



REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

THE TOWNHOMES AT PEARLRIDGE
Northwesterly side of Kaonohi Street
Kalauao, Ewa, Oahu, Hawaii

Registration No. 1857

Issued: September 17, 1987
Expires: October 17, 1988

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 10, 1987 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- ☐ PRELIMINARY:
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- ☐ FINAL:
(white) The developer has legally created a condominium and has filed complete information with the Commission.
☐ Supersedes all prior public reports
☐ Must be read together with _____
- ☒ SUPPLEMENTARY:
(pink) Updates information contained in the
☐ Prelim. Public Report dated _____
☐ Final Public Report dated _____
☐ Supp. Public Report dated _____
- And ☒ Supersedes all prior public reports
☐ Must be read together with _____
☐ This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

☐ Required ☒ Not Required -- disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

Since the issuance of a Preliminary Public Report, dated July 9, 1987, on The Townhomes At Pearlridge, the Developer reports that material changes have been made to the project. This Supplementary Public Report reflect the changes and supercedes all prior information issued on this project.

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

The Developer will convey to Buyer a leasehold residential or parking apartment including an undivided interest in the common elements.

Type of Project:

1. ☒ New Building(s) ☐ Conversion
☐ Both New Building(s) and Conversion
2. ☒ Residential ☐ Commercial
☐ Mixed Residential and Commercial
☐ Other _____
3. ☐ High Rise (5 stories or more) ☒ Low Rise
4. ☐ Single or ☒ Multiple Buildings
5. Apartment Description - See Exhibit "A" attached.

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 28 (22 residential and 6 parking apartments)

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>22</u>
Guest Stalls	<u>3</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>6</u>
Other: _____	_____
Total Parking Stalls	<u>31</u>

7. Recreational amenities:

The Project does not have any recreational facilities.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: KAHALA HOMES, INC. Phone: 329-5308
Name (Business)

75-5751 Kuakini Highway, Ste. 201

Business Address
Kailua-Kona, Hawaii 96740

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

Norbert A. Schlei - President

Toni Fortin - Vice-President

Real Estate Sales Agent: BENEE & ASSOCIATES Phone: 293-5000
Name (Business)

55-535 Anemoke Street

Business Address
Laie, Hawaii 96762

Escrow: ISLAND TITLE CORPORATION Phone: 487-8966
Name (Business)

98-1247 Kaahumanu Street, Ste. 307

Business Address
Aiea, Hawaii 96701

Managing Agent: CENTURY 21 REALTY SPECIALISTS CORP. Phone: 949-6322
Name (Business)

1585 Kapiolani Blvd., Ste. 1530

Business Address
Honolulu, Hawaii 96814

Attorney for Developer: JONATHAN S. DURRETT

Name
1001 Bishop Street, 1250 Pauahi Tower

Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Horizontal 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 — Book _____ Page _____
☐ Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

N/A

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

☒ Proposed
☐ Recorded — Bureau of Conveyance Condo Map No. _____
☐ Filed — Land Court Condo Map No. _____

Amendment date(s) and recording/filing information:

N/A

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

☒ Proposed
☐ Recorded — Bureau of Conveyances — Book _____ Page _____
☐ Filed — Land Court — Document Number _____

Amendment date(s) and recording/filing information:

N/A

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

The House Rules for this condominium are:

☐ Proposed ☐ Adopted

☒ Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

1. Apartment Owners: Minimum percentage of apartment owners who 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>--</u>

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

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

The Developer may amend the Declaration to file an "as built" verified statement (with plans, if applicable) as required by Section 514A-12, Hawaii Revised Statutes, (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed fully and accurately depict the layout, location, apartment numbers, and dimensions of the apartments as built, or (ii) so long as any plans filed therewith involve only immaterial changes to the layout, location, apartment numbers, or dimensions of the apartments as built.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- ☐ Fee Simple: Individual apartments and the underlying land will be in fee simple.
- ☒ Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

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

Exhibit "B" contains further explanations.

Lease Term Expires: May 31, 2027

Rent Renegotiation Date(s): June 1, 2012; June 1, 2017; June 1, 2022

Lease Rent Payable: ☐ Monthly ☐ Quarterly
☒ Semi-Annually ☐ Annually

Exhibit "C" contains a schedule of the lease rent for each apartment per
☐ Month ☒ Year.

☐ Individual Apartments in Fee Simple, Underlying Land in Leasehold or Subleasehold:

The 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; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations.

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:

For Subleaseholds:

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

B. Underlying Land:

Address: 98-282 Kaonohi Street Tax Map Key: 9-8-39-07
Aiea, Hawaii 96701 (TMK)

[] Address [] TMK is expected to change because _____

Land Area: 23,421 [x] square feet [] acre(s) Zoning: A-2

Fee Owner: Trustees of the Estate of Bernice Pauahi Bishop

name
567 S. King Street, Ste. 200
address
Honolulu, Hawaii 96813

Sublessor: Central-Trousdale, a joint venture

name
700 Bishop Street, Ste. 1112
address
Honolulu, Hawaii 96813

C. Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building: Bldg. 1: 2 floors
Bldg. 2: 4 floors
[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[x] Concrete [x] Hollow Tile [] Wood
[x] Other Glass

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[x] Residential	<u>22</u>	[] Agricultural	_____
[] Timeshare/Hotel	_____	[] Recreational	_____
[x] Other: <u>Parking</u>	_____		<u>6</u>

5. Special Use Restrictions:

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

Dogs, cats and other household pets in a reasonable number.

[x] Pets: Exhibit "D" contains further explanations.

[] Number of Occupants: _____

There are special use restrictions in the Declaration.

[x] Other: Exhibit "E" contains further explanations.

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 28 (22 residential and 6 parking apartments)

Elevators _____

Stairways _____

Trash Chutes _____

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*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 floor area may have been used.

Boundaries of Each Apartment:

Exterior perimeter walls and/or imaginary vertical planes (when there is no wall) extending from the boundary lines, floor and ceiling of each apartment as shown on the Condominium Map.

Permitted Alterations to Apartments:

Any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of such apartment shall require only the prior written approval of the Lessor and the Board and may be undertaken without any amendment to the Declaration or filing of a set of floor plans of the Project as so altered.

7. Parking Stalls:

Total Parking Stalls: 31

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	covered	open	covered	open	covered	open	
Assigned (for individual units)		<u>12</u>		<u>10</u>			<u>22</u>
Guest				<u>3</u>			<u>3</u>
Unassigned							<u>0</u>
Extra Available for Purchase		<u>2</u>		<u>4</u>			<u>6</u>
Other:							<u>0</u>
Total Covered & Open	<u>14</u>		<u>17</u>				

Each apartment will have the exclusive use of at least 1 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

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

8. Recreational and Other Common Facilities:

- ☐ There are no recreational or common facilities.
- ☐ Swimming pool ☐ Storage Area
- ☐ Recreation Area ☐ Laundry Area
- ☐ Tennis Court ☐ Trash Chute
- ☒ Other: Trash enclosure; unloading area

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

N/A

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

N/A

10. Conformance to Present Zoning Code

a. ☒ No variances to zoning code have been granted.

☐ Variance(s) to zoning code was/were granted as follows:

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	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "F" describes the common elements.

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

☐ There are no limited common elements in this project.

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

☒ described in Exhibit "G"

☐ 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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

☒ Exhibit "H" describes the common interests for each apartment.

☐ as follows:

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

Exhibit "I" describes the encumbrances against the title contained in the title report dated August 20, 1987.

Blanket Liens:

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

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

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

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

Type of Lien

Effect on Buyer's Interest
If Developer Defaults

None at this time.

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

☒ not affiliated with the Developer.

☐ the Developer or the Developer's affiliate.

☐ other _____

G. Estimate of Initial Maintenance fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit "J" contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- | | |
|--------------------------------------|---|
| ☐ Electricity | ☐ Television Cable |
| ☐ Gas | ☒ Water & Sewer |
| ☐ Other _____ | |

I. Construction Warranties:

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

1. Building and Other Improvements:

The execution, delivery and recordation of the Apartment Deed shall constitute the assignment by Developer to Buyer of any and all warranties given Developer by the general contractor for the Project and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as that term is defined in the construction contract for the Project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents.

2. Appliances:

Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the Apartment.

3. Warranty Exclusions:

The Developer makes no warranties, express or implied, with respect to the apartment, the common elements, the project, fixtures, or consumer products contained or installed in the apartment.

J. Status of Construction and Estimated Completion Date:

Construction started in April, 1987 and, barring unforeseen events, is expected to be completed by January, 1988.

K. Project Phases:

The developer ☐ has ☒ has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

N/A

L. Sales Documents Filed with the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

☒ Notice to Owner Occupants

☒ Specimen Sales Contract

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

☒ Escrow Agreement dated August 8, 1987

Exhibit "L" contains a summary of the pertinent provisions of the escrow agreement.

☐ Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

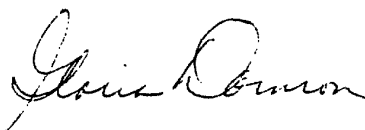
This Public Report is a part of Registration No. 1857 filed with the Real Estate Commission on May 26, 1987.

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

☐ yellow paper stock ☐ white paper stock ☒ pink paper stock

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

Supplementary Public Reports expire on the expiration date given on the front of the report.



GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT "A"

APARTMENT DESCRIPTION

<u>Apt. Type</u>	<u>Qty.</u>	<u>BR/Bath</u>	<u>Net Living Area (Sq.Ft.)</u>	<u>Lanai/Patio</u>
A	1	2/1-1/2	828	62
A-R	1	2/1-1/2	828	62
AA	1	2/1-1/2	846	--
AA-R	1	2/1-1/2	846	--
B	3	1/1-1/2	827	62
B-R	2	1/1-1/2	827	62
C	4	2/1-1/2	910	--
C-R	3	2/1-1/2	910	--
D	1	2/1-1/2	910	--
D-R	1	2/1-1/2	910	--
E	1	2/1-1/2	860	--
F	1	2/1-1/2	860	--
E-R	1	2/1-1/2	860	--
F-R	1	2/1-1/2	860	--
PA-(Comp)	4	N/A	124	--
PA-(Stan)	2	N/A	166	--

EXHIBIT "B"

LEASE SURRENDER PROVISION

At the end of the term or other sooner determination of the Lease, the Lessee will peaceably deliver up to the Lessors possession of the land demised by the Lease, and will at his own expense raze and remove from the demised land all improvements then standing thereon, and the Lessee shall repair promptly to the Lessors' satisfaction all damage caused by such removal. Provided, however, that if the Lease is terminated by the Lessors for breach of covenant by the Lessee or if Lessors so require the Lessee in writing at least two (2) years prior to the expiration of said term, the Lessee will peaceably deliver up to the Lessors the demised land, together with all buildings and other improvements upon or belonging to the Lessors by whomsoever made, in good and safe repair, order and condition. This provision shall survive the expiration of the Lease.

EXHIBIT "C"

RENT SCHEDULE

The annual rent payable for each apartment, net over and above all taxes, assessments and other charges hereunder, is as follows:

(a) \$552.73 per annum from the date of commencement of said term to May 31, 1992;

(b) \$829.09 per annum for the ten (10) year period ending May 31, 2002;

(c) \$1,243.64 per annum for the next ten (10) year period ending May 31, 2012; and

(d) For and during the remaining period of said term (divided into 5-year periods with any remainder), such annual rent as shall be determined by written agreement of Lessor and Lessor or, if they fail to reach such agreement at least 90 days before the commencement of such period, as shall be equal to Lessee's proportionate share (as established for said apartment by the Declaration) of seven percent (7%) of the then fair market value of said land comprising the whole site of the project or equal to Lessee's said proportionate share of the then current fair market rental value of said land, in either case exclusive of any buildings thereon and considering the nature and extent of approved development thereof, as determined by appraisal as provided in the apartment lease, whichever is greater.

EXHIBIT "D"

USE OF PROJECT

No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, or cats or other household pets in reasonable number may be kept by an apartment owner or occupant in his respective apartment but shall not be kept, bred or used therein for any commercial purposes nor allowed on any common elements except in transit when carried or on leash, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board of Directors.

EXHIBIT "E"

SPECIAL USE RESTRICTIONS

The apartments shall be occupied and used only as private dwellings by the respective owners, their tenants, families, domestic servants and social guests, and for no other purposes. The apartments or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. The apartments shall not be rented for transient or hotel purposes, which are defined as (i) rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen or bellboy service. Except for such transient or hotel purposes the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration.

Notwithstanding the foregoing, the Developer shall have the unconditional right to set aside, occupy and use one (1) apartment and its appurtenant parking stalls as a sales model and/or sales office for the Project until such time as all apartments in the Project have been sold. The Developer shall also have the right to post signs and banners on or about the Project for the purposes of advertising the sale of the Project or assisting prospective buyers in locating the sales model apartment. Upon the termination of the use of said apartment as a sales model or an office, said apartment shall be fully subject to the terms of this Paragraph E and of the By-Laws regarding residential use.

The parking stalls appurtenant to any apartment, parking apartments and guest parking stalls shall be used only for the purpose of parking motor vehicles and shall not be used for parking boats, truck campers or trailers.

EXHIBIT "F"

DESCRIPTION OF COMMON ELEMENTS

The "common elements" shall include, but not be limited to, the following:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load bearing walls, roofs, stairs, stairways, bridges, rails, fire escapes, and walkways around and between the buildings;
- (c) All yards, grounds, landscaping, garden areas, roads, curbs, trash enclosures and like facilities;
- (d) All storage areas for the benefit of maintenance personnel, maintenance sheds, fire hoses, and alarm boxes, if any;
- (e) All driveways, loading and parking areas including three (3) guest parking stalls;
- (f) All ducts, sewer lines, electrical equipment, pipes, wiring, compressors, tanks, motors, fans, and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, air conditioning, refuse, sewer, telephone and radio and television signal distribution; and
- (g) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

Additional common elements or areas subject to common expenses may be designated upon the approval of ninety percent (90%) of the apartment owners and the filing of an amendment hereto.

EXHIBIT "G"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) The automobile parking stall assigned to each apartment shall be appurtenant to and for the exclusive use of such apartment. The parking stall numbers for the parking stall or stalls appurtenant to each apartment are as set forth in Exhibit "B-1" of the Declaration of Horizontal Property Regime and as shown on the Condominium Map.

(b) The enclosed yard and interior of yard enclosure for ground level apartments, if any, shall be for the exclusive use of the apartment to which said yard is appurtenant.

(c) Any walkway, stairway, or corridor which connects the apartment or apartments adjoining it to the exterior of the project shall be appurtenant to and for the exclusive use of the apartment and said adjoining apartment or apartments.

(d) The mailbox assigned to each apartment.

(e) All other common elements of the Project which are rationally related to less than all of said apartments or buildings shall be limited to the use of such apartments or buildings.

EXHIBIT "H"

APARTMENTS AND COMMON INTERESTS

<u>Apartment No.</u>	<u>Type of Apartment Unit</u>	<u>Percentage Ownership of Common Elements</u>
100	A	4.3681%
101	A-R	4.3681%
102	E	4.2209%
103	F	4.2209%
104	B	4.3632%
105	B-R	4.3632%
106	B	4.3632%
107	B-R	4.3632%
108	B	4.3632%
109	E-R	4.2209%
110	F-R	4.2209%
200	AA	4.1522%
201	AA-R	4.1522%
202	D-R	4.6663%
203	C	4.6663%
204	C	4.6663%
205	C-R	4.6663%
206	C	4.6663%
207	C-R	4.6663%
208	C	4.6663%
209	C-R	4.6663%
210	D	4.6663%
PA-1	PA-(Comp)	.6084%
PA-2	PA-(Comp)	.6085%
PA-3	PA-(Comp)	.6085%
PA-4	PA-(Comp)	.6085%
PA-5	PA-(Stan)	.8146%
PA-6	PA-(Stan)	.8146%

EXHIBIT "I"

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. An easement in favor of the Hawaiian Electric Company, Inc., dated March 29, 1971, recorded April 14, 1971, in the Bureau of Conveyances, State of Hawaii, in book 7489, Page 418.

3. That certain Lease dated April 9, 1980, executed by and between The Trustees of the Estate of Bernice Pauahi Bishop, "Owners", and Central Oahu Land Corporation, a Hawaii corporation, and Lear Siegler Properties, Inc., a Delaware corporation authorized to do business in the State of Hawaii, which corporations are associated in a joint venture known as Central-Trousdale, "Tenants", as Lessors, and RK Partners, a Hawaii registered limited partnership, as Lessee, for a term of 57 years commencing on June 1, 1980, being Lease No. 24,600-A, recorded June 27, 1980, in the Bureau of Conveyances, State of Hawaii, in Book 14819, Page 34. Said lease, by mesne assignments of record, was assigned to Kahala Homes, Inc., a Hawaii corporation, as Lessees, by Assignment dated July 30, 1987, recorded in said Bureau on July 31, 1987 in Book 20970 at Page 127.

4. Mortgage in favor of Bishop Trust Company, Ltd., a Hawaii corporation, by instrument dated July 31, 1987, recorded in said Bureau on August 5, 1987 in Book 20985 at Page 389.

EXHIBIT "J"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
All residential apartments	\$105.	\$ 2,310.00

At the filing of this public report a Management Agreement was still being negotiated. This exhibit will be completed on the Final Public Report.

[] Revised on _____

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

☒ common elements only

\$ 125.00

\$ 1,500.00

☐ common elements
and apartments

Gas

None

None

Refuse Collection

150.00

1,800.00

Telephone

None

None

Water and Sewer

250.00

3,000.00

Maintenance, Repairs and Supplies

Building

75.00

900.00

Grounds

300.00

3,600.00

Equipment

50.00

600.00

Management

Management Fee

260.00

3,120.00

Payroll and Payroll Taxes

Office Expenses

30.00

360.00

Insurance

350.00

4,200.00

Reserves (Resident Manager)

250.00

3,000.00

Taxes and Government Assessments

Audit Fees

Other

Lease Rent

1,013.33

12,160.00

Legal

10.00

120.00

Acct/Tax Prep.

15.00

180.00

Janitorial

250.00

3,000.00

Fire Control

15.00

180.00

Painting

50.00

600.00

Plumbing

50.00

600.00

TOTAL

\$ 27,720.00

I/We, CENTURY 21 REALTY SPECIALISTS CORP., as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

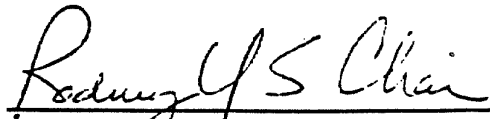

Date: May 20, 1997

EXHIBIT "K"

SUMMARY OF SALES CONTRACT

1. The sales agreement contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the project.

2. The contract provides for the buyer to get a copy of certain legal documents that buyer should closely examine.

3. The contract provides for severe penalties if buyer fails to comply with the terms and conditions of the contract.

4. The buyer must complete the sale and purchase of the apartment by a certain date and pay closing costs, in addition to the purchase price.

5. The buyer will not receive interest on deposits made under the sales agreement.

6. The buyer's money will be held in escrow under the terms of the Escrow Agreement for the project.

7. The purchase agreement and the rights of the buyer under the purchase agreement is subordinate to the lien of any bank mortgages on the property.

8. The project will be subject to ongoing construction and sales activities which will result in certain annoyances to the buyer.

9. The Developer is making no warranties or representations in connection with the sale of any of the apartments.

This is merely a highlighted summary of certain of the terms and conditions of the sales contract, and any buyer should review all the terms and conditions of the sales agreement before signing.

EXHIBIT "L"

SUMMARY OF ESCROW AGREEMENT

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

(a) Escrow will let purchasers know when payments are due.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement says under what conditions a refund will be made to a purchaser.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

The Escrow Agreement contains many other provisions and establishes certain charges that may be incurred by the purchaser, and the purchaser should carefully read the entire Escrow Agreement.