

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Leslie A. McCabe & Esther K. Yokoyama  
Address 843 21st Avenue, Honolulu, Hawaii 96816

Project Name(\*): 843 21ST AVENUE  
Address: 843 21st Avenue, Honolulu, Hawaii 96816

Registration No. 2835 (Conversion) Effective date: April 14, 1993  
Expiration date: May 14, 1994

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

     PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.  
(yellow)

  X   FINAL: The developer has legally created a condominium and has filed complete information with the Commission.  
(white)  
     No prior reports have been issued.  
     This report supersedes all prior public reports.  
     This report must be read together with \_\_\_\_\_

     SUPPLEMENTARY: This report updates information contained in the:  
(pink)  
     Preliminary Public Report dated: \_\_\_\_\_  
     Final Public Report dated: \_\_\_\_\_  
     Supplementary Public Report dated: \_\_\_\_\_

And  Supersedes all prior public reports  
 Must be read together with \_\_\_\_\_  
 This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

\_\_\_\_\_  
(\* Exactly as named in the Declaration



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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 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 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: Leslie A. McCabe and  
Esther K. Yokoyama Phone: 735-2171  
Name (Business)  
843 21st Avenue  
Business Address  
Honolulu, Hawaii 96816

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

Not Applicable  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate  
Broker: Marcus & Associates, Inc. Phone: 839-7446  
Name (Business)  
1045 Mapunapuna Street  
Business Address  
Honolulu, Hawaii 96819

Escrow: Island Title Corporation Phone: 487-8966  
Name (Business)  
98-1247 Kaahumanu Street  
Business Address  
Aiea, Hawaii 96701

General  
Contractor: Not Applicable Phone: Not Applicable  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Condominium  
Managing  
Agent: Self Managed by Association Phone: Not Applicable  
of Apartment Owners (Business)  
Name  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Attorney for  
Developer: Stanley M. Morishige Phone: 531-5007  
Name (Business)  
1220 Pauahi Tower, 1001 Bishop Street  
Business Address  
Honolulu, Hawaii 96813

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. 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. 92-162078  
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]: First Amendment to Declaration dated March 30, 1993, filed April 2, 1993 as Document No. 93-52852.

- 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 Conveyances Condo Map No. 1744  
 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]:

N/A

- 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. 92-162079  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

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%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>N/A</u>

\* The percentages for individual condominium projects may be more than the minimum set by law 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:

Under paragraph 17 of the Declaration of Condominium Property Regime, the Developer reserves the right to amend the Declaration (including any Exhibits) at any time prior to the first recording of an Apartment Deed demising an apartment to a party not a signatory to the Declaration, without consent or joinder of any purchaser of any of the apartments.

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(s): \_\_\_\_\_

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: 843 21st Avenue Tax Map Key: 1/3-2-53-55  
Honolulu, Hawaii 96816 (TMK)

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

Land Area: 7,500 [X] square feet [ ] acre(s) Zoning: R-5

Lessor

(Fee Owner): Leslie A. McCabe and Esther K. Yokoyama

Name

843 21st Avenue

Address

Honolulu, Hawaii 96816

Sublessor: Not Applicable

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 Apt. A - 2 Floors  
Apt. B - 1 Floor

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

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other \_\_\_\_\_

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<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: One dog or cat; otherwise no rabbits, livestock, etc.

[ ] Number of Occupants: \_\_\_\_\_

[ ] Other: No time sharing or hotel use/

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0                      Stairways: 1                      Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net	
			Living Area (sf)*	Lanai/Patio (sf)
<u>A</u>	<u>1</u>	<u>4/3</u>	<u>2,159 sf</u>	<u>280 sf</u>
<u>B</u>	<u>1</u>	<u>3/2</u>	<u>1,031 sf</u>	<u>None</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 boundaries of each Apartment shall be deemed to be the outside surfaces of the exterior walls and the roof and the bottom surfaces of the footing and foundations of each dwelling unit, as delineated and described in said Condominium Map.

**Permitted Alterations to Apartments:**

See Exhibit "A".



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	X	_____	_____
Structures	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.

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 "D".

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is 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:

Each Apartment shall have appurtenant thereto an undivided 50% interest in all of the common elements of the project and the same proportionate share in all common profits and common expenses of the project and for all other apartment purposes, including voting.

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 "E" describes the encumbrances against the title contained in the title report dated 02/01/93 and issued by Island Title Corporation.

**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>
First Mortgage	Mortgagee may foreclose on the property, but in such event, Buyer shall be entitled to return of his deposit.
Second Mortgage	Mortgagee may foreclose on the property, but in such event, Buyer shall be entitled to return of his deposit.

**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:**

Developer makes no warranties of any kind, express or implied.

**2. Appliances:**

Developer makes no warranties of any kind, express or implied.

G. Status of Construction and Estimated Completion Date:

Both Apartments were completed in 1988.

H. Project Phases:

The developer  has  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):

Developer has no plans for future development.

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:

- not affiliated with the Developer  the Developer or the Developer's affiliate.  
 self-managed by the Association of Apartment Owners  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 "F" 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:

- None  Electricity  Gas  Water  
 Sewer  Television Cable  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
- Specimen Sales Contract  
Exhibit "G" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated March 15, 1993  
Exhibit "H" 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 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 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. 2835 filed with the Real Estate Commission on March 17,  
1993

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C. Additional Information Not Covered Above

Pursuant to Sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that one of the Developers/Owners, Leslie A. McCabe (RB-14121), is a current and active Hawaii-licensed real estate broker. Further, pursuant to Section 16-99-11(c), HAR, "(n)o licenses shall advertise 'For Sale by Owner, . . .'"

Maintenance Fees:

All costs of every kind pertaining to each apartment and its respective limited common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective apartment owner.

Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association will elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses. Developer estimates such annual premium expense to be \$700.00 per apartment. This estimate was prepared in accordance with generally accepted accounting principles.

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.

Leslie A. McCabe and Esther K. Yokoyama  
Name of Developer

By: Leslie A. McCabe 4.8.93  
By: Esther K. Yokoyama 4.8.93  
Duly Authorized Signatory Date

Leslie A. McCabe - Developer  
Esther K. Yokoyama - Developer  
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

EXHIBIT "A"

PERMITTED ALTERATIONS TO APARTMENTS

Subject to the right of the Board of Directors to alter or add to the common elements of the project and subject to the provisions Section 514A-89 of the Hawaii Revised Statutes, each apartment owner, with the consent of his mortgagee, if any, shall have the right at his sole option at any time, without consent of anyone other than the holders of all liens affecting his apartment, to make nonmaterial structural improvements on his dwelling unit, or to make improvements to the apartment space appurtenant to his dwelling unit, subject to the foregoing:

1. All building plans for any such change shall be prepared by a licensed architect or professional engineer and conform with county building or zoning laws and other City and County ordinances.

2. The value of the apartment after such change will not be less than the value before such change.

3. No change to a apartment will be made outside the apartment space on which the apartment is situated; no change will reduce the distances between improvements placed on each apartment space to less than what it was originally as shown on the Condominium Map: and no change will exceed the dwelling unit's coverage of the land as defined by the Zoning Ordinances of the City and County of Honolulu in effect when the change is to be made. The proportionate share of each apartment shall be the same as it's interest in the common interest.

4. All changes shall be at the sole expense of the apartment owner making the change and prior to commencement of construction, the owner making the change shall give reasonable assurances to the Association of the owner's financial ability to complete and pay for the change.

5. At all times during the construction, the owner shall procure and pay for a builder's all risk insurance in an amount not less than the estimated cost of construction. The Association shall be an additional insured under said policy.

6. Notwithstanding the foregoing, no apartment owner may add any material structure to his apartment space nor excavate any cellars or basements, and no work shall be done which would jeopardize the soundness or safety of the Project, reduce the value thereof, violate the uniform external appearance of the Apartment, or impair any easement, without in every such case the unanimous consent of all other Apartment owners being first obtained.

END OF EXHIBIT "A"

EXHIBIT "B"

The Project has a total of four (4) parking spaces divided between two two-car carports. Each Apartment in the project has incorporated as a part of the dwelling unit, one two-car carport. Apartment A of the Project has a two-car carport of approximately 490 square feet; and Apartment B, has a two-car carport of approximately 450 square feet. The layout of each carport is more particularly set-forth in the Condominium Map. Each of the carports has access to 21st Avenue via the common driveways,

END OF EXHIBIT "B"

EXHIBIT "C"

DESCRIPTION OF COMMON ELEMENTS

The common elements shall include each of the elements which are mentioned in Section 514A-3 of the Hawaii Revised Statutes, as amended, and which are actually constructed or provided as described herein, and specifically include, out are not limited to, the following:

- (1) The Land in fee simple;
- (2) The sewers and drains situated on the land and existing for common use and all easements, if any, shown on the Condominium Map or described the Declaration;
- (3) The driveway and the road easements, (if any), shown on the Condominium Map or described in the Declaration;
- (4) All utility installations which serve more than one apartment;
- (5) All pipes, cables, conduits, ducts, electrical equipment, wiring and generally all equipment and apparatus, installations and personal property existing for the common use on the land hereinabove described;
- (6) All other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use; and
- (7) All portions of the Project not deemed to be included as an apartment.

END OF EXHIBIT "C".

EXHIBIT "D"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of one apartment only, and such apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. In general, the limited common elements are all common elements of the Project which are rationally related to a single apartment and which shall be limited common elements appurtenant to the apartment to which they are related. Without limiting the foregoing, each apartment will have as an appurtenance thereto, all for the exclusive use of such dwelling unit: (1) all utility service lines not contained within the apartment but which are used exclusively by and servicing only that apartment, along with all appurtenant ducts and related equipment located therein; (2) the site of each apartment (hereinafter called the "apartment spaces"), consisting of the land area adjacent to each apartment enclosed by the perimeter boundaries of each lot, as outlined on the Condominium Map by the red dotted lines for Apartment No. A, and by the blue dotted lines for Apartment No. B (Note: Land areas herein referenced are not legally subdivided lots); (3) the driveways servicing the respective dwelling units as delineated on said Condominium Map; and (4) each apartment also has the mail box bearing the same number as the apartment as a limited common element.

END OF EXHIBIT "D"

EXHIBIT "E"

The following are presently existing 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.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Covenants, conditions and provisions set forth in that certain Affidavit for building permit, dated May 2, 1988, recorded October 20, 1988, in the Bureau of Conveyances, State of Hawaii, in Liber 22483, Page 183.
4. Condominium Map No. 1744, filed in the Bureau of Conveyances, State of Hawaii.
5. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in the Declaration of Condominium Property Regime dated September 28, 1992, recorded October 6, 1992, in the Bureau of Conveyances, State of Hawaii, as Document No. 92-162078. Said Declaration was amended by instrument dated March 30, 1993, recorded in said Bureau of Conveyances on April 2, 1993 as Document No. 93-52852.
6. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of 843 21st Avenue, dated September 28, 1992, recorded October 6, 1992, in the Bureau of Conveyances, State of Hawaii, as Document No. 92-162079.
7. Any and all covenants, conditions, restrictions and easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, and/or in said Deed, and/or as delineated on said Condominium Map.
8. Mortgage dated February 23, 1990, recorded February 28, 1990, in the Bureau of Conveyances, State of Hawaii, as Document No. 90-029002, made by Leslie McCabe, unmarried, and Esther K. Yokoyama, unmarried, in favor of Imco Realty Services, Inc., a Delaware corporation, as general partner of and nominee on behalf of Imco Realty Services - A California Limited Partnership, mortgagee. Said Mortgage was assigned by an assignment dated March 16, 1991, recorded August 19, 1991, in said Bureau, as Document No. 91-111750, to Independence One Mortgage Corporation.

9. Mortgage dated December 16, 1992, recorded December 22, 1992, in the Bureau of Conveyances, State of Hawaii, as Document No. 92-208350, made by Leslie McCabe, unmarried, and Esther K. Yokoyama, unmarried, in favor of North American Mortgage Company, a Delaware corporation, mortgagee.

NOTE: Items No. 8 & 9 will be removed prior to any sale of an apartment.

END OF EXHIBIT "E".

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
Apt. A	-0-	-0-
Apt. B	-0-	-0-

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:

	<u>Monthly</u> x 12 months =	<u>Yearly Total</u>
<u>Insurance Coverage:</u>		
Fire & Liability....		-0-
TOTAL:		-0-

All utilities are separately metered for each apartment and are therefore are not part of the common area maintenance fees.

I, Leslie A. McCabe, as Developer 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.

*Leslie A. McCabe*  
\_\_\_\_\_  
LESLIE A. MCCABE

END OF EXHIBIT "F"

EXHIBIT "G"

SUMMARY OF PERTINENT PARTS OF SALES CONTRACT

The specimen Sales Contract provides in part that: (1) the purchaser acknowledges in the Sales Contract that the Seller's sales activities may continue until the last apartment in the Project is sold; (2) all apartments will be sold "as is" without any warranties whatsoever and without any warranties of merchantability or fitness for a particular purpose with respect to purchaser's apartment, appliances or anything installed therein, the common elements of the Project or any portions of the Project; (3) In the event the Apartment is rented at the time of execution of the Sales Contract, the Apartment shall be subject to and Buyer shall assume said rental agreement, and rent received from the tenant will be prorated between Buyer and Seller as of the date of Final Closing; (4) Seller shall pay for the cost of drafting the Apartment Deed and Buyer shall pay all other closing costs including, cost of drafting promissory note(s) and mortgage(s), notary fees, consent fees, and all recording fees, conveyance taxes, title charges, escrow fees and all other applicable charges, fees and costs in procuring his financing; and (5) If Buyer shall default in making any payment when required or if Buyer fails to perform any other obligation required of Buyer, and if Seller shall notify Buyer in writing of such default and such default shall not be cured within 10 days after giving notice, the Sales Contract, at Seller option, may be terminated by written notice to Buyer and all sums paid by Buyer shall belong to the Seller as liquidated damages; and, in addition, at Seller's option, Seller may pursue any other remedy in law or equity for specific performance or for damages or otherwise, and Buyer shall pay for all costs, including reasonable attorney's fees incurred thereby.

END OF EXHIBIT "G"

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

A copy of the executed Escrow Agreement dated March 15, 1993, identifies ISLAND TITLE CORPORATION a Hawaii corporation, as escrow agent. Among other provisions, the executed Escrow Agreement states that a purchaser under the Sales Contract shall be entitled to a return of his funds, and Escrow shall pay such funds to said purchaser without interest, promptly after purchaser has requested such return if Escrow shall have received from Developer a written notice that any one of the following has occurred:

1. Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held by Escrow; or

2. Developer shall have notified Escrow of Developer's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

3. With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a substantive change in the building plans of a type which gives purchaser a right to cancel his Sales Contract pursuant to Chapter 514A of the Hawaii Revised Statutes (unless purchaser's written approval or acceptance of the specific change is obtained or ninety [90] days have elapsed since the purchaser has accepted in writing the apartment or he has first occupied the apartment): or

4. The Final Report differs in a material respect from the Preliminary Report and the purchaser's written approval of such change shall not have been obtained and purchaser shall request the refund; or

5. The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and purchaser's rights are not waived under Section 514A-66, Hawaii Revised Statutes.

In any of the foregoing events Escrow shall, upon receipt of the written request for a refund from purchaser, pay said funds to the purchaser (less cancellation fee to Escrow of \$75.00 per apartment and Escrow and cancellation costs, as defined in the Sales Contract) and thereupon said Sales Contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

END OF EXHIBIT "H"