

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Uluniu Partners  
Address P.O. Box B, Kailua, HI 96734

Project Name(\*): Uluniu Urban  
Address: 320 and 328 Uluniu Street, Kailua, HI 96734

Registration No. 2943 (partial conversion) Effective date: November 10, 1993  
Expiration date: December 10, 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)

XX 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

**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:

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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: Uluniu Partners Phone: 261-3326  
Name  
P.O. Box B  
Business Address  
Kailua, HI 96734  
(Business)

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

Dr. Bernard Scherman, Managing Partner  
Frederick C. Holschuh; Steve Goodhart, Trustee  
Barry D. Miller; Hawaii Medical Management  
Stephen A. Aglinskas; Madeline Scherman

Real Estate Broker: 50th State Properties Real Estate, Inc. Phone: 261-3326  
Name  
P.O. Box B  
Business Address  
Kailua, HI 96734  
(Business)

Escrow: Security Title and Escrow Co. Phone: 521-9511  
Name  
Financial Plaza of the Pacific  
Business Address  
Honolulu, HI 96816  
(Business)

General Contractor: MSD Construction, Ltd. Phone: 239-2244  
Martin J. DiAntonio  
Name  
P.O. Box K  
Business Address  
Kaneohe, HI 96744  
(Business)

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

Attorney for Developer: Law Offices of Cynthia Thielen Phone: 599-4141  
Name Pacific Tower  
1001 Bishop Street, Suite 780  
Business Address  
Honolulu, HI 96813  
(Business)

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. 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. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 2046583

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to the Declaration of Condominium Property Regime dated August 13, 1993 filed as Land Court Document No. 2060191 on August 27, 1993; Second Amendment to the Declaration filed as Land Court Document No. 2081906 on October 29, 1993

- 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. \_\_\_\_\_  
 Filed - Land Court Condo Map No. 986

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

Same as above for Declaration amendments.

- 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. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 2046582

The Bylaws referred to above have been amended by the following instruments [state name of document, date 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%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>65%</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:

Developer reserves the right to subdivide the units located in 328 Uluniu Street in the Uluniu Urban project into a greater or lesser number of units with a greater or less net living area per unit, including the right to create a unit or units encompassing the first and second floor, each of which new units will become apartments subject to this Condominium Property Regime. Developer reserves the right to change the Declaration, Condominium Map, Bylaws and House Rules to reflect these changes.

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: 320 and 328 Uluniu Street Tax Map Key: (1) 4-5-52: 9 and 11  
Kailua, HI 96734 (TMK)

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

Land Area: 10,460 [XX] square feet [ ] acre(s) Zoning: Urban B-2



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: Dogs, cats and household pets permitted in reasonable number;  
 Owner's responsible for immediate and proper disposal of all fecal matter of their pets.
- Number of Occupants: \_\_\_\_\_
- Other: Commercial use only; No time-sharing, including time-interval ownership
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: \_\_\_\_\_ Trash-Chutes: 0

Apt. Type	Quantity	Office <del>XX</del> /Bath	Net Living Area (sf)*	Lanai/Patio (sf)
320-101	<u>1</u>	<u>2/1</u>	<u>887</u>	<u>--</u>
320-102	<u>1</u>	<u>1/1</u>	<u>731</u>	<u>--</u>
320-103	<u>1</u>	<u>1/1</u>	<u>570</u>	<u>--</u>
320-104	<u>1</u>	<u>1/0</u>	<u>942</u>	<u>--</u>
320-105	<u>1</u>	<u>5/1</u>	<u>1,684</u>	<u>--</u>
320-106	<u>1</u>	<u>1/1</u>	<u>650</u>	<u>--</u>
Total Apartments: <u>15</u>		(Remaining units on attached p. 11(a))		

\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

Each apartment shall include the interior surface of the exterior walls; doors and door frames; windows and window frames; roofs; floors; and any appurtenances adjoining or connected thereto.

Permitted Alterations to Apartments:

All alterations must be in conformance with the Americans with Disabilities Act. Any structural alterations must be approved by the Association.

Condominium Public Report

6. Interior

<u>Apt. Type</u>	<u>Quantity</u>	<u>Office/Bath</u>	<u>Net living Area</u>	<u>Lanai/Patio</u>
328-101	1	1/0	339	--
328-102	1	2/0	663	--
328-103	1	1/0	497	--
328-105	1	1/0	551	--
328-201	1	1/0	336	--
328-202	1	1/0	845	--
328-203	1	1/0	348	--
328-205	1	1/0	420	--
328-207	1	1/0	385	--

7. Parking Stalls:

Total Parking Stalls: None - there is no parking on site for these commercial buildings

	<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 unit)	_____	_____	_____	_____	_____	_____	<u>0</u>
Guest Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>0</u>		<u>0</u>		<u>0</u>		

Each apartment will have the exclusive use of at least 0 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

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):

N/A

11. Conformance to Present Zoning Code

- a.  No variances to zoning code have been granted. Conditional Use Permit 91/CUP1-40 was approved by the Dept. of Land Utilization on October 3, 1991 to permit joint development of the two subject parcels.  
 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 \_\_\_\_\_.

as follows: The land in fee simple, sidewalks, entrances, hallways, landscaping, load zone, hallway bathrooms, stairways.

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:

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 occupant's interest in the common elements is determined by the percent of the square footage of that occupant's total net unit area divided into the entire project. For example, Unit 320-102 of 320 Uluniu Street has a net area of 731 square feet out of a total net area for the entire project of 9,848 square feet. Therefore, the owner of Unit 320-102 would have a 7.42% interest in the common elements.

Upon completion of the construction of Unit 328, if any, an amendment to this Declaration will clarify the exact interest in the common elements for each apartment in the project.

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 5/24/93 and 6/28/93 and issued by Security 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>
Bank of Hawaii construction mortgage	Buyer's interest may be terminated and Buyer may be entitled to a refund of deposits, less escrow cancellation fee.

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:

No warranties

2. Appliances:

No warranties

G. Status of Construction and Estimated Completion Date:

Unit 320 (Apt. nos. 320-101 through 320-106) was constructed in 1987.  
Unit 328 (Apt. nos. 328-101 through 328-103, 328-105, 328-201 through 328-203, 328-205 and 328-207) was substantially complete in June, 1993.

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 reserves the right to subdivide the units located in 328 Uluniu Street in the Uluniu Urban project into a greater or lessor number of units with a greater or less net living area per unit, including the right to create a unit or units encompassing the first and second floor, each of which new units will become apartments subject to this Condominium Property Regime. Developer reserves the right to change the Declaration, Condominium Map, Bylaws and House Rules to reflect these changes.

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
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- 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 A 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
- Sewer
- Common elements only
- Electricity
- Gas
- Water
- Television Cable
- Other Refuse collection

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 B contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated July 19, 1993

Exhibit C 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. 2943 filed with the Real Estate Commission on 8/30/93.

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

Estimate of Initial Maintenance Fees

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

The Association of Apartment Owners will purchase a \$1,000,000 liability policy in the name of the Association. This premium will be paid from the monthly maintenance fees as a common expense. See Exhibit A.

Section 514-A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the project and that premiums be common expenses. The Developer estimates these annual premiums will be \$3,300.00. See Exhibit A.

- 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.

Uluniu Partners

Name of Developer

By:   
Duly Authorized Signatory

7/19/93  
Date

Dr. Bernard Scherman, Managing Partner

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  ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTSEstimate of Initial Maintenance Fees:

<u>Apartment</u>		<u>Monthly Fee x 12 months = Yearly Total</u>	
320	101	208.73	2,504.78
	102	171.90	2,062.76
	103	134.14	1,609.62
	104	221.48	2,657.68
	105	396.15	4,753.80
	106	152.90	1,834.80
320	101	79.69	956.32
	102	155.91	1,870.94
	103	117.00	1,403.90
	105	129.73	1,556.80
	201	79.00	947.98
	202	198.77	2,385.24
	203	81.78	981.34
	205	98.92	1,187.06
	207	90.58	1,086.98
		<u>2,316.68</u>	<u>27,800.00</u>

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	N/A	
Electricity	100.00	1200.00
<input checked="" type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Elevator	N/A	
Gas	N/A	
Refuse Collection	100.00	1200.00
Telephone	N/A	
Water and Sewer	183.00	2200.00

Maintenance, Repairs and Supplies

Building	200.00	2400.00
Grounds	325.00	3900.00

Management

Management Fee	N/A	
Payroll and Payroll Taxes		
Office Expenses		

Insurance	275.00	3300.00
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Reserves(*)	1158.33	13900.00
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Taxes and Government Assessments	1034.00	12400.00
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Audir Fees	100.00	1200.00
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Other

TOTAL	\$2317.00	\$27800.00
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I, Bernard M. Scherman ~~XXXXXXXXXXXXXXXXXXXX~~ Managing Partner of Uluniu Partners  
~~XXXXXXXXXXXXXXXXXXXX~~ as agent and employee by ~~XXXXXXXXXXXXXXXXXXXX~~ the condominium managing agent  
~~XXXXXXXXXXXX~~ of the developer, for the condominium project Uluniu Urban, hereby certify that the  
 above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in  
 accordance with generally accepted accounting principles. ✓



(\*) Mandatory reserves in effect January 1, 1993

Date: 7/19/93

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

320 Uluniu Street

1. **TAXES** Tax Map Key: Oahu 4-3-52-9

For real property taxes as may be due and owing, reference is made to the Director of Finance, City and County of Honolulu.

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

3. Easement for pipe lines and right to maintain, as set forth by Land Court Order No. 87182, filed on October 10, 1945.

4. **GRANT OF EASEMENT**

In Favor Of:	Hawaiian Electric Co., Inc. and Hawaiian Telephone Company, now known as GTE Hawaiian Telephone Company, Incorporated
Dated:	October 1, 1945
Document No.	81126
Purpose:	Easement for utility purposes over, under, across and through the land herein described

**328 Uluniu Street**

**1. TAXES Tax Map Key: OAHU 4-3-52-9**

For any taxes that may be due and owing and a lien on the parcel of land herein described, reference is hereby made to the office of the Tax Assessor of the First Division.

**2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.**

**3. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT**

Mortgagor: Uluniu Partners, a Hawaii registered general partnership, formerly known as Kailua Business Center  
Mortgagee: Bank of Hawaii, a Hawaii banking corporation  
Dated: April 8, 1987  
Recorded: April 16, 1987  
Document No. 1455619  
To Secure: \$475,000.00  
and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to (also affects other property)

**4. ASSIGNMENT OF LESSOR'S INTEREST IN LEASES**

Assignor: Uluniu Partners, a registered Hawaii general partnership, formerly known as Kailua Business Center  
Assignee: Bank of Hawaii, a Hawaii banking corporation  
Dated: April 8, 1987  
Book: 20568  
Page: 312  
Re: All of Assignor's right, title and interest in, to and under each and all of the Leases (also affects other property)

5. **FIRST ADDITIONAL CHARGE TO MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT AND ASSIGNMENT OF LESSOR'S INTEREST IN LEASES**

Mortgagor: Uluniu Partners, a Hawaii general partnership  
Mortgagee: Bank of Hawaii, a Hawaii banking corporation  
Dated: October 20, 1987  
Recorded: October 30, 1987  
Document No. 1506928  
To Secure: \$225,000.00  
and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to (also affects other property)

6. The terms and provisions of that certain Agreement for Issuance of Conditional Use Permit Under Section 4.40-21 of the Land Use Ordinance (LUO) dated August 26, 1991, made by and between Uluniu Partners, "Owners of Lot 336-A-1", and Uluniu Partners, "Owners of Lot 1222-A", filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1856604, to which reference is hereby made.

7. **MORTGAGE AND SECURITY AGREEMENT**

Mortgagor: Uluniu Partners, a Hawaii general partnership  
Mortgagee: Bank of Hawaii, a Hawaii corporation  
Dated: October 30, 1992  
Recorded: November 6, 1992  
Document No. 1968332  
To Secure: \$650,000.00  
and any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor(s) therein referred to (also affects other property)

8. **ASSIGNMENT OF RENTS**

Assignor: Uluniu Partners, a Hawaii general partnership  
Bank: Bank of Hawaii, a Hawaii corporation  
Dated: October 30, 1992  
Recorded: November 6, 1992  
Document No. 92-180800  
Re: Assignment of rents due and owing concerning the land herein described, as security for the repayment of \$650,000.00.  
(also affects other property)

9. **FINANCING STATEMENT**

Debtor:	Uluniu Partners
Secured Party:	Bank of Hawaii
Filed On:	November 6, 1992
Document No.	92-180801

(also affects other property)

EXHIBIT "C"

SUMMARY OF PERTINENT PROVISIONS OF THE 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 apartments in the Project. 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.

Among other things, the sales contract:

1. Provide 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 canceled.

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 shall become acquainted with.

EXHIBIT "D"

SUMMARY OF ESCROW AGREEMENT PROVISIONS

Among other provisions, the Escrow Agreement provides as follows:

4. A Purchaser shall be entitled to a refund of his or her funds, and Escrow shall pay said funds to said Purchaser, without interest if Purchaser shall in writing request refund of his or her funds and any one of the following shall have occurred:

(a) Escrow receives a written request from Developers to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; or

(b) If a Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time the final public report is issued; or

(c) If a Purchaser's funds were obtained prior to the issuance of a final public report, then in the event that the Purchaser exercises his or her right to cancel at any time prior to the earlier of (1) the conveyance of the apartment to the Purchaser, or (2) midnight of the thirtieth (30th) day following the date of delivery of the final public report to such Purchaser; provided, however, that the Purchaser has not previously waived his or her right to cancel; or

(d) If a Purchaser's funds were obtained after the issuance of a final public report and Purchaser exercises his or her right to cancel prior to the earlier of (1) the conveyance of the apartment to Purchaser or (2) midnight of the thirtieth (30th) day following the date of delivery of the final public report, provided however, that the Purchaser has not previously waived his or her right to cancel; or

(e) If there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) such Purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the Project available for such Purchaser's use, unless the Purchaser has waived his or her rights of rescission in writing.

Upon refund of said funds to Purchaser as aforesaid, Escrow shall return to Developers such Purchaser's Sales Contract and any apartment deed theretofore delivered to Escrow, and thereupon Escrow shall have no further obligations hereunder with respect to said Purchaser.