



**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  
CRAIGSIDE

2101 Nuuanu Avenue and 38 South Judd Street, Honolulu, Hawaii 96817 (This supplementary report covers only 109 units in the Craigsides condominium project that are owned by Pankow Development X, A California Limited Partnership; the units are identified in Exhibit "A" attached to this report.)

Registration No. 1256

Issued: June 3, 1987  
Expires: July 3, 1988

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of May 28, 19 87 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 April 21, 1980
  - Final Public Report dated May 14, 1981
  - 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.

ADC/CJA Joint Venture ("ADC") was the developer of the 290 unit Craigside condominium project (the "Project"). ADC was the lessee under a development lease with the fee owner. The development lease was subsequently partially cancelled with respect to each apartment sold and each purchaser was issued an apartment lease by the fee owner.

Since the issuance of the Commission's Final Public Report for Craigside, Pankow Development X, A California Limited Partnership, a California limited partnership registered to do business in the State of Hawaii ("PDX"), acquired by mesne assignment all right, title and interest of ADC, in and to the one hundred nine (109) units covered by this Supplementary Public Report.

Also, since the issuance of the Final Public Report the Declaration of Horizontal Property Regime for the project has been amended a number of times. Such amendments are included in this report.

For purposes of this report, PDX will be referred to as the "Developer" of the 109 units covered by this report.

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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:

A leasehold interest in an apartment plus an undivided percentage interest in the common elements of the Project, including the land, together with the exclusive right to use the appurtenant parking stall(s) and limited 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 (units covered in this registration)

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
A/AR	8	1/1	732	0
B/BR	36	2/2	1,124	195
C	23	3/2	1,349	195
D	1	2/2	1,143	195
F	21	3/2	1,311*	228
H	20	3/2	1,362**	200**

Total Apartments: 109

(\*: except apartment no. 1B contains 1,319 sq. ft. of living area)  
 \*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.  
 (\*\*: except apartment no. 26A contains 1,302 sq. ft. of living area and a lanai of 172 sq. ft.)  
 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>1 or 2 per unit (see Exhibit "B")</u>
Guest Stalls	<u>72</u>
Unassigned Stalls	<u>-</u>
Extra Stalls Available for Purchase	<u>-</u>
Other: _____	<u>-</u>
<b>Total Parking Stalls</b>	<b><u>263</u></b>

7. Recreational amenities:

Two swimming pools, tennis courts, exercise room, sauna, hot tubs, barbecue area, party area.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: PANKOW DEVELOPMENT X,  
A CALIFORNIA LIMITED PARTNERSHIP Phone: (213) 684-2320  
Name (Business)  
2476 North Lake Avenue  
Business Address  
Altadena, California 91001

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

General Partner: Pankow Holdings Inc., a California corporation  
2476 North Lake Avenue, Altadena, California 91001  
Limited Partner: Charles Pankow, Ltd., A California Limited  
Partnership  
2476 North Lake Avenue, Altadena, California 91001

Real Estate Sales Agent: CPL Realty,  
A California Limited Partnership Phone: (808) 523-5671  
Name (Business)  
60 North Beretania Street, #G-1  
Business Address  
Honolulu, Hawaii 96817

Escrow: King Escrow Service Corporation Phone: (808) 524-0855  
Name (Business)  
900 Fort Street Mall, Suite 1205  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: Chaney Brooks and Company Phone: (808) 544-1600  
Name (Business)  
606 Coral Street  
Business Address  
Honolulu, Hawaii 96813

Attorney for Developer: Bays, Deaver, Hiatt, Kawachika & Lezak  
(Attn: John F. Lezak or William C. Byrns)  
Name  
9th Floor, Hawaii Building, 745 Fort Street  
Business Address  
Honolulu, Hawaii 96813

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of 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 1021108

Amendment date(s) and recording/filing information:

See attached Exhibit "C".

- 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. 424

Amendment date(s) and recording/filing information:

The Condominium Map has been amended in connection with each of the amendments to the Declaration.

- 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 (filed as Exhibit to Declaration)

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>75%</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:

In paragraph 18 of the Declaration, the ADC reserved rights to alter certain portions of Towers One and Two prior to the issuance of the certificate of occupancy for the towers. These rights are no longer applicable. Also, ADC has previously exercised its right to amend the Declaration by the "as-built" certificate for Towers One and Two. PDX has no right to alter the Declaration, Condominium Map, Bylaws or House Rules.

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  D  contains further explanations.

Lease Term Expires:  December 31, 2046   
Rent Renegotiation Date(s):  January 1, 2017; January 1, 2027;   
 January 1, 2037

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

Exhibit  E  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: N/A

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: 2101 Nuuanu Avenue & 38 Judd Street Tax Map Key: 2-2-20:2(1)  
Honolulu, Hawaii 96817 (TMK)

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

Land Area: 158,221  square feet  acre(s) Zoning: PD-H

Fee Owner: Hawaii Conference Foundation  
name  
2103 Nuuanu Avenue  
address  
Honolulu, Hawaii 96817

Sublessor: N/A  
name  
--  
address  
--

C. Buildings and Other Improvements:

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

2. Buildings: 2 Floors Per Building: 27

Exhibit F contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other \_\_\_\_\_

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>109</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

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:

- [ X ] Pets: Dogs, cats and household pets in a reasonable number are  
permitted with the approval of the Board of Directors.
- [ ] Number of Occupants: \_\_\_\_\_
- [ X ] Other: See Exhibit "G" attached hereto.
- [ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 109  
 3 in Tower One                      2 in Tower One                      1 in Tower One  
 Elevators 2 in Tower Two Stairways 1 in Tower Two Trash Chutes 1 in Tower Two

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>A/AR</u>	<u>8</u>	<u>1/1</u>	<u>732</u>	<u>0</u>
<u>B/BR</u>	<u>36</u>	<u>2/2</u>	<u>1,124</u>	<u>195</u>
<u>C</u>	<u>23</u>	<u>3/2</u>	<u>1,349</u>	<u>195</u>
<u>D</u>	<u>1</u>	<u>2/2</u>	<u>1,143</u>	<u>195</u>
<u>F</u>	<u>21</u>	<u>3/2</u>	<u>1,311*</u>	<u>228</u>
<u>H</u>	<u>20</u>	<u>3/2</u>	<u>1,362**</u>	<u>200**</u>

(\*: except apartment no. 1B contains 1,319 sq. ft. of living area.)

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

(\*\*): except apartment no. 26A contains 1,302 sq. ft. of living area & a lanai of 172 sq. ft.)

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:

Each apartment includes all partitions and non-loadbearing walls within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, ceilings, any doors, windows or panels along the perimeter and all fixtures originally installed therein. Each apartment shall also include the lanai or lanais to which such apartment has direct, exclusive access.

Permitted Alterations to Apartments: Paragraph 18 of the Declaration provides that:

1. The owner of any apartment in Tower Two may, with certain approvals and subject to certain restrictions, alter the apartment by installing, maintaining, removing, rearranging and/or modifying partitions, interior walls and other structures so as to incorporate the elevator lobby on the floor into the apartment.

2. The owner of any two adjoining apartments may, with certain consents, and subject to certain approvals, alter or remove all or portions of the intervening wall (whether or not load-bearing) which separates such apartments.

3. The owner of any apartment may cover or enclose his parking stall or stalls and roof lanai, if any, subject to certain approvals and restrictions.

7. Parking Stalls:

Total Parking Stalls: 263

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>102</u>	<u>-</u>	<u>9</u>	<u>-</u>	<u>80</u>	<u>-</u>	<u>191</u>
Guest Unassigned	<u>72</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72</u>
Extra Available for Purchase	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other:	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Covered & Open	<u>174</u>		<u>9</u>		<u>80</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 B contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- 2Swimming pools
- Recreation Area
- Tennis Court
- Other: sauna, hot tub, exercise room
- Storage Area
- Laundry Area
- Trash Chute

Paragraphs 9 and 10 are not applicable to this report because, as stated above, no units are being sold in Tower Three, the existing structure that was converted to condominium use.

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 N/A

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 N/A

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   H   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   I  

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   B   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 J describes the encumbrances against the title contained in the title report dated April 13, 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.

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
1. Mortgage in the amount of \$5,300,000, dated November 26, 1984, in favor of First Hawaiian Bank, filed in the Office of the Assistant Registrar as Document No. 1269058.	If PDX defaults prior to conveying an apartment to a buyer the buyer will not acquire any right, title or interest in such apartment.
2. Mortgage in the amount of \$8,800,000, dated November 26, 1984, in favor of First Hawaiian Bank, filed in the Office of the Assistant Registrar as Document No. 1269059.	

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:

[ X ] 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   K   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:

- |   |  |
|---|--|
| <input checked="" type="checkbox"/> Electricity | <input checked="" type="checkbox"/> Television Cable . |
| <input checked="" type="checkbox"/> Gas         | <input checked="" type="checkbox"/> Water & Sewer      |
| <input type="checkbox"/> 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:

Paragraph 14 of the Sales Contract provides that PDX disclaims any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose with respect to the Project. Each apartment is deemed to be sold "as is", and PDX will not be liable to the buyer for any construction or other defects, including any latent or hidden defects in the Project or the apartment.

2. Appliances:

Paragraph 14 of the Sales Contract provides that PDX warrants that certain major appliances are in working order consistent with their age.



**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.

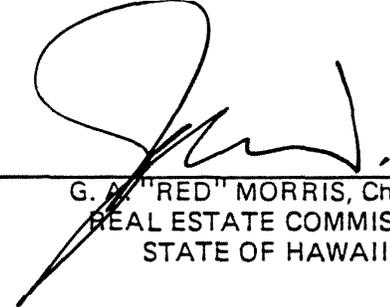
This Public Report is a part of Registration No. 1256 filed with the Real Estate Commission on March 14, 1980.

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

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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.



G. A. "RED" MORRIS, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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

Craigside Units Covered by This  
Supplementary Public Report

101	1101	4A
102	1102	4B
103	1104	5A
104	1105	5B
105	1201	6A
201	1205	7A
204	1301	7B
205	1304	8A
301	1401	8B
302	1404	9A
303	1501	9B
304	1504	10A
305	1601	10B
401	1604	11A
402	1605	11B
403	1801	12A
404	1804	13A
405	1901	13B
501	1904	14A
503	1905	14B
504	2001	15A
505	2004	15B
601	2005	16B
604	2101	17A
605	2104	17B
701	2105	18A
704	2201	18B
705	2205	19A
801	2301	19B
804	2305	20A
805	2401	20B
901	2501	21A
904	1B	21B
1001	2A	22A
1004	3A	22B
1005	3B	23B
		26A

EXHIBIT "A"

CRAIGSIDE  
TOWER ONE

<u>Apartment Number</u>	<u>Parking Stall(s)</u>	<u>Apartment Type</u>	<u>Percentage of Common Interest</u>
101	21	D	.407
102	424C	AR	.261
103	411C	A	.261
104	205	B	.394
105	204	BR	.394
201	114, 115 TR	C	.475
204	207	B	.394
205	206	BR	.394
301	116, 117 TR	C	.475
302	248C	AR	.261
303	308C	A	.261
304	175C	B	.394
305	247	BR	.394
401	118, 119 TR	C	.475
402	296C	AR	.261
403	186C	A	.261
404	355	B	.394
405	342	BR	.394
501	120, 121 TR	C	.475
503	412C	A	.261
504	344	B	.394
505	343	BR	.394
601	122, 123 TR	C	.475
604	346	B	.394
605	345	BR	.394
701	223, 224 TR	C	.475
704	348	B	.394
705	347	BR	.394
801	225, 226 TR	C	.475
804	211	B	.394
805	109	BR	.394
901	229, 230 TR	C	.475
904	249	B	.394
1001	227, 228 TR	C	.475
1004	368, 369 TC	B	.394
1005	370, 371 TC	BR	.394
1101	233, 234 TR	C	.475
1102	149C	AR	.261
1104	366, 367 TC	B	.394
1105	144, 145 TC	BR	.394

EXHIBIT "B"

CRAIGSIDE  
TOWER ONE (CONT.)

<u>Apartment Number</u>	<u>Parking Stall(s)</u>	<u>Apartment Type</u>	<u>Percentage of Common Interest</u>
1201	231, 232 TR	C	.475
1205	152, 153 TC	BR	.394
1301	124, 125 TR	C	.475
1304	150, 151 TC	B	.394
1401	126, 127 TR	C	.475
1404	140, 141 TC	B	.394
1501	128, 129 TR	C	.475
1504	136, 137 TC	B	.394
1601	130, 131 TR	C	.475
1604	278, 279 TC	B	.394
1605	256, 257 TC	BR	.394
1801	235, 236 TR	C	.475
1804	250, 251 TC	B	.394
1901	237, 238 TR	C	.475
1904	209, 210	B	.394
1905	269, 270 TC	BR	.394
2001	239, 240 TR	C	.475
2004	391, 392 TC	B	.394
2005	384, 385 TR	BR	.394
2101	241, 242 TR	C	.475
2104	382, 383 TC	B	.394
2105	254	BR	.394
2201	243, 244 TR	C	.475
2205	378, 379 TRC	BR	.394
2301	397, 398 TR	C	.475
2305	362, 363 TRC	BR	.394
2401	399, 400 TC	C	.475
2501	395, 396 TR	C	.475

CRAIGSIDE  
TOWER TWO

<u>Apartment Number</u>	<u>Parking Stall(s)</u>	<u>Apartment Type</u>	<u>Percentage of Common Interest</u>
1B	191, 197	F	.482
2A	57, 58	H	.487
3A	17, 18	H	.487
3B	19, 20	F	.482
4A	328, 329	H	.487
4B	330, 331	F	.482
5A	332, 333	H	.487
5B	334, 335	F	.482
6A	170, 171	H	.487
7A	176, 183	H	.487
7B	177, 178	F	.482
8A	184, 185	H	.487
8B	54, 55	F	.482
9A	192, 193	H	.487
9B	188, 194	F	.482
10A	189, 190	H	.487
10B	195, 196	F	.482
11A	198, 199	H	.487
11B	200, 201	F	.482
12A	202, 203	H	.487
13A	63, 70	H	.487
13B	64, 65	F	.482
14A	71, 72	H	.487
14B	79, 80	F	.482
15A	76, 77	H	.487
15B	75, 81	F	.482
16B	78, 84	F	.482
17A	85, 86	H	.487
17B	87, 88	F	.482
18A	89, 90	H	.487
18B	31, 32	F	.482
19A	26, 33	H	.487
19B	27, 28	F	.482
20A	34, 35	H	.487
20B	41, 47	F	.482
21A	45, 46	H	.487
21B	39, 40	F	.482
22A	38, 44	H	.487
22B	42, 43	F	.482
23B	50, 51	F	.482
26A	5, 6	H	.533

Amendments to the Declaration  
of the Horizontal Property Regime

1. First amendment, dated March 19, 1981, filed as Document No. 1064048 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii (hereafter, "filed").
2. Second amendment, dated July 6, 1982, filed as Document No. 1098043.
3. Third amendment, dated February 5, 1982, filed as Document No. 1103427.
4. Fourth amendment, dated July 6, 1982, filed as Document Nos. 1124233 and 1124234.
5. Fifth amendment, undated, filed as Document No. 1135750.
6. Sixth amendment, dated December 28, 1982, filed as Document Nos. 1163131 and 1163132.
7. Seventh amendment, dated November 18, 1982, filed as Document No. 1145160.
8. Eighth amendment, dated January 13, 1983, filed as Document No. 1147582.
9. Ninth amendment, dated May 4, 1983, filed as Document Nos. 1175190 and 1175191.
10. Tenth amendment, dated December 8, 1983, filed as Document Nos. 1209523 and 1209523-A.
11. Eleventh amendment, dated August 12, 1985, filed as Document No. 1324429.

EXHIBIT "C"

Lease Provision Regarding  
Termination of Apartment Lease

Paragraph 31 of the Apartment Lease, entitled "Tenant Will Return the Property at the End of the Term", provides:

"At the end of the term (or sooner if this Apartment Lease terminates before the end of the term) Tenant will return the Property to the Landlord, with all improvements that have been made to it. The Property must be returned to the Landlord in good condition except for normal wear and tear."

EXHIBIT "D"

Lease Rental Schedule

Annual Lease Rent by Type of Apartment

Apartment Type	<u>A/AR</u>	<u>B/BR</u>	<u>C</u>	<u>D</u>	<u>F</u>	<u>H</u>
1st Period: Effective Date to 12/31/1991:	754.32	1330.20	1562.16	1375.68	1587.24	1580.28
2nd Period: 1/1/1992 to 12/31/2001:	980.64	1729.20	2030.88	1788.36	2064.96	2054.40
3rd Period: 1/1/2002 to 1/31/2016:	1372.80	2420.88	2843.16	2503.68	2891.04	2876.16

Paragraph E of the Apartment Lease provides that the lease rent for each of the Fourth, Fifth and Sixth periods will be agreed upon by the fee owner and the apartment owner. If they fail to agree on the rent, rent will be decided by appraisal. In determining the rent, the appraiser will determine the value of the land underlying the Project, exclusive of all structures and improvements and multiply that value by seven percent (7%). The resulting amount will then be multiplied by each apartment's common interest to determine that apartment's annual lease rent.

Number of Buildings in the Project

The Project consists of three (3) buildings: Tower One, Tower Two, which were constructed in 1982, and Tower Three, an existing structure which was converted to condominium use in 1982. However, this Supplementary Public Report covers only certain units in Tower One and Tower Two and does not cover any units in Tower Three.

EXHIBIT "F"

### Restrictions on Apartment Use

Section 3 of the Bylaws, entitled "Use of Project," provides as follows:

(a) The residential apartments of the Project shall be used only for residential purposes, including hotel purposes if so approved by the Association and the Fee Owner of the land on which the Project is located, by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, and for no other purposes;

(b) All common elements of the Project shall be used only for their respective purposes as designed;

(c) No apartment owner or occupant shall place, store or maintain in the halls, lobbies, stairways, walkways, grounds or other common elements of similar nature any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements;

(d) Every apartment owner and occupant shall at all times keep his apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project;

(e) No apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his apartment or the Project nor alter or remove any furniture, furnishings or equipment of the common elements;

(f) No apartment owner or occupant shall erect or place in the Project any building or structure including fences and walls, nor make any additions or alterations to any common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except as otherwise specifically permitted by the Declaration or except in accordance with plans and specifications including a detailed plot plan prepared by a licensed architect if so required by the Fee Owners, as defined in the Declaration, first approved in writing by the Fee Owner and also approved by a majority of apartment owners (or such larger percentage required by law or the Declaration) including all owners of apartments thereby directly affected, as determined by the Board;

EXHIBIT "G"

(g) No apartment owner shall decorate or landscape any entrance, hallways, planting area or lanai appurtenant to his apartment except in accordance with standards therefor established by the Board of Directors or specific plans approved in writing by the Board;

(h) All occupants shall avoid making noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other occupants;

(i) No garments, rugs or other projects shall be hung from the windows or facades of the Project or otherwise displayed in public view;

(j) No rugs or other objects shall be dusted or shaken from the windows or doors of any apartment or cleaned by beating or sweeping on any walkways, patios, entries or other exterior part of the Project;

(k) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Project outside of the disposal facilities provided for such purpose;

(l) No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, cats and other household pets in reasonable number may be kept by the apartment owners and occupants in their respective apartments with the prior written approval by the Board but shall not be kept, bred or used therein for any commercial purpose 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 removed therefrom promptly upon notice given by the Board of Directors or Managing Agent;

(m) No apartment owner or occupant shall without the written approval of the Board of Directors install any wiring for electrical or telephone installations, machines or air conditioning units, or other equipment or appurtenances whatsoever on the exterior of any building of the Project or protruding through the walls, windows or roof thereof;

(n) No apartment owner or occupant shall erect, place or maintain any television or other antennas on the Project visible from any point outside of his apartment;

(o) Nothing shall be allowed, done or kept in any apartments or common elements of the Project which would overload or impair the floors, walls, or roofs thereof, or cause any increase in the ordinary premium rates or the

cancellation or invalidation of any insurance thereon maintained by or for the Association; and

(p) Anything to the contrary notwithstanding, the Developer of the Project may engage in real estate sales activities in such apartments or on the premises of the Project for the purpose of selling such apartments. Such activities may continue only until all such apartments have been initially sold by the Developer.

### Common Elements

Paragraph 5 of the Declaration provides that the common elements of the Project include, but are not limited to:

- (a) The land in fee simple.
- (b) All yards, grounds, landscaping, retaining walls, planters, recreational facilities, tennis courts, the swimming pool and all refuse facilities.
- (c) All deck areas, driveways and walkways.
- (d) All ducts, electrical equipment, central water heating systems, wiring, pipes and other central and appurtenant transmission facilities and installations on, over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.
- (e) The resident manager's office located on the basement lobby level of Tower Two together with all rights of access to such office.
- (f) All parking areas and spaces, driveways, ramps, loading areas and refuse facilities.
- (g) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.
- (h) The limited common elements of the Project.

EXHIBIT "H"

Limited Common Elements

Paragraph 6 of the Declaration provides that the limited common elements of the Project are as follows:

1. The building designated Tower One is limited to the use of owners of apartments of Tower One.
2. The building designated Tower Two is limited to the use of owners of apartments of Tower Two.
3. The building designated Tower Three is limited to the use of owners of apartments of Tower Three.
4. The parking stall or stalls appurtenant to each apartment.
5. The elevator lobby area on each floor in Tower Two, except for the lobby/basement floor, the first floor, the twenty-sixth floor and twenty-seventh floor, shall be limited to the use of owners of apartments on such floor. The elevator lobby areas on the lobby/basement floor and first floor in Tower Two shall be limited to the use of owners of all apartments of Tower Two. The elevator lobby areas on the twenty-sixth and twenty-seventh floors in Tower Two shall be included in apartments PHII and PH, respectively.
6. 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 "I"

Encumbrances Against Title

1. Easement for trailway purposes, as shown on Map 32, as set forth by Land Court Order No. 56679, filed May 20, 1980.

2. Easement "D" for sanitary purposes, as shown on Map 33, as set forth by Land Court Order No. 56680, filed May 20, 1980.

3. Easement "E" for trailway purposes, as shown on Map 33, as set forth by said Land Court Order No. 56680. Said Easement "E" was clarified in its designation to include pedestrian traffic and trailway purposes, by Petition for Designation, Clarification and Deletion of Easements filed as Land Court Order No. 61655 on December 28, 1981.

4. Easement "F" for sanitary sewer purposes, as shown on Map 34, as set forth by Land Court Order No. 61655, filed December 28, 1981.

5. Declaration of Restrictive Covenants (Private Park) dated April 16, 1980, filed as Land Court Document No. 1014221.

6. Declaration of Restrictive Covenants dated July 10, 1980, filed as Land Court Document No. 1021107.

7. The restrictions on use and other restrictions and all other covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in the Declaration of Horizontal Property Regime dated July 10, 1980, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1021108, and to the By-Laws attached thereto, as the same are or may hereafter be amended.

8. Grant in favor of Gasco, Inc., dated July 17, 1981, filed as Land Court Document No. 1079785, granting the right and easement to construct, install, operate, maintain, repair, replace and remove gas facilities consisting of underground gas pipelines and appurtenances thereof across, through, under and upon the land described herein.

EXHIBIT "J"

Page 1 of 2

9. Mortgage in the amount of \$5,300,000, dated November 26, 1984, in favor of First Hawaiian Bank, filed in the Office of the Assistant Registrar as Document No. 1269058.

10. Mortgage in the amount of \$8,800,000, dated November 26, 1984, in favor of First Hawaiian Bank, filed in the Office of the Assistant Registrar as Document No. 1269059.

11. Real property taxes due and payable. Reference is made to Director of Finance, City and County of Honolulu.

Maintenance Fees

<u>Apartment Type</u>	<u>Monthly Maintenance Fees</u>
A/AR	\$216.46
B/BR	326.34
C	393.53
D	336.89
F	398.14
H	402.30*

\*Except that the monthly maintenance fee for apartment no. 26/A is \$440.16.

EXHIBIT "K"

### Summary of Sales Contract Provisions

The Deposit Receipt, Sales Contract used in connection with the Project contains, among other things, acknowledgments by each buyer that: (i) Buyer and Seller may automatically extend the closing date thirty (30) days by providing written notice thereof to Escrow; thereafter time is of the essence in the Sales Contract, and if Buyer fails to perform any obligations required in the Sale Contract, Seller may, upon written notice of 10 days, terminate the Sales Contract and keep all sums previously paid by Buyer as liquidated damages; (ii) that Buyer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; (iii) that Buyer acknowledges that no such representations or warranties have been made and that Seller expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; (iv) that the Project and the apartment are being sold on an "AS IS" basis, without any warranties, express or implied; and (v) that the apartments in the Project may currently be occupied by tenants, and that it is the responsibility of Buyer and not Seller to evict any tenants in Buyer's apartment.

EXHIBIT "L"

Summary of Escrow Agreement Provisions

Among other provisions, the Escrow Agreement dated May 7, 1987, executed by Seller and King Escrow Service corporation, provides that a purchaser shall be entitled to a return of his funds, and escrow shall pay such funds to such purchaser, and upon the terms and conditions provided for in the Sales Contract, if any one of the following has occurred:

(a) Seller and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held under the Escrow Agreement by Escrow; or

(b) Seller shall have notified Escrow in writing of the Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the Developer.

In any of the foregoing events, Escrow shall, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee to Escrow of not less than \$35.00 per apartment or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon the Sales Contract and any Assignment of Lease or Agreement of Sale theretofore delivered to Escrow shall be returned and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Seller of written notice from Escrow of its intent to make such refund.

EXHIBIT "M"