

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Lesley Jonathan Murakami
Address 2020 Wilder Ave., Honolulu, HI 96822

Project Name (\*): KAWAIPUNA STREET
Address: 54-109 and 54-111 Kawaipuna St., Hauula, HI 96797

Registration No. 4601

Effective date: June 20, 2001

Expiration date: July 20, 2002

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: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [ ] Supersedes all prior public reports.

(\* ) Exactly as named in the Declaration
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

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

[X] Required and attached to this report as Exhibit "I" [ ] 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.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

**SPECIAL ATTENTION**

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

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

2. Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

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

## TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Description of Common Elements	
EXHIBIT B: Limited Common Elements	
EXHIBIT C: Encumbrances Against Title	
EXHIBIT D: Schedule of Maintenance Fees and Maintenance Fee Disbursements	
EXHIBIT E: Permitted Alternations to Apartments	
EXHIBIT F: Summary of Escrow Agreement	
EXHIBIT G: Summary of Specimen Sales Contract	
EXHIBIT H: Developer's Reserved Rights	
EXHIBIT I: Developer's Disclosure Statement	

## **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: Lesley Jonathan Murakami (808) 941-3722
Name\* 2020 Wilder Ave., Honolulu, HI 96822 (Business)
Business Address

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
None

Real Estate Broker\*: Choon H. James, dba (808) 226-4211
CJ Real Estate International (Business)
Name 55-052 Naupaka St.
Business Address Laie, HI 96792

Escrow: Island Title Corporation (808) 526-9171
Name 1132 Bishop St., Suite 400 (Business)
Business Address Honolulu, HI 96813

General Contractor\*: Tokunaga Builders (BC 19197) (808) 255-4348
Name 290 Moomuku Place (Business)
Business Address Honolulu, HI 96821

Condominium Managing Agent\*: Self-Managed by Association (Business)
Name of Condominium Owners
Business Address

Attorney for Developer: Keith M. Kiuchi (808) 521-7465
Name 1001 Bishop St., Pauahi Tower, #2525 (Business)
Business Address Honolulu, HI 96813

\* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**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. 2674597

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:  
First Amended Declaration of Condominium Property Regime dated Decemeber 27, 2000, filed on December 29, 2000 as Document No. 2674597

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. 1357

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:  
First Amended Condominium Map for Condominium Map No. 1357 dated March 21, 2001, filed on March 21, 2001 as Document No. 2691366

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. 2674598

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:  
First Amended Bylaws of the Association of Condominium Owners dated December 27, 2000, filed on December 29, 2000 as Document No. 2674598

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:

See Exhibit "H"



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: 54-109 & 54-111 Kawaipuna St Tax Map Key (TMK): (1) 5-4-18:59  
Hauula, HI 96797

Address  TMK is expected to change because each apartment will  
be assigned a separate address.

Land Area: 10,702  square feet  acre(s) Zoning: B-1

Fee Owner: Lesley Jonathan Murakami

Name  
2020 Wilder Ave.

Address  
Honolulu, HI 96822

Lessor: None

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: 2

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

3. **Principal Construction Material:**

Concrete       Hollow Tile       Wood

Other \_\_\_\_\_

4. **Uses Permitted by Zoning:**

	<u>No. of</u>		<u>Use Permitted By Zoning</u>	
	<u>Apts.</u>			
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/> Mix Res/Comm	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/> Recreational	_____	<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: \_\_\_\_\_

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

The apartments shall be used primarily for business  
 Other: purposes and any residential use shall be an accessory u

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0                      Stairways: 2                      Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
109	1	2/2	1,356	564	garage
<u>111</u>	<u>1</u>	<u>2/2</u>	<u>1,548</u>	<u>564</u>	<u>garage</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of 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:

Sec. II of the Declaration describes the apartments by interior area meaning the boundaries are the interior surface walls of each apartment.

Permitted Alterations to Apartments:

See Exhibit "E"

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls:	6			
	<u>Regular</u>	<u>Compact</u>	<u>Tandem</u>	
	<u>Covered</u>	<u>Covered</u>	<u>Open</u>	TOTAL
Assigned (for each unit)	2	1		6
Guest	-----	-----	-----	-----
Unassigned	-----	-----	-----	-----
Extra for Purchase	-----	-----	-----	-----
Other: _____	-----	-----	-----	-----
Total Covered & Open:	4	2	0	6

Each apartment will have the exclusive use of at least 3 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/Enclosure(s)

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 \_\_\_\_\_  
(Date)

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 Structures are brand new.

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 "A".

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 "B".

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 a one-half (1/2) fractional interest in the common elements.

- 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 C describes the encumbrances against the title contained in the title report dated February 12, 2001 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.

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

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

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. 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 <b>Prior to Conveyance</b></u>
---------------------	--

F. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

None.

2. Appliances:

Manufacturer's Warranty.

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

Both buildings have been constructed. Second unit was completed on December 6, 2000.

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):

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 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, a lien may be placed on your apartment and the apartment may be 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 D 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 ( \_\_\_ Common Elements only \_\_\_ Common Elements & Apartments)  
 Gas ( \_\_\_ Common Elements only \_\_\_ Common Elements & Apartments)  
 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 July 20, 2000  
Exhibit G contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

### B. Buyer's Right to Cancel Sales Contract:

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

Preliminary Report: Sales made by 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 issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- 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. 4601 filed with the Real Estate Commission on March 23, 2001.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

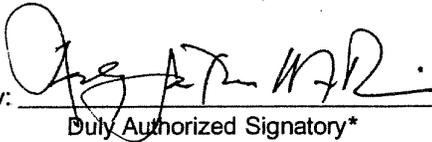
C. **Additional Information Not Covered Above**

None.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A- ] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

Lesley Jonathan Murakami

Printed Name of Developer

By:   
Duly Authorized Signatory\*

February 6, 2001

Date

Lesley Jonathan Murakami

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

*\*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.*

EXHIBIT "A"

DESCRIPTION OF COMMON ELEMENTS

One freehold estate is designated of all the remaining portions of the Project, herein referred to as "common elements", including specifically, but not limited to:

- A. The land in fee simple, subject to the provisions of Section III of the Declaration;
- B. All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, gas, sewage, irrigation, telephone and television cable;
- C. Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in Section IV of the Declaration or except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

**EXHIBIT "B"**

**LIMITED COMMON ELEMENTS**

The site of each Unit, hereinafter called a limited common element, consisting of the land beneath and immediately adjacent to each Unit, as shown and delineated on said Condominium Map and described below:

- A. That certain land area upon and around which Unit "109" is located, shown and designated on the Condominium Map and being approximately 5,030 square feet in area, is deemed a limited common element appurtenant to and for the exclusive use of said unit. All costs of every kind pertaining to the aforesaid limited common elements, including but not limited to costs of landscaping, maintenance, repair, replacement and/or improvement, shall be borne solely by the owner(s) of the unit(s) to which said limited common elements are appurtenant.
- B. That certain land area upon and around which Unit "111" is located, shown and designated on the Condominium Map and being approximately 5,672 square feet in area, is deemed a limited common element appurtenant to and for the exclusive use of said unit. All costs of every kind pertaining to the aforesaid limited common elements, including but not limited to costs of landscaping, maintenance, repair, replacement and/or improvement, shall be borne solely by the owner(s) of the unit(s) to which said limited common elements are appurtenant.
- C. The mailboxes of the respective units shall be deemed a limited common element appurtenant to and for the exclusive use of the unit or units served thereby.
- D. Reference to units 109 and 111 do not refer to legally subdivided lots.

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.
2. Easement M, approximately 461 sq. ft., which is an easement for drainage purposes, as shown in Map 10 of Land Court Application No. 1266.
3. The covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in that Declaration of Restrictive Covenant dated April 13, 2000 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2620149.
4. Real property taxes as may be due and owing. Check with the county tax assessor for update.
5. Condominium documents as noted on Page 6 of this Public Report.

NOTE: The Developer is in the process of amending the Condominium Map to include the elevations and floor plans for each unit, copies of which have been provided the Real Estate Commission as a part of the Developer's filing. They are available for inspection by prospective buyers on request.

EXHIBIT "D"

SCHEDULE OF MAINTENANCE FEES  
AND MAINTENANCE FEE DISBURSEMENTS

Present Schedule of Maintenance Fees:

None.

At present time there are no common elements that fit the description as set forth in the Declaration so there is no need to charge and collect maintenance fees for maintenance of the common elements.

Schedule of Maintenance Fees if Common Elements are Created Pursuant to the Declaration:

Unit 109 - \$10.00 a month

Unit 111 - \$10.00 a month

The regular maintenance and repair of each condominium unit, including all utility charges individually metered, is the sole responsibility of each respective unit owner. At present there are no common elements of the Project. The only contemplated common element would be a fence that may be erected between Unit No. 109 and Unit No. 111. If this fence is erected, then the only common expense requiring monthly assessments (i.e. - maintenance fees) is for the maintenance of the fence. The developer estimates that these costs will be approximately \$240.00 a year. Additional maintenance fees for the purposes of repairing the fence may be assessed from time to time.

EXHIBIT "E"

PERMITTED ALTERATIONS TO APARTMENTS

The Declaration states: Notwithstanding anything to the contrary contained in this Declaration, individual unit owners shall have the right, and their sole discretion and without the consent or permission of other unit owners or the Association, to renovate, alter, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in their unit or portions thereof, or to made improvements upon the land area appurtenant to the unit (collectively, the foregoing are referred to as "alterations"), provided said alterations are permitted by and done in complete accordance with all applicable ordinances, codes, rules, regulations or other requirements in force at the time said alterations are made. All alterations made by a unit owner pursuant hereto are subject to the following conditions:

- A. All building plans prepared in connection with such alterations shall conform with all applicable building and zoning ordinances of the City and County of Honolulu and if applicable, shall comply with any regulations regarding the Shoreline Management Area.
- B. All alterations shall be done pursuant to a legally obtained building permit from the City and County of Honolulu and unit owner doing such alterations does so within the rules and regulations of the Building Department of the City and County of Honolulu, State of Hawaii.
- C. No improvements shall be constructed outside the limited common element land area appurtenant to the unit. All improvements (exclusive of fences, walls and/or driveways) construct after the date of this Declaration shall maintain a minimum setback of five feet from all property lines (including all individual limited common element land area perimeter boundaries), or such greater distance as may be required by applicable zoning ordinances. No alteration to a unit will be made if the effect of such alteration would be to exceed the unit's proportionate share of the allowable floor area and/or lot area coverage for the land upon which the Project is located, as defined by the applicable zoning ordinances in effect when the alteration is to be made; pursuant hereto, each unit's proportionate share of the buildable floor area and/or lot area coverage shall be the same as its common interest share (as defined in Paragraph V herein).

Cancellation Fee (Par. 8):

Upon cancellation of any Sales Agreement Escrow shall be entitled to a cancellation fee of \$50.00.

Closing (Par. 9):

Escrow shall arrange for and supervise the execution and recordation of all documents. Escrow may close the transaction upon receipt of the following: (a) the apartment deed in a recordable form executed by Seller in favor of the Buyer, (b) receipt from the Buyer of the full amount of the purchase price, (c) receipt of any mortgage securing payment by the Seller of the purchase price, (d) receipt of the Buyer's share of the closing costs, (e) receipt of any additional sums to be paid by the Buyer under the Sales Agreement or (f) any release or partial releases of any mortgage that are required to be paid or released under Sec. 514A-18, H.R.S.

Compensation of Escrow (Par. 17):

Escrow shall receive \$1,200.00 as compensation for acting as escrow. There shall be an additional charge for each closing statement or document that is changed, the charge being \$25.00 per statement or document. A owner's title policy shall be issued at closing for a fee fo \$1,350.00. Should a lender's ALTA policy also be required, an additional fee of \$100.00 shall be charged.

Termination (Par. 19):

The agreement may be terminated by either party upon thirty (30) days written notice to the other party.

EXHIBIT "F"

SUMMARY OF ESCROW AGREEMENT

Seller: Lesley Jonathan Murakami  
Escrow: Island Title Corporation  
Property: Kawaipuna St. Condominium  
T.M.K. (1) 5-4-18:66

Payment of Funds to Escrow (Par. 1):

Seller shall transmit any monies received by Seller to Escrow.

Receipt of Funds by Escrow (Par. 2):

Escrow shall hold funds in a separate account upon receipt.

Deposit of Funds by Escrow (Par. 3):

All monies received by Escrow shall be deposited in an interest-bearing account in a federally insured bank or savings and loan institution in Honolulu, HI.

Receipt of Purchaser's Financing Documents (Par. 4):

Escrow shall receive evidence from each buyer of their ability to either purchase the property with their own funds or their ability to obtain a loan.

Collection of Purchaser's Funds (Par. 5):

Escrow shall collect from the Buyer all payments due under the Sales Agreement, the first month's maintenance charges, prorated real property taxes, and prorations of other sums due.

Disbursement of Purchaser's Funds (Par. 7):

Escrow shall make no disbursements of buyer's funds or proceeds until the apartment deed has been recorded.

Refund to Purchasers (Par. 8):

Buyer shall be entitled to a refund if (a) escrow receives a written request from Seller to return funds to the Buyer, (b) Seller notifies Escrow that it has rescinded the Sales Agreement or (c) that conditions providing for a refund under Sec. 514A-52 or Sec. 514A-63 of the Condominium Property Act have been met.

Cancellation Fee (Par. 8):

Upon cancellation of any Sales Agreement Escrow shall be entitled to a cancellation fee of \$50.00.

Closing (Par. 9):

Escrow shall arrange for and supervise the execution and recordation of all documents. Escrow may close the transaction upon receipt of the following: (a) the apartment deed in a recordable form executed by Seller in favor of the Buyer, (b) receipt from the Buyer of the full amount of the purchase price, (c) receipt of any mortgage securing payment by the Seller of the purchase price, (d) receipt of the Buyer's share of the closing costs, (e) receipt of any additional sums to be paid by the Buyer under the Sales Agreement or (f) any release or partial releases of any mortgage that are required to be paid or released under Sec. 514A-18, H.R.S.

Compensation of Escrow (Par. 17):

Escrow shall receive \$1,200.00 as compensation for acting as escrow. There shall be an additional charge for each closing statement or document that is changed, the charge being \$25.00 per statement or document. A owner's title policy shall be issued at closing for a fee fo \$1,350.00. Should a lender's ALTA policy also be required, an additional fee of \$100.00 shall be charged.

Termination (Par. 19):

The agreement may be terminated by either party upon thirty (30) days written notice to the other party.

EXHIBIT "G"

SUMMARY OF SPECIMEN SALES CONTRACT

The Developer plans to use the latest Hawaii Association of Realtors' standard form of Deposit, Receipt, Offer and Acceptance (DROA) as the intended sales contract for the Project.

The sales contract contains the purchase price, description and location of the condominium unit and other terms and conditions under which a Buyer will agree to buy a condominium unit in the Project. Among other things, the sales contract (DROA):

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Buyer will pay the purchase price.
2. Identifies the escrow agent and states that Buyer's deposit will be held in escrow until the sales contract is closed or cancelled.
3. Requires that Buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. Provides the following remedies, in the event of default under the sales contract by the Buyer:
  - a. Seller may bring an action against Buyer for breach of contract;
  - b. Seller may retain Buyer's deposit(s);
  - c. Buyer shall be responsible for expenses incurred.

Provides the following remedies, in the event of default under the sales contract by Seller:

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

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

5. Allocation of payment of closing costs.

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

Upon examination, the Developer represents that the proposed Sales Contract (DROA) is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads the Sales Contract (DROA) with care.

Finally, the Escrow Agreement provides that in the event that Purchaser defaults under the terms of the sales contract, all proceeds collected from Purchaser may be treated as liquidated damages and retained by Developer.

Upon examination, the Developer represents that the Escrow Agreement is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Escrow Agreement.

**EXHIBIT "H"**

**DEVELOPER'S RESERVED RIGHTS**

In addition to any other rights reserved herein, the Developer and the Owners do hereby reserve the right for itself and its agents, to do the following:

1. To maintain development facilities and conduct sales of units until unit deeds are issued to apartment purchasers with respect to all units in the Project. These rights shall include, but not be limited to, maintaining model units, operating a sales and construction office, conducting advertising, placing signs, using parking spaces, and erecting lighting in connection with such sales; PROVIDED, however, that the Developer shall not use any unit with respect to which a deed has been issued (other than to the Developer); and PROVIDED FURTHER, that in exercising such right, the Developer shall not interfere with the rights of any unit owner to the use of, or access to his apartment or any of the common elements appurtenant thereto.
  
2. To enter upon the land and the Project and carry on such construction and demolition activities as may be necessary in connection with such alterations, modifications, and restoration, including, but not limited to, parking and storage of construction equipment and materials, provided that the Developer shall not interfere with the rights of any other unit owner to the use of or access to his or her apartment or any of the common elements thereto.

EXHIBIT "I"

DISCLOSURE STATEMENT OF DEVELOPER

Date: February 6, 2001

PROJECT DESCRIPTION

Project Name: KAWAIPUNA STREET  
Location: 54-111 Kawaipuna St., Hauula, HI 96797  
T.M.K.: (1) 5-4-18:66  
No. of Units: Two Units  
No. of Buildings: Two Buildings  
Area of Units: Unit 109  
1,356 sq. ft. living area  
564 sq. ft. other area (garage)  
2 bedrooms/2 baths  
Area of Units: Unit 111  
1,548 sq. ft. living area  
564 sq. ft. other area (garage)  
2 bedrooms/2 baths  
Total land area: 10,702 sq. ft.

DEVELOPER

Name: Lesley Jonathan Murakami  
Address: 2020 Wilder Avenue  
Honolulu, HI 96822-3356  
Tel. No.: (808) 941-3722

PROJECT MANAGER

Name: Lesley Jonathan Murakami  
Address: 2020 Wilder Avenue  
Honolulu, HI 96822-3356  
Tel. No.: (808) 941-3722

ANNUAL MAINTENANCE FEES

The annual maintenance fees to be charged for each unit in the project if a fence is erected between the two units will be:

Unit 109 \$10.00 a month  
Unit 111 \$10.00 a month

Maintenance fees shall be collected on a monthly basis and may be used to maintain a fence that may be built between the two apartment units.

APARTMENT USE

All units in the project shall be occupied and used primarily for business purposes. Any use of the unit for residential purposes shall be an accessory use under the definition of "accessory use" as defined in Sec. 21-10.1 of the Land Use Ordinance of the City and County of Honolulu.

WARRANTIES AS TO CONSTRUCTION

None

TYPE OF OWNERSHIP OF UNITS

Fee simple

NAME OF CONTRACTOR

Tokunaga Builders  
License No. BC 19197