulu, Hawaii 96813

Dear Ms. Au:

Subject: Condominium Conversion  
2740 and 2740 A Ferdinand Avenue  
Tax Map Key: 2-9-016: 023

This is in reply to your letter dated March 18, 1988 requesting confirmation that the two 2-story single-family dwellings located at 2740 and 2740 A Ferdinand Avenue met all code requirements at the time of construction.

Investigation revealed that the two dwellings met the code requirements when the lot was surveyed in 1944.

Variance No. 44Z-123 was granted in 1944 for the subdivision of the parcel which has a lot area of 6,439 square feet.

Building Permit No. 248919 was issued for the Ohana dwelling at 2740 A Ferdinand Avenue.

No other variances or special permits were issued.

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

Very truly yours,

A handwritten signature in cursive script, appearing to read "Herbert K. Muraoka".

HERBERT K. MURAOKA  
Director and Building Superintendent

Subscribed and sworn to  
before me this 6th day of  
May, 1988.

A handwritten signature in cursive script, appearing to read "Lillian Anderson".  
Notary Public, First Judicial Circuit  
State of Hawaii  
My commission expires: 12/3/88

# SITE INVESTIGATION REPORT

Site Visit - Oct.27, 1988

Subject: House Inspection at 2740 Ferdinand Ave Hon. Hi. Units  
A & B.

## General:

The two existing houses located at TMK 2-9-16-23 were built approximately 50 years ago. The main structures are of wood single wall construction. Roofing is of asphalt shingles with wood rafters and sheathing. The houses in general appears to be fair condition. The rockwall foundation is constructed without the use of termite shields to protect the wooden structure and because of settlement and termite damages and therefore the finish floors are not level.

## Unit A

Interior walls, ceiling and floor all appears to be in very good condition, with no visible patch areas, nor damages were observe. The exterior walls are of single wall type construction; with wood flooring and canec type ceiling. There is some slight unevenness about the finish floor. The roofing is of asphalt shingle, and there is sagging along the eave line, with some dry rot.

Structurally two wooden post of the foundation have been entirely damaged by termites, and a 4" x 6" sill beam which seats on the rockwall have been damaged by termites.

## Unit B

Interior walls, ceiling and floor are of the same basic construction as mentioned for unit A, The floor for this unit shows a very observable difference in unevenness along the living floor. The floor have been patched in spots because of termite damages to the wood floor. The roof has the same problems and is in the same condition as mentioned above for Unit A.

Structurally the floor joists were damaged by termites along the garage area. The beam and post support for the 16 ft span does not seem to be adequate. There is a major problem with the sloping condition of the finish floor.

## Recommendation and Conclusion:

If the deficiencies are repaired as noted above. These two units, A & B, will continued to serve as a durable dwelling unit.

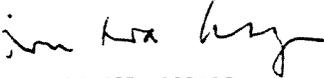
  
MR. KAM WA WONG  
STRUCTURAL ENGINEER

Exhibit "F"

Summary of Sales Contract  
(Hawaii Association of Realtors' Standard form of DROA)

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

1. Whether a purchaser will be obtaining a mortgage loan to cover part of the purchase price.
2. That the apartment will be subject to various other legal documents which the purchaser should examine.
3. That certain expenses, such as property taxes and insurance premiums shall be prorated as of the date of closing.
4. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
5. That the Seller may take any or all of the following actions if Buyer fails to pay the balance of the purchase price or complete the purchase.
  - a. Bring an action for damages for breach of contract.
  - b. Retain the initial deposit and all additional deposits as liquidated damages.
  - c. Hold Buyer responsible for any costs incurred in accordance with the sale contract.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

Exhibit "G"

Summary of Escrow Agreement

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

1. Escrow will let purchasers know when payments are due.
2. Escrow will arrange for purchasers to sign all necessary documents.
3. The Escrow Agreement says under what conditions a refund will be made to the purchaser.
4. The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.