



**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report

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 developer.

Changes made are as follows:

**SPECIAL ATTENTION**

This is a 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 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.

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 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 project's 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers or 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Raymond Kam, Trustee and Anna Lin Kam, Trustee Phone: 737-9363  
Name (Business)  
3422 George Street  
Business Address  
Honolulu, HI 96815

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

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

Real Estate Broker: Interstate Properties, Inc. Phone: 737-9363  
Name (Business)  
1127 11th Avenue, Ste. 202  
Business Address  
Honolulu, HI 96816

Escrow: Fidelity Escrow Services Corporation Phone: 537-6799  
Name (Business)  
700 Bishop St., Ste. 1015  
Business Address  
Honolulu, HI 96813

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

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

Attorney for Developer: Glenn M. Adachi Phone: 526-3880  
Name (Business)  
841 Bishop St., Ste. 1601  
Business Address  
Honolulu, HI 96813

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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. 92-165534  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment No. 1 dated 2/17/93 filed as Doc. No. 93-031248

- 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, dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed  
 Recorded - Bureau of Conveyances Condo Map No. 1749  
 Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed 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. 92-165535  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

The Bylaws referred to above have been amended by the following instruments [state name of document, dated and recording/filing information]:

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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%*	75% _____
Bylaws	65%	65% _____
House Rules	---	<u>Directors Approval</u>

\*The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

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

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

To amend the Declaration, By-Laws and Condominium Map at anytime prior to recording of the sale of a unit.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: \_\_\_\_\_

Rent Renegotiation Date: \_\_\_\_\_

Lease Rent Payable:     Monthly                     Quarterly  
                                  Semi-Annually             Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  Month     Year

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:  
                                  Canceled                     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 canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor; often at a specified price.

Exhibit \_\_\_\_\_ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: \_\_\_\_\_

Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:     Monthly                     Quarterly  
                                  Semi-Annually             Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  Month     Year

Other:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

**B. Underlying Land:**

Address: 1826 Dole Street Tax Map Key: (1) 2-8-13: 41  
Honolulu, HI 96822 (TMK)

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

Land Area: 5,725  square feet  acre(s) Zoning: R-5

**Lessor**

(Fee Owner): Raymond Kam and Anna Lin Kam, Trustees  
Name  
3422 George Street  
Address  
Honolulu, HI 96815

**Sublessor:**

\_\_\_\_\_  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_

**C. Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building 1

Exhibit        contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other \_\_\_\_\_

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input checked="" type="checkbox"/> Ohana	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	<u>    </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	<u>    </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	<u>    </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	<u>    </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	<u>    </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	<u>    </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	<u>    </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	<u>    </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes  No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

Pets: Only one dog or cat, subject to certain conditions (See House Rules)

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

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

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None                      Stairways: None                      Trash Chutes: None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1826A</u>	<u>1</u>	<u>3/1</u>	<u>946.66</u>	_____
<u>1826</u>	<u>1</u>	<u>5/2</u>	<u>1,151.4</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 the those above because a different method of determining the floor area may have been used.**

**Boundaries of Each Apartment:**

1. All perimeter walls, floors, foundations and roof or each building.
2. All pipes, wires, conduits, or other utility and service lines in such building, outside such building, if the same are not utilized for more than one apartment.
3. The parking pads of the respective apartments.

**Permitted Alterations to Apartments:**

Apartment owner may renovate, remodel, make additions to, remove or retore the unit.

7. Parking Stalls:

Total Parking Stalls: 4

	<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 each units)	_____	<u>3</u>	_____	<u>1</u>	_____	_____	<u>4</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>3</u>		<u>1</u>				

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

- Commercial parking garage permitted in condominium project.
- Exhibit \_\_\_\_\_ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

- Swimming pool                       Storage Area                       Recreation Area
- Laundry Area                               Tennis Court                       Trash Chute
- Other: \_\_\_\_\_

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations (See Exhibit A)

- There are no violations.     Violations will not be cured.
- Violations and cost to cure are listed below.                       Violations will be cured by \_\_\_\_\_

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations  
(For conversions of residential apartments in existence for at least five years):

See Exhibit B - Architect's Visual Inspection

11. Conformance to Present Zoning Code

- a.  No variances to zoning code have been granted.  
 Variance(s) to zoning code was/were granted as follows:

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>X</u>	<u>                    </u>	<u>                    </u>
Structures	<u>X</u>	<u>X-Unit 1826A. See p.20.</u>	<u>                    </u>
Lot	<u>X</u>	<u>                    </u>	<u>                    </u>

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit C.

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 use them, as described in the Declaration, are:

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

as follows:

The portion of the land area beneath and adjacent to each unit as delineated on the site plan of the Condominium Map.

NOTE: Land areas referenced herein are not legally subdivided lots.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

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

as follows:

<u>Unit No.</u>	<u>% Common Interest</u>
1826A	50%
1826	50%

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit D describes the encumbrances against the title contained in the title report dated January 13, 1993 and issued by Founders Title & Escrow of Hawaii.

**Blanket Liens:**

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Buyer's interest may be terminated and Buyer may have to sue Developer for breach of contract and for return of any deposits paid.

**F. 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. Units will be sold in "as is" condition.

2. **Appliances:**

None. Appliances will be sold in "as is" condition.

**G. Status of Construction and Estimated Completion Date:**

The two dwellings were moved onto the property in 1975 and 1985.

**H. Project Phases:**

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

**IV. CONDOMINIUM MANAGEMENT**

**A. 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 condominium managing agent to assist the Association in managing the condominium project.

**Initial Condominium Managing Agent:** When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

- |   |  |
|---|--|
| <input type="checkbox"/> not affiliated with the Developer                              | <input type="checkbox"/> the Developer or the Developer's affiliate. |
| <input checked="" type="checkbox"/> self-managed by the Association of Apartment Owners | <input type="checkbox"/> other _____                                 |

**B. 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.

Exhibit E contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

**C. 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:

- |  |   |                                      |                                |
|--|---|--------------------------------------|--------------------------------|
| <input checked="" type="checkbox"/> None | <input type="checkbox"/> Electricity      | <input type="checkbox"/> Gas         | <input type="checkbox"/> Water |
| <input type="checkbox"/> Sewer           | <input type="checkbox"/> Television Cable | <input type="checkbox"/> Other _____ |                                |

V. MISCELLANEOUS

A. 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

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated April 20, 1992

Exhibit G contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other \_\_\_\_\_

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by 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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) 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:

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime.
  - C) Bylaws of the Association of Apartment Owners.
  - D) House Rules.
  - E) Condominium Map
  - F) Escrow Agreement
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other \_\_\_\_\_

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2795 filed with the Real Estate Commission on January 29, 1993.

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

- yellow paper stock                       white paper stock                       pink paper stock

**C. Additional Information Not Covered Above**

The Developers, Raymond Kam (RB-6557) and Anna L. Kam (RB-7627), are both current and active Hawaii-licensed real estate brokers. This information and the fact that they are also the owners of the property shall be disclosed to all prospective buyers pursuant to Chapter 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"). Pursuant to Chapter 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner,...'"

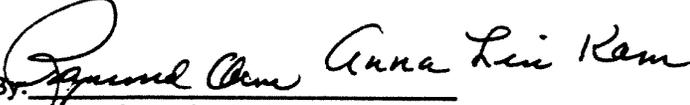
**Disclosure re: "ohana" additional dwelling unit:**

Unit 1826A is an "ohana" additional dwelling unit. The maximum permitted floor area of such a unit is presently 700 square feet. Although Unit 1826A's present size was legal when it was relocated onto the property in 1985, it exceeds current size restrictions and therefore is considered a "non-conforming" structure under the Land Use Ordinance of the City and County of Honolulu (the "LUO"). The LUO will not permit Unit 1826A to be enlarged. However, if Unit 1826A were destroyed to an extent of more than 50% of its replacement cost, it may be reconstructed to its previously existing size, subject to certain restrictions. Prospective purchasers are advised to consult with the City and County of Honolulu Department of Land Utilization for further information.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Raymond Kam, Trustee and Anna Lin Kam, Trustee

Name of Developer

By:   
Duly Authorized Signatory

3/15/93

Date

Raymond Kam, Trustee and Anna Lin Kam, Trustee

print name & title of person signing above

Distribution:

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

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

Ex92-30

March 5, 1992

Mr. Russell Kam  
Attorney at Law  
3422 George Street  
Honolulu, Hawaii 96815

Dear Mr. Kam:

Subject: Condominium Conversion Project  
1826 Dole Street  
Tax Map Key: 2-8-13: 41

This is in reply to your letter dated December 30, 1991 requesting confirmation that the two 1-story detached single-family dwellings located at 1826 Dole Street met all code requirements at the time of construction.

Investigation revealed that the two dwellings with 4 off-street parking spaces met the applicable code requirements when they were relocated onto the lot in 1975 and 1985.

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

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

EXHIBIT A

Mr. Russell Kam  
March 5, 1992  
Page 2

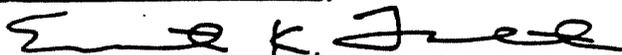
If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at telephone number 527-6341.

Very truly yours,



HERBERT K. MURAOKA  
Director and Building Superintendent

Subscribed and sworn to  
before me this 6th day of  
March, 1992.



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

END OF EXHIBIT A

December 30, 1991

Interstate Properties, Inc.  
3422 George Street  
Honolulu, Hawaii 96815

Dear Mr. Russ Kam,

As per your instructions, a visual inspection was made on the property located at 1826 Dole Street, T.M.K. 2-8-13 : 41, Honolulu, Oahu on 19th and 26th December, 1991.

The purpose of the inspections was to visually examine and comment on the present condition of the buildings. Presently, there are 2 separate single family dwellings on the site. Dwellings have been designated as Unit 1826 and Unit 1826A.

The following describes my assessment of the present condition of the buildings:

The plumbing system and electrical system for both units appears to be functioning properly. Structurally, the building appears to be in fair condition.

Conclusion: The dwellings described above appears to be in fair condition and appears to be structurally sound.



A handwritten signature in black ink, appearing to read "Wayne S. Date".

Wayne S. Date, AIA  
Registered Professional Architect  
Hawaii Reg. No. 5421

EXHIBIT B

December 30, 1991

Interstate Properties, Inc.  
3422 George Street  
Honolulu, Hawaii 96815

EXHIBIT 1

ARCHITECT'S CERTIFICATION (AMENDED)

I certify that Dwelling Unit numbers 1826 and 1826A on City and County of Honolulu, tax records, which corresponds with Units 1826 and 1826A on the CPR map for the condominium project named "1826 Dole Street" located at 1826 Dole Street in Honolulu, Oahu, Hawaii, conforms to the Building Codes in force at the time of their construction.



Signed:

A handwritten signature in black ink, appearing to read "Wayne S. Date".

Wayne S. Date, AIA  
No. 5421

END OF EXHIBIT B

EXHIBIT C

DESCRIPTION OF COMMON ELEMENTS

1. The land in fee simple as described in Exhibit "A" of the Declaration.

2. All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which will serve both apartments for services such as power, light, water, gas, refuse, telephone, radio, and television signal distribution.

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

EXHIBIT D

ENCUMBRANCES AGAINST TITLE

1. Reservation in favor of the State of Hawaii to all mineral and metallic mines.

2. Mortgage in favor of First Federal Savings & Loan Association of Hawaii, a Federal corporation organized and existing under the laws of the United States of America, dated July 7, 1976, recorded in said Bureau of Conveyances in Book 11522, Page 480.

3. Terms, provisions, conditions, covenants and reservations as contained in that certain unrecorded Revocable Living Trust Agreement dated December 5, 1986 herein referred to and the effect of any failure to comply with such terms, provisions and conditions.

4. Terms, provisions, conditions, covenants and reservations as contained in that certain unrecorded Revocable Living Trust Agreement dated December 5, 1986 herein referred to and the effect of any failure to comply with such terms, provisions and conditions.

5. The requirement that the escrow company be furnished with a statement of trust certification that the trust agreements referred to herein, has not been revoked or otherwise terminated.

6. Mortgage in favor of GECC Financial Corporation, a Hawaii corporation, dated October 16, 1990, recorded in said Bureau of Conveyances as Document No. 90-162796.

7. Assignment of Lessor's Interest Under Lease as Security-Security Agreement dated October 16, 1990 recorded in said Bureau of Conveyances as Document No. 90-162798.

8. Financing Statement by GECC Financial Corporation, Secured Party recorded in said Bureau of Conveyances as Document No. 90-162799.

9. Condominium Map No. 1749 filed in said Bureau of Conveyances.

10. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by laws set forth in the Declaration of Condominium Property Regime dated May 11, 1992, recorded in said Bureau of Conveyances as Document No. 92-165534.

11. By-Laws of the Association of Apartment Owners of 1826 Dole Street dated May 11, 1992 and recorded in said Bureau of Conveyances as Document No. 92-165535.

12. real property taxes due and payable. For more information contact City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

NOTE: The Developer, Raymond Kam, represents that the Raymond Kam referred to in items 10 and 11 of the Title Report (re: Circuit and District Court judgments dated 3/87 and 10/90, respectively) is not the same person as the Raymond Kam involved in this project.

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months	Yearly Total
1826	\$65.39	\$784.68
1826 A	\$65.39	\$784.68

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months Yearly Total

Utilities and Services

Air Conditioning  
Electricity  
    ( ) common elements only  
    ( ) common elements  
        and apartments  
Gas  
Refuse Collection  
Telephone  
Water and Sewer

Maintenance, Repairs and Supplies

Building  
Grounds

Management

Management Fee  
Payroll and Payroll Taxes  
Office Expenses

Insurance	Unit 1826	\$63.72	\$764.64
	Unit 1826 A	\$63.72	\$764.64

Reserves

Taxes and Government Assessments

Audit Fees	Unit 1826	\$1.67	\$20.04
	Unit 1826 A	\$1.67	\$20.04

Other

TOTAL

\$130.78

\$1,569.36

I/We, Raymond Kam and Anna Lin Kam as owner and developer  
of 1826 Dole Street 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.

*Raymond Kam Anna Lin Kam*  
Date: MAR 15 1993

EXHIBIT F

SUMMARY OF SALES CONTRACT

The Seller intends to use the Hawaii Association of Realtors' form of Deposit Receipt, Offer and Acceptance ("DROA") as the sales contract for the sale of the unit(s). The sales contract contains the purchase price, description and location of the apartment and other terms and conditions under which a Buyer will agree to buy an apartment in the Project.

Among other things, the sales contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Buyer will pay the purchase price.

2. Identifies the escrow agent and states that Buyer's deposit will be held in escrow until the sales contract is closed or cancelled.

3. Requires that Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. Provides the following remedies, in the event of default under the sales contract:

by Buyer:

- a. Seller may bring an action against Buyer for breach of contract;
- b. Seller may retain Buyer's initial deposit;
- c. Buyer shall be responsible for expenses incurred.

by Seller:

- a. Buyer may bring an action against Seller for breach of contract;
- b. Buyer may bring an action compelling Seller to perform under contract;
- c. Seller shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

5. Allocation of payment of closing costs.

The sales contract contains various other provisions which Buyer should become acquainted with.

EXHIBIT G

SUMMARY OF ESCROW AGREEMENT

The escrow agreement sets up an arrangement under which the deposits a buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

1. Seller will give to escrow executed copy of all sales contract and pay to escrow funds received from a purchaser.

2. Escrow will collect and hold payments due pursuant to the sales contract.

3. Upon receipt of notice from Seller that a payment(s) is/are due, Escrow will notify purchaser that payment(s) are due. Escrow will not enforce payment of any sums due.

4. Escrow will deposit all monies received into a special account(s) with a financial institution(s) doing business in Honolulu, Hawaii.

5. Escrow will disburse funds from escrow, unless otherwise provided for in the sales contract, and with the approval of seller's mortgagee for:

a. Construction costs.

b. Architectural, engineering, finance and legal fees and other incidental expenses.

The balance of the monies remaining shall be disbursed in accordance with the instructions of the Seller only upon completion of the units, except, Escrow shall not disburse any remaining funds until Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared or sufficient funds have been set aside to cover claims, otherwise Escrow shall not disburse remaining funds until 46 days after filing and publication of Notice of Completion.

6. If seller certifies in writing to Escrow that purchaser is in default, Escrow will notify purchaser by registered mail of the default and thereafter treat all funds of purchaser as escrowed funds of the seller.

7. Escrow will arrange for and supervise the signing of all necessary documents.

8. Escrow is relieved from all liability for acting in accordance with the of the escrow agreement.

9. Compensation of escrow will depend on the sales price of the units.

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

END OF EXHIBIT G