



**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
HALE KAHEKA

930 Kaheka Street, Honolulu, Hawaii 96814. (To be used in connection with the sale of the following twenty-six (26) apartments only: 303, 403, 505, 901, 1001, 1005, 1201, 1501, 1605, 1703, 1805, 2205, 2305, 2705, 2905, 3005, 3105, 3205, 3302, 3305, 3402, 3405, 3502, 3505, 3601, and 3605.)

Registration No. 1356

Issued: August 27, 1987
Expires: February 27, 1988

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 22, 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 _____
 - SECOND SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated November 6, 1980
 - Final Public Report dated April 1, 1982
 - Supp. Public Report dated March 9, 1984
- 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.

Central Kaheka Associates ("Central") was the developer of the 175 unit Hale Kaheka condominium project (the "Project"). Central was the lessee under a development lease with the fee owner. By Agreement of Sale, dated December 30, 1983, Central conveyed to PDI-IX, Inc., a Hawaii corporation ("PDI") eighty (80) unsold units in the Project. 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 Supplementary Public Report, dated March 9, 1984, Pankow Development - Hale Kaheka, a California Limited Partnership, registered to do business in the State of Hawaii ("PDHK"), acquired by that certain Agreement of Sale, dated February 25, 1987, recorded in the Bureau of Conveyances of the State of Hawaii in Book 20481 at Page 494, all right, title and interest of Central, in and to the twenty-six (26) units covered by this Second Supplementary Public Report.

Also, since the issuance of the Supplementary Public Report the Declaration of Horizontal Property Regime for the Project has been amended a number of times. Such amendments, which deal mainly with transfers of parking stalls, are listed in this report.

For purposes of this report, PDHK will be referred to as the "Developer" of the twenty-six (26) units covered by this report.

There have also been changes as to Developer's attorney (now Bays, Deaver, Hiatt, Kawachika & Lezak) and the escrow agent (now King Escrow Service Corporation).

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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 parking stall(s) and other limited common elements appurtenant to an apartment.

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; see also attached Exhibit "A".)

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
A/AR	4	1/1	530 sq. ft.	--
B.1	4	2/2	771 sq. ft.	--
B.2	2	3/2	1036 sq. ft.	--
C	5	2/2	794 sq. ft.	--
B	11	2/2	771 sq. ft.	--

Total Apartments: 26

*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>	(Covered by this Public Report)
Assigned Stalls (Individual Units)	<u>42</u>	
Guest Stalls	<u>--</u>	
Unassigned Stalls	<u>--</u>	
Extra Stalls Available for Purchase	<u>--</u>	
Other: _____	<u>--</u>	
Total Parking Stalls	<u>42</u>	(There are 368 parking stalls in the entire Project)

7. Recreational amenities for the entire Project:

Swimming pool, whirlpool bath, picnic and play areas, barbeque areas, and wet bar.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: PANKOW DEVELOPMENT - HALE KAHEKA,
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 Ave., Altadena, CA 91001
Limited Partner: Charles Pankow, Ltd., A California Limited
Partnership, 2476 North Lake Avenue, Altadena, CA 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) Phone: (808) 523-9611
Name (Business)
9th Fl., Hawaii Bldg., 745 Fort St.
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 15412 Page 600
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

See attached Exhibit "B".

- 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. 792
 Filed – Land Court Condo Map No. _____

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 as Exhibit to
 Filed – Land Court – Document Number _____ 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:

N/A

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 C contains further explanations.

Lease Term Expires: November 30, 2037
Rent Renegotiation Date(s): December 1, 2012; December 1, 2022;
December 1, 2032.

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit D 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.

Underlying Land:

Address: 930 Kaheka Street Tax Map Key: 2-3-18:17,18,25 & 26
Honolulu, Hawaii 96814 (TMK)

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

Land Area: 58,631 [x] square feet [] acre(s) Zoning: A-4

Fee Owner: Trustees of the Estate of Bernice Pauahi Bishop
name
567 South King Street, Suite 200
address
Honolulu, Hawaii 96813

Sublessor: N/A
name
--
address
--

Buildings and Other Improvements:

1. [X] New Building(s) [] Conversion of Existing Building(s)
[] Both New Building(s) and Conversion
2. Buildings: 1 (Completed 1982) Floors Per Building: 38
[] Exhibit _____ contains further explanations.
3. Principal Construction Material:
[X] Concrete [] Hollow Tile [] Wood
[] Other _____
4. Permitted Uses:

	<u>No. of Apts.</u>	(covered by this report)	<u>No. of Apts.</u>	
[] Commercial	_____		[] Industrial	_____
[X] Residential	<u>26</u>		[] Agricultural	_____
[] Timeshare/Hotel	_____		[] Recreational	_____
[] 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 prior written approval of the Board of
 [] Number of Occupants: _____ Directors.
 [x] Other: See Exhibit "E" attached hereto.
 [] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Second Supplementary

Total Apartments 26 (Covered by this/Public Report)

Elevators 3 Stairways 2 Trash Chutes 1

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>A/AR</u>	<u>4</u>	<u>1/1</u>	<u>530 sq. ft.</u>	<u>--</u>
<u>B.1</u>	<u>4</u>	<u>2/2</u>	<u>771 sq. ft.</u>	<u>--</u>
<u>B.2</u>	<u>2</u>	<u>3/2</u>	<u>1036 sq. ft.</u>	<u>--</u>
<u>C</u>	<u>5</u>	<u>2/2</u>	<u>794 sq. ft.</u>	<u>--</u>
<u>B</u>	<u>11</u>	<u>2/2</u>	<u>771 sq. ft.</u>	<u>--</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:

Each apartment includes all the walls and partitions which are not non-loadbearing 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.

Permitted Alterations to Apartments:

An owner may, with the prior written consent of the Board of Directors of the Association and the fee owner, make additions to or alterations of its apartment that do not jeopardize the soundness or safety of the Project, reduce the value thereof, violate the uniform external appearance of the apartment, or impair any easement.

7. Parking Stalls:

Total Parking Stalls: 42 (Covered by this Report)

	<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>33</u>	<u>--</u>	<u>9</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>42</u>
Guest	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Unassigned	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</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>33</u>		<u>9</u>		<u>--</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 A contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities (in entire Project):

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: whirlpool bath, picnic and play areas, barbeque areas, wet bar

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.

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.

[X] The limited common elements and the apartments which may use them are:

[] described in Exhibit _____

[X] as follows:

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

- (1) The parking stall or stalls appurtenant to each apartment.
- (2) All other common elements of the Project which are rationally related to less than all of the said apartments or buildings shall be limited to the use of such apartments or buildings.

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.

[X] Exhibit A 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 G describes the encumbrances against the title contained in the title report dated June 1, 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Apartment No. 1703 is subject to that certain Mortgage, dated August 27, 1982, recorded in the Bureau of Conveyances in Book 16580, Page 521, which is now held by Aetna Casualty and Surety company.	Buyer may elect to terminate sale contract and receive deposit back.

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 _____

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 H contains a schedule of maintenance fees and maintenance fee disbursements.

I. **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 type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input checked="" type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water & Sewer |
| <input checked="" type="checkbox"/> Other <u>Electricity for hot water only</u> | |

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 PDHK 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 PDHK 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 PDHK warrants that certain major appliances are in working order consistent with their age.

J. Status of Construction and Estimated Completion Date:

N/A

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

Escrow Agreement dated July 22, 1987

Exhibit J contains a summary of the pertinent provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

N/A

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.

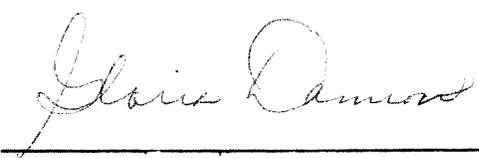
This Public Report is a part of Registration No. 1556 filed with the Real Estate Commission on September 30, 1980.

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.



CLORIA DAMRON, 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

HALE KAHEKA

Parking Stall(s), Apartment Type and
 Percentage of Common Interest for Units
Covered by This Second Supplementary Public Report

<u>Apartment Number</u>	<u>Parking Stall(s)</u>	<u>Apartment Type</u>	<u>Percentage of Common Interest</u>
303	230, 316C, 329C	B.2	.0092
403	276, 315C, 330C	B.2	.0092
505	281, 314C	B.1	.0067
901	293, 357	C	.0068
1001	284, 358	C	.0068
1005	268, 313C	B.1	.0067
1201	267, 359	C	.0068
1501	265, 360	C	.0068
1605	154, 337	B.1	.0067
1703	257C	AR	.0045
1805	186, 356	B.1	.0067
2205	208	B	.0067
2305	192, 335C	B	.0067
2705	213, 324	B	.0067
2905	209, 343	B	.0067
3005	191, 344C	B	.0067
3105	227	B	.0067
3205	229	B	.0067
3302	254	A	.0045
3305	151	B	.0067
3402	178	A	.0045
3405	153	B	.0067
3502	200	A	.0045
3505	156	B	.0067
3601	212	C	.0068
3605	285	B	.0067

EXHIBIT "A"

HALE KAHEKA

Amendments to the Declaration
of the Horizontal Property Regime

1. First Amendment, dated December 9, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16034 at Page 171.
2. Second Amendment, dated May 18, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16351 at Page 334.
3. Third Amendment, dated July 14, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16487 at Page 493.
4. Fourth Amendment, dated recorded in the Bureau of Conveyances of the State of Hawaii in Book 16635 at Page 309.
5. Fifth Amendment, dated September 23, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16635 at Page 312.
6. Sixth Amendment, dated September 28, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16722 at Page 586.
7. Seventh Amendment, dated November 29, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16851 at Page 794.
8. Eighth Amendment, dated January 17, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16822 at Page 475.
9. Ninth Amendment, dated February 8, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16852 at Page 1.
10. Tenth Amendment, dated February 24, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16884 at Page 367.
11. Eleventh Amendment, dated March 14, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16945 at Page 524.

EXHIBIT "B"
Page 1 of 3

12. Twelfth Amendment, dated May 19, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17074 at Page 226.
13. Thirteenth Amendment, dated May 31, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17136 at Page 764.
14. Fourteenth Amendment, dated June 3, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17117 at Page 303.
15. Fifteenth Amendment, dated June 21, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17149 at Page 772.
16. Sixteenth Amendment, dated August 2, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17240 at Page 454.
17. Seventeenth Amendment, dated August 23, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17271 at Page 751.
18. Eighteenth Amendment, dated September 8, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17333 at Page 47.
19. Nineteenth Amendment, dated September 21, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17365 at Page 64.
20. Twentieth Amendment, dated October 4, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17412 at Page 717.
21. Twenty-first Amendment, dated October 12, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17412 at Page 652.
22. Twenty-second Amendment, dated November 1, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17457 at Page 008.
23. Twenty-third Amendment, dated November 1, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17475 at Page 008.

EXHIBIT "B"
Page 2 of 3

24. Twenty-fourth Amendment, dated November 15, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17483 at Page 296.
25. Twenty-fifth Amendment, dated December 6, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17535 at Page 11.
26. Twenty-sixth Amendment, dated May 14, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17886 at Page 766.
27. Twenty-seventh Amendment, dated May 14, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17887 at Page 729.
28. Twenty-eighth Amendment, dated May 14, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17890 at Page 255.
29. Twenty-ninth Amendment, dated June 7, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17958 at Page 019.
30. Thirtieth Amendment, dated June 7, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Book 17969 at Page 645.
31. Thirty-first Amendment, dated July 26, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Book 18121 at Page 64.
32. Thirty-second Amendment, dated February 14, 1985, recorded in the Bureau of Conveyances of the State of Hawaii in Book 18451 at Page 494.
33. Thirty-third Amendment, dated November 12, 1985, recorded in the Bureau of Conveyances of the State of Hawaii in Book 19111 at Page 444.
34. Thirty-fourth Amendment, dated January 14, 1986, recorded in the Bureau of Conveyances of the State of Hawaii in Book 19257 at Page 756.
35. Thirty-fifth Amendment, dated April 7, 1987, recorded in the Bureau of Conveyances of the State of Hawaii in Book 20761 at Page 115.

EXHIBIT "B"
Page 3 of 3

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 "C"

Lease Rent Schedule

Annual Lease Rent by Type of Apartment

	<u>Apartment Type</u>		
	<u>A/AR</u>	<u>B/B.1</u>	<u>B.2</u> <u>C</u>
1st Period: Effective Date to November 30, 1992:	\$ 777.00	\$1,126.00	\$1,498.00 \$1,133.00
2nd Period: December 1, 1992 to November 30, 2002:	1,360.00	1,971.00	2,620.00 1,982.00
3rd Period: December 1, 2002 to November 30, 2012:	2,380.00	3,448.00	4,586.00 3,469.00
4th Period: December 1, 2012 to November 30, 2022:		Subject to Renegotiation	
5th Period: December 1, 2022 to November 30, 2032:		Subject to Renegotiation	
6th Period: December 1, 2032 to November 30, 2037:		Subject to Renegotiation	

Paragraph 9e of the Apartment Lease provides as follows: 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 fair market value and the fair rental value of the land underlying the project. In deciding the fair market value and the fair rental value, the land will be treated as though it has no buildings or other improvements on it, but as though it would be lawful and possible to build the project thereon. After the fair rental value of the land is determined it will be multiplied by eight (8) percent. This amount will be compared to the fair market value of the land. The higher of the two (either the fair market rental value or 8% of the fair market value of the land) will be multiplied by each apartment's common interest to determine that apartment's annual lease rent. The rent for any rent period will never be less than the rent for the preceding rent period.

Restrictions on Apartment Use

Paragraph 10 of the Declaration, entitled "Purposes", provides as follows:

(a) With the exception of a mortgagee in possession of an apartment following a default under a mortgage encumbering an apartment in the Project, a foreclosure proceeding or other arrangement in lieu of foreclosure, the residential apartments shall at all times be occupied and used only for residential purposes and no residential apartment shall be used as a tenement or rooming-house or for or in connection with the carrying on of any business, trade or profession whatsoever. The residential apartments shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty days; or (ii) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing of laundry and linen, and bellboy service. The commercial apartment shall be used only for the parking of automobiles and other vehicles and for no other purpose. Neither the residential or commercial apartments nor any interest therein shall 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 "timesharing" 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. Other than the foregoing restrictions, the owners of the respective apartments shall have the absolute right to lease the same, provided that such lease is made subject to the covenants and restrictions contained in this Declaration and the Bylaws.

(b) The owner of an apartment shall not use the same for any purpose which will injure the reputation of the Project. Such owner shall not suffer anything to be done or kept in said apartment or elsewhere which will jeopardize the

soundness of the buildings or the contents thereof or which will reduce the value of the apartment buildings.

(c) The owner of an apartment shall not, without the prior written consent of the Board and without notice to the Trustees, make any structural alterations in or additions to the apartment or make any alterations in or additions to the exterior of the apartment (including awning, jalousies or screens) or to any other portion or portions of the common elements unless otherwise provided in the Bylaws.

(d) The owner of an apartment shall not lease less than his entire apartment. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Bylaws and the House Rules promulgated thereunder and that the failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

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

(a) The residential and commercial apartments of the Project shall be used only for respective purposes designed;

(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;

(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.

Common Elements

Paragraph 5 of the Declaration provides that the common elements of the Project are as follows:

- (a) The land in fee simple.
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls chases, roofs and walls and walkways around said building.
- (c) All yards, grounds, landscaping, retaining walls, planters, recreational facilities, swimming pool, whirlpool bath, picnic and play areas, barbecue areas, mail boxes, wetbar, bath facilities for common use, electric room, telephone room, security office, storage space, waiting areas and all refuse facilities.
- (d) All parking areas and spaces numbered as stalls 151 through 368, driveways, ramps, loading areas and walkways.
- (e) All ducts, sewer lines, 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.
- (f) 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.
- (g) The limited common elements of the Project.

EXHIBIT "F"

Encumbrances Against Title

The Status Title Report, dated June 1, 1987, issued by Title Guaranty of Hawaii, Inc., states that the Project is subject to the following encumbrances:

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

2. Covenants, conditions and restrictions set forth in the Declaration dated November 5, 1980, recorded in the Bureau of Conveyances of the State of Hawaii in Book 15124, Page 776, as amended, relating to the use of 150 parking stalls.

3. Declaration of Restrictive Covenants (Private Park) dated September 25, 1980, recorded aforesaid in Book 15341, Page 209, as amended, relating to the maintenance of the private park area.

4. Declaration of Horizontal Property Regime, dated March 6, 1981, recorded aforesaid in Book 15412, Page 600, as amended, with attached Bylaws of the Association of Apartment Owners, as amended.

5. Terms, easements, restrictions, agreements, reservations, covenants, conditions and provisions contained in the respective apartment leases.

In addition, apartment no. 1703 is subject to that certain Mortgage, dated August 27, 1982, recorded aforesaid in Book 16580, Page 521 now held by Aetna Casualty and Surety Company.

EXHIBIT "G"

<u>Apartment Type</u>	<u>Monthly Maintenance Fees</u>	<u>Annual Maintenance Fees</u>
A/AR	\$116.88	\$1,402.56
B/B.1	174.02	2,088.24
B.2	238.95	2,867.40
C	176.62	2,119.44

EXHIBIT "H"

HALE KAHEKA
STATEMENT OF CASH RECEIPTS AND DISBURSEMENTS
 FOR THE PERIOD ENDING JUL. 31, 1987
 (PREPARED ON THE CASH BASIS)

	CURRENT MONTH		YEAR TO DATE	
	ACTUAL	BUDGET	ACTUAL	BUDGET
5110 MAINTENANCE FEES	26,185.20	25,973.00	174,775.07	181,811.00
5204 STORAGE RENTAL	488.98	525.00	3,593.08	3,675.00
5410 INTEREST INCOME	396.56	528.00	3,429.70	3,696.00
5911 LATE FEES	500.18	.00	2,452.98	.00
TOTAL RECEIPTS.....	28,139.57	27,026.00	184,819.48	189,182.00

DISBURSEMENTS				
6010 AUDIT AND TAX FEES	.00	127.00	1,458.34	889.00
6080 INSURANCE-PACKAGE	847.50	873.00	4,237.50	6,111.00
6082 INSURANCE-LIABILITY	75.00	56.00	375.00	392.00
6083 INSURANCE-OTHER	120.68	44.00	252.59	308.00
6084 INSURANCE-MEDICAL	857.95	517.00	4,486.11	3,619.00
6085 INSURANCE-WRKRS COMP	722.30	995.00	2,426.70	6,965.00
6120 LEGAL FEES	.00	325.00	8,364.29	2,275.00
6130 MGT & ACCTG SERVICES	1,663.90	1,664.00	11,647.30	11,648.00
6140 MISC PROJECT EXPENSE	599.03	250.00	4,018.83	1,750.00
6150 PETTY CASH REIMB	116.65	100.00	1,044.04	700.00
6180 REFUSE SERVICE	336.20	299.00	2,227.43	2,093.00
6210 MTNCE/REPAIR BLDG	301.50	568.00	1,129.55	3,976.00
6221 MTNCE/REPAIR-ELEVATOR	1,299.77	1,200.00	9,374.21	8,400.00
6224 MTNCE/REPAIR-EQUIPMENT	589.86	384.00	1,851.76	2,688.00
6230 MTNCE/REPAIR-GROUNDS	.00	255.00	2,256.00	1,785.00
6250 MTNCE/REPAIR-PEST CNTRL	811.20	300.00	1,692.60	2,100.00
6265 WINDOW CLEANING	.00	437.00	2,496.00	3,059.00
6332 PAYROLL - MTNCE	3,764.64	3,299.00	25,175.97	23,093.00
6341 PAYROLL-RES MANAGER	1,125.00	1,050.00	7,350.00	7,350.00
6342 LODGING-RES MANAGER	750.00	700.00	4,950.00	4,900.00
6360 PAYROLL-SECURITY	2,942.12	2,898.00	17,017.84	20,286.00
6421 SECURITY KEYS	250.00-	.00	600.00-	.00
6520 SUPPLIES-GROUNDS	.00	103.00	328.25	721.00
6550 SUPPLIES-PAINTING	433.75	159.00	3,743.96	1,113.00
6560 SUPPLIES-POOL	.00	294.00	320.66	2,058.00
6580 SUPPLIES-ELECT/LIGHTING	95.70-	421.00	1,154.04	2,947.00
6590 SUPPLIES-BLDG/OTHER	593.98	577.00	2,631.81	4,039.00
6710 TAXES-GENERAL EXCISE	156.97	42.00	689.51	294.00
6720 TAXES-PAYROLL	1,168.00	965.00	5,175.16	6,755.00
6740 TAXES-CORP INCOME	665.00-	90.00	860.07	630.00
6811 ELECTRICITY	3,490.87	4,273.00	24,246.16	29,911.00
6812 GAS	173.29	243.00	1,191.36	1,701.00
6813 TELEPHONE	106.78	90.00	908.69	630.00
6814 WATER/SEWER	.00	2,103.00	12,389.94	14,721.00
6994 CAPITAL EXPENDITURES	.00	125.00	30,000.00	875.00
TOTAL DISBURSEMENTS.....	22,036.24	25,826.00	196,871.67	180,782.00
CASH GAIN/LOSS(-).....	6,103.33	1,200.00	12,052.19-	8,400.00

SUMMARY OF TOTAL CASH AVAILABLE				
OPERATING ACCOUNT				
CASH, BEG. OF PERIOD...	3,052.21	.00	8,487.10	.00
CASH, GAIN/LOSS(-).....	6,103.33	1,200.00	12,052.19-	8,400.00
TRANSFER FROM RESERVE..	5,000.00	.00	82,944.61	.00
TRANSFER TO RESERVE(-).	1,596.56-	1,200.00-	66,820.54-	8,400.00-
CASH, END OF PERIOD.....	12,558.98	.00	12,558.98	.00
RESERVE ACCT, END OF PERIOD.	85,902.95		85,902.95	
TOTAL CASH AVAILABLE.....	98,461.93		98,461.93	

We certify that the Statement of Cash receipts and Disbursements was prepared in accordance with generally accepted accounting principals.

Zane Darned

Summary of Sales Contract Provisions

The Sales Contract and Deposit Receipt used in connection with the Project contains, among other things, acknowledgments by each buyer that: (i) time is of the essence in the Sales Contract, and if Buyer fails to perform any obligations required in the Sales Contract, Seller may, upon written notice of ten (10) days, terminate the Sales Contract and keep all sums previously paid by Buyer as liquidated damages; (ii) that Seller 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 "I"

Summary of Escrow Agreement Provisions

Among other provisions, the Escrow Agreement dated July 22, 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 and Deposit Receipt (hereinafter "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 Seller'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 Seller.

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 "J"

HALE KAHEKA

DISCLOSURE ABSTRACT

(Section 514A-61, Hawaii Revised Statutes)

1. Name of Project: Hale Kaheka
930 Kaheka Street
Honolulu, Hawaii

The developer of the Project was Central Kaheka Associates, a Hawaii limited partnership, whose principal place of business and post office address was 841 Bishop Street, Suite 1808, Honolulu, Hawaii 96813.

Pankow Development - Hale Kaheka, A California Limited Partnership ("PDHK"), is the successor in interest to the twenty-six (26) apartments in the Project being sold pursuant to this Second Supplementary Public Report. PDHK is a California limited partnership with principal place of business at 2476 North Lake Avenue, Altadena, California 91001, and post office address of P.O. Box 253, Altadena, California 91001.

Project Manager: Chaney Brooks & Company
606 Coral Street
Honolulu, Hawaii 96813
Telephone: (808) 544-1600

2. Maintenance Fees:

Attached is a breakdown of the monthly maintenance fees for the units covered by this Second Supplementary Public Report prepared by the Chaney Brooks & Company as of June 25, 1987. The maintenance fees cover the "common expenses" as defined in the Bylaws of the Association of Apartment Owners of Hale Kaheka. Also attached is a letter dated June 25, 1987, from Chaney Brooks & Company,

certifying that the maintenance fee schedule is based on generally accepted accounting principles.

Variables as inflation, uninsured casualty loss or damages, apartment owner delinquencies and other factors may cause the future maintenance fees to be greater than the present maintenance fees. The attached breakdown of the estimated costs for each apartment do not include the purchaser's obligations for the payment of real property taxes or mortgage loans.

3. Warranties:

The Project consists of one building constructed in 1982. The Project and the apartments are being sold on an "as is" basis, without any warranties whatsoever, express or implied. However, the major appliances and fixtures installed in the apartments are covered by limited warranties. Paragraph 13 of the Deposit Receipt and Sales Contract provides as follows:

(a) The Buyer understands and agrees that the Seller is disclaiming any warranties, either express or implied including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the project or the apartment. Each apartment will be deemed to be sold "as is", and the Seller 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. This means that the Buyer will not have the right to file any lawsuit for damages against the Seller for any defects later discovered by the Buyer.

(b) Seller warrants and Buyer will acknowledge in writing that all major appliances, plumbing and electrical and/or gas fixtures included in the sale will be in working order consistent with their age as of the date of closing or occupancy, if earlier. No further warranty is expressed or implied.

4. Apartments:

PDHK is selling twenty-six (26) apartments of the Project. The apartments in the Project may be used only for residential purposes and may not be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The apartments shall not be rented for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty days, or (ii) any rental in which the occupants of the apartment are provided customary hotel services. The apartments shall not be sold, leased, rented or used for any

"time-sharing" or related or similar purpose. PDHK will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of the apartments in the Project. PDHK 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. PDHK hereby expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project.

5. Commercial Development:

The Project contains one parking lot apartment used for commercial purposes.

JUN 30 1987

June 25, 1987

William C. Byrns, Attorney at Law
Bays, Deaver, Hiatt, Kawachika, Lezak
Attorneys at Law
P.O. Box 1760
Honolulu, HI 96806

Dear Mr. Byrns;

In response to your letter of June 12, 1987, please find enclosed the information you requested.

The fees herein were determined based on generally accepted accounting principles by Chaney, Brooks and Company.

Sincerely,

MANAGING AGENT



Zana Harned
Property Manager

Enclosure

5759q/cd

Main Office

Downtown Office

Central Oahu Office

Maui Island Office

Hawaii Island Office

Kauai Island Office

606 Coral Street, P.O. Box 212, Honolulu, Hawaii 96810 ☐ Telephone (808) 544-1600

810 Richards Street, Suite 800, P.O. Box 212, Honolulu, Hawaii 96810 ☐ Telephone (808) 544-1620

94-1024 Waipio Uka Street, #201, Waipahu, Hawaii 96797 ☐ Telephone (808) 676-2255

666 Front Street, Suite 129, Lahaina, Maui 96761 ☐ Telephone (808) 667-9547

75-5706 Hanama Place, Suite 202, P.O. Box 670, Kailua, Kona 96745 ☐ Telephone (808) 329-3121

Post Office Box 899, Hanalei, Kauai, Hawaii 96714 ☐ Telephone (808) 826-9688

<u>UNIT NO.</u>	<u>MONTHLY FEES</u>	<u>ANNUAL FEES</u>
303	\$238.95	\$2,867.40
403	238.95	2,867.40
505	174.02	2,088.24
901	176.62	2,119.44
1001	176.62	2,119.44
1005	174.02	2,088.24
1201	176.62	2,119.44
1501	176.62	2,119.44
1605	174.02	2,088.24
1703	116.88	1,402.56
1805	174.02	2,088.24
2305	174.02	2,088.24
2705	174.02	2,088.24
2905	174.02	2,088.24
3005	174.02	2,088.24
3105	174.02	2,088.24
3205	174.02	2,088.24
3302	116.88	1,402.56
3305	174.02	2,088.24
3402	116.88	1,402.56
3405	174.02	2,088.24
3502	116.88	1,402.56
3505	174.02	2,088.24
3601	176.62	2,119.44
3605	174.02	2,088.24

5759q/cd