



**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

FOSTER GARDEN HILL  
(formerly known as Kingsplace)  
2040 and 2034 Nuuanu Avenue  
Honolulu, Hawaii

Registration No. 1509

Issued: December 22, 1988  
Expires: June 22, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 13, 19 88 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 August 23, 1982
  - Final Public Report dated May 10, 1985
  - 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.

On July 25, 1986, a Complaint for foreclosure of mortgage was filed against Kingsplace Associates (the "Developer"), the developer of the Project, among others, in the Circuit Court of the First Circuit, State of Hawaii (Civil No. 86-2872) by Federal Savings and Loan Insurance Corporation ("FSLIC") as Receiver for Guaranty Savings and Loan Association, the lender for the Project. At the time of filing of the Complaint, the Developer had not sold any apartments in the Project.

By Findings of Fact, Conclusions of Law, Order Granting Summary Judgment as to Counts I and II and For Interlocutory Decree of Foreclosure; Exhibit "A" filed on May 18, 1987, the Court granted the FSLIC's Motion for Partial Summary Judgment as to Counts I and II and Interlocutory Decree of Foreclosure and appointed Albert Fujisawa as the Commissioner to sell the Project. On October 8, 1987, the Court confirmed the sale of the Project to Nihon Kyodo Shimpan Co., Ltd. or its nominee. The Project was assigned by Commissioner's Assignment of Lease dated October 13, 1987 to Mitsugi America Corporation ("Mitsugi"), a California corporation, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 21260 at Page 37, by Quitclaim Assignment of Lease dated October 22, 1987, and recorded as aforesaid in Liber 21260 at Page 78, by Commissioner's Bill of Sale dated October 13, 1987, and recorded as aforesaid in Liber 21260 at Page 48 and by Quitclaim Bill of Sale dated October 22, 1987, and recorded as aforesaid in Liber 21260 at Page 68.

Subsequent thereto the Project was further assigned by Mitsugi to Tosei Hawaii, Inc. ("Tosei"), a Hawaii corporation, by Assignment of Leases dated June 6, 1988 and recorded as aforesaid in Liber 22013 at Page 342 and by Bill of Sale dated June 6, 1988 and recorded as aforesaid in Liber 22013 at Page 357.

After its acquisition, Tosei changed the Project's name to Foster Garden Hill.

This Supplementary Public Report replaces the Commission's Preliminary and Final Public Reports in their entirety. A comprehensive reading of this Supplementary Public Report is urged in order that personal requirements and expectations to be derived from the Project can be ascertained.

\*\*\*\*\*  
SPECIAL ATTENTION  
\*\*\*\*\*

- \* The developer has disclosed the following:
  - \* (1) The individual apartments are fee simple, but the underlying land is leasehold interest. At the end of the lease term, the land reverts to the fee property owner and the improvements on the property will have to be removed or disposed or convey the building and improvements to the fee property owner. Refer to page 9 for more information.
  - \* (2) The apartments are sold in "as is" condition. The developer disclaims any and all warranties on the apartments, common elements, construction and appliances. (See page 16.)
- \* The prospective purchasers are cautioned to carefully review the documents
- \* for further information with regard to the foregoing.

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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:

Fee simple interest in an individual apartment and an undivided interest in the common elements of the project (exclusive of the land) and an undivided leasehold interest in the land.

**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

Apt. Type	Qty	BR/Bath	Net Living Area*	sq. ft.	Lanai/Patio	Total Net Area
A	28	1 BR/1 Bath	581.52		_____	581.52
B	28	1 BR/1 Bath	550.87		_____	550.87
C	26	Studio/1 Bath	394.65		_____	394.65
C-1	1	1 BR/1 Bath	800.16		_____	800.16
D	2	2 BR/2 Baths	1562.01		_____	1562.01
E	1	3 BR/3-1/2 Baths	3086.67		2 lanais (83.94 sq. ft)	3170.61
Total Apartments:		86				

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

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

**6. Parking:**

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>100</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	<u>5</u>
Other: _____	_____
Total Parking Stalls	<u>105</u>

- 7. Recreational amenities: Swimming pool, whirlpool, barbecue pits, picnic tables and benches.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: TOSEI HAWAII, INC. Phone: 947-9995  
Name (Business)  
2270 Kalakaua Avenue, #1401  
Business Address  
Honolulu, Hawaii 96815

Names of officers or general partners of developers who are corporations or partnerships:  
Seiichiro Yamaguchi, President/Treasurer  
Makoto Yamaguchi, Vice President/Secretary  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Sales Agent: HAWAIIAN JOY, LTD. Phone: 923-1888  
(Attn.: Mr. Seiji Fukayama) - (Business)  
Name  
2270 Kalakaua Avenue, #1401  
Business Address  
Honolulu, Hawaii 96815

Escrow: FOUNDERS ESCROW CORPORATION Phone: 531-0226  
Name (Business)  
900 Fort Street, Suite 1000  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: HAWAIIAN JOY, LTD. Phone: 923-1888  
(Attn.: Mr. Seiji Fukayama) (Business)  
Name  
2270 Kalakaua Avenue, #1401  
Business Address  
Honolulu, Hawaii 96815

Attorney for Developer: IKAZAKI, DEVENS, LO, YOUTH & NAKANO Phone: 521-1456  
(Attn.: Richard C. Lo, Esq., James H. Q. Lee, Esq.)  
Name  
220 S. King Street, Suite 1600  
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 18591 Page 258  
 Filed — Land Court — Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

First Amendment dated October 24, 1988 recorded in Liber 22575, Page 017.

- 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. 953  
 Filed — Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

- 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 18591 Page 291  
 Filed — Land Court — Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

- D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and 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>67%</u>
House Rules	—	<u>67%</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:

See Exhibit "A" attached hereto and made a part hereof.

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 \_\_\_\_\_ 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.

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: November 30, 2053  
Rent Renegotiation Date(s): December 1, 2013; December 1, 2023;  
December 1, 2033; December 1, 2043

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

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

Other:

For Subleaseholds:

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

First Division

B. Underlying Land:

Address: 2040 and 2034 Nuuanu Avenue  
Honolulu, Hawaii

Tax Map Key: 1-7-12-13  
1-7-12-14  
(TMK)

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

Land Area: 26,017 [X] square feet [ ] acre(s)

Zoning: A-4

Fee Owner: Harry Shotaro Uyehara  
Helen M. Uyehara  
name  
2951 Park Street  
address  
Honolulu, Hawaii 96817

Tosei Hawaii, Inc.  
2270 Kalakaua Avenue, #1401  
Honolulu, Hawaii 96815

Sublessor:  
name  
address

C. Buildings and Other Improvements:

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

2. Buildings: 1 Floors Per Building: 19

[X] Exhibit "C" contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [ ] Wood

[ ] Other \_\_\_\_\_

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[ ] Commercial	_____	[ ] Industrial	_____
[X] Residential	<u>86</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: No livestock, poultry, rabbits or other animals whatsoever, except orthodox household pets (as defined by the Board)

[ ] Number of Occupants: The apartments shall be occupied and used for residential

[x] Other: purposes only.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 86 2 fire stairways  
 1 to garage  
 Elevators 2 Stairways 1 to basement Trash Chutes 1

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio	Total Net Area
A	28	1 BR/1 Bath	581.52 sq. ft.		581.52 sq. ft.
B	28	1 BR/1 Bath	550.87		550.87
C	26	Studio/1 Bath	394.65		394.65
C-1	1	1 BR/1 Bath	800.16		800.16
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E	1	3 BR/3-1/2 Baths	3086.67	2 lanais 83.94 sq. ft.)	3170.61

\*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:

See Exhibit "D" attached hereto and made a part hereof.

Permitted Alterations to Apartments:

See Exhibit "E" attached hereto and made a part hereof.

7. Parking Stalls:

Total Parking Stalls: 105

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>Compact Tandem covered</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>84</u>	<u>        </u>	<u>4</u>	<u>        </u>	<u>8</u>	<u>        </u>	<u>4</u>	100
Guest Unassigned	<u>        </u>							
Extra Available for Purchase	<u>1</u>	<u>        </u>	<u>4</u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	
Other:	<u>        </u>							
<b>Total Covered &amp; Open</b>	<u>85</u>	<u>        </u>	<u>8</u>	<u>        </u>	<u>8</u>	<u>        </u>	<u>4</u>	105

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 "F" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: whirlpool, barbecue pits, picnic tables & benches

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

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

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

Zoning variance no. 85/ZBA-162 was granted to allow the construction of a 4 feet 6 inches high chain link fence along portions of the northwestern and northeastern boundaries of the site to provide safety and security for the swimming pool/recreation area.

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u>  X  </u>	<u>      </u>	<u>      </u>
Structures	<u>  X  </u>	<u>      </u>	<u>      </u>
Lot	<u>  X  </u>	<u>      </u>	<u>      </u>

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   G   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 \_\_\_\_\_

as follows: Each of the 105 parking stalls in the project shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned as set forth in the Declaration. See Exhibit "F".

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 \_\_\_\_\_ describes the common interests for each apartment.

as follows:

<u>Apt. Type</u>	<u>Common Interest</u>
A	1.190%
B	1.110%
C	0.826%
C-1	1.654%
D	3.112%
E	6.246%

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

Exhibit "H" describes the encumbrances against the title contained in the title report dated September 14, 1988

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.

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

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

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. 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>
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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 "I" 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 type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable         |
| <input 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:

All apartments, together with the common elements, furnishings and appliances, are being offered for sale by Seller in their present condition, "AS IS". Seller hereby disclaims any and all warranties of any kind whatsoever, express or implied, on the apartments and their construction, the common elements and their construction, the furnishings, appliances, including, without limitation, any implied warranties of merchantability or habitability of the apartments, common elements, furnishings, and appliances or their fitness for any particular purpose.

2. Appliances:

Same as above.

J. Status of Construction and Estimated Completion Date:

The construction of the project is completed; the Certificate of Occupancy was approved by the Building Department of the City and County of Honolulu on September 3, 1985.

K. Project Phases:

The developer [ ] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

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

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated September 29, 1988

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

[ ] Other \_\_\_\_\_

#### IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Street Widening. The City and County of Honolulu ("City") intends to widen Nuuanu Avenue sometime in the future. The land upon which the Project is located contains four parcels (Lots 1 through 4). Lots 1 and 2 make up approximately a 10-foot wide strip of land to be conveyed to the City for such road widening in the future. Until such time as the strip of land is conveyed to the City such parcels of land remain a part of the common elements of the Project.

Conversion. The Project was completed in 1985. On September 3, 1985, the Building Department of the City and County of Honolulu issued a Certificate of Occupancy for the Project. After issuance of the Certificate of Occupancy, the Project remained unoccupied until June, 1988, when some of the units were rented out. The majority of the units however, remain new and have never been occupied.

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. 1509 filed with the Real Estate Commission on July 21, 1982.

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

yellow paper stock                       white paper stock                       pink paper stock

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

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

  
\_\_\_\_\_  
GLORIA DAMRON, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS TO CHANGE THE  
DECLARATION, CONDOMINIUM MAP, BY-LAWS OR HOUSE RULES

The Developer expressly reserves the right to successively amend the Declaration without the consent of or joinder of persons then owning or leasing the apartments:

(i) By filing an amendment to the Declaration pursuant to the provisions of Section 514A-12, Hawaii Revised Statutes, after completion of the building described herein, by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built;

(ii) As may be necessary to redesignate any or all of the parking stalls as limited common elements appurtenant to certain apartments other than the apartment to which it is assigned, provided that no conveyance shall have previously been issued conveying such stall; or

(iii) As may be required by law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the Project, or any institutional lender lending funds on the security of the Project or any of the apartments thereof; or

(iv) As may be necessary to change the layout, location and dimensions of Apartment No. PH1 into two or three apartments, provided that no Condominium Conveyance Document or other conveyance shall have been previously issued conveying such apartment; provided, further, that no such amendment (a) shall change the common interest appurtenant to the remaining apartments in the Project and (b) shall be made without the consent of and joinder in such amendment by the owner of such Apartment No. PH1 and all others, if any, having an interest therein.

EXHIBIT "B"

SCHEDULE OF LEASE RENT FOR EACH APARTMENT PER MONTH

<u>Period</u>	<u>Type A Apts.</u>	<u>Type B Apts.</u>	<u>Type C Apts.</u>	<u>Type C-1 Apts.</u>	<u>Type D Apts.</u>	<u>Type E Apt.</u>
- 11/30/88	61.88	57.72	42.96	86.01	161.83	324.80
12/1/88 - 11/30/93	66.17	61.72	45.93	91.97	173.03	347.28
12/1/93 - 11/30/98	86.04	80.26	59.72	119.59	225.00	451.59
12/1/98 - 11/30/2003	93.30	87.03	64.76	129.68	243.98	489.69
12/1/2003 - 11/30/2008	121.38	113.22	84.26	168.71	317.43	637.10
12/1/2008 - 11/30/2013	134.00	124.99	93.01	186.24	350.42	703.30

12/1/2013 - 11/30/2023      The annual rental payable shall be the Apartment Owner's  
 12/1/2023 - 11/30/2033      proportionate share of the total annual rental established  
 12/1/2033 - 11/30/2043      for the land.  
 12/1/2043 - 11/30/2053

EXHIBIT "C"

DESCRIPTION OF BUILDING AND APARTMENTS

DESCRIPTION OF BUILDING:

The 19-story building of the Project, consists of eight levels of parking (one level in the basement, three levels on the first floor, two levels on the second floor and two levels on the third floor) and sixteen (16) apartment floors containing eighty-six (86) apartments.

1. Basement. The basement consists of a meeting room, hall, two (2) toilets, a shower, two (2) saunas, an elevator lobby, switch room, mechanical equipment room, two (2) ante rooms, and twenty-six (26) parking stalls numbered B1 through B26. Parking Stalls Nos. B3 and B4, B5 and B6, B9 and B10, B11 and B12, B13 and B14, and B15 and B16 are tandem stalls (two in a row). In addition, Parking Stalls Nos. B9, B10, B11 and B12 are compact stalls.

2. First Floor (Levels 1A, 1B and 1C). The first floor consists of three levels of parking designated as Levels 1A, 1B and 1C. There is also a lobby and office on Level 1B.

(a) Level 1A consists of nine (9) parking stalls numbered B27 through B35. Parking Stall B27 is a compact stall.

(b) Level 1B consists of an office, lobby, elevator lobby, trash room, pump room, and twelve (12) parking stalls numbered 101 through 112.

(c) Level 1C consists of nine (9) parking stalls numbered 113 through 121. Parking Stall 113 is a compact stall.

3. Second Floor, (Levels 2 and 2A). The second floor consists of two levels of parking designated as Levels 2 and 2A.

(a) Level 2 consists of an elevator lobby and thirteen (13) parking stalls numbered 201 through 213.

(b) Level 2A consists of nine (9) parking stalls numbered 214 through 222. Parking Stall 214 is a compact stall.

4. Third Floor (Levels 3 and 3A). The third floor consists of two levels of parking designated as Levels 3 and 3A.

(a) Level 3 consists of an elevator lobby and eighteen (18) parking stalls numbered 301 through 318. Parking Stalls 315, 316, 317 and 318 are compact stalls.

(b) Level 3A consists of nine (9) parking stalls numbered 319 through 327. Parking Stall 319 is a compact stall.

5. Apartment Floors. The residential floors of the building are numbered "4" through "12" and "14" through "19", with the number "13" being omitted, and the top floor being designated as "PH" (Penthouse). There will be six (6) apartments on each of the 4th through 12th and 14th through 17th floors, five (5) apartments on the 18th floor, two (2) apartments on the 19th floor, and one (1) apartment on the Penthouse floor, for a total of eighty-six (86) apartments. There is a corridor on each apartment floor, leading to the elevator lobby and two (2) elevators, two (2) stairways and a trash chute. There is also an ante room and electrical closet on each apartment floor.

6. Amenities. The amenities of the project will include a swimming pool, a whirlpool, barbecue pits, picnic tables and benches, and landscaping.

LOCATION, NUMBERING AND DESCRIPTION OF APARTMENTS:

There will be 6 residential apartments on each of the 4th through 17th floors (there is no 13th floor), five (5) apartments on the 18th floor, two (2) apartments on the 19th floor, and one (1) apartment on the Penthouse floor, for a total of 86 residential apartments. The apartments on the 4th through 17th floors are numbered "01" through "06" preceded by the number of the floor ("4" through "12" and "14" through "17"), as shown on said Condominium Map. The apartments on the 4th through 17th floors are numbered from the Diamond Head end of the building (fronting Nuuanu

Avenue) to the Ewa end with the "01" apartment being on the Diamond Head end. The apartments on the 18th floor are numbered 1801 to 1805 starting with Apartment 1801 on the Diamond Head end of the building (fronting Nuuanu Avenue) to the Ewa end of the building. The apartments on the 19th floor are numbered 1901 and 1902 with Apartment 1901 being on the Diamond Head end of the building (fronting Nuuanu Avenue). The apartment on the Penthouse floor is numbered PH1.

The 86 residential apartments consist of 6 different types as follows:

1. Type A (one-bedroom/one-bath). Each Type A apartment has an entry, living/dining room, kitchen, one bedroom, dressing room and one bathroom, with a net living area of approximately 581.52 square feet and a gross apartment area of approximately 634 square feet. Each "01" (except Apartment 1901) and "06" apartment and Apartment 1805 is a Type A apartment, as shown on said Condominium Map. There are 28 Type A apartments.

2. Type B (one-bedroom/one-bath). Each Type B apartment has an entry, living/dining room, kitchen, one bedroom, dressing room and one bathroom, with a net living area of approximately 550.87 square feet and a gross apartment area of approximately 591 square feet. Each "02" (except Apartment 1902) and "05" apartment (except Apartment 1805) and Apartment 1804 is a Type B apartment, as shown on said Condominium Map. There are 28 Type B apartments.

3. Type C (studio). Each Type C apartment has an entry, living/dining room, kitchen, dressing room, one bathroom and storage room, with a net area of approximately 394.65 square feet and a gross apartment area of approximately 440 square feet. Each "03 and "04" apartment is a Type C apartment (except Apartments 1803 and 1804), as shown on said Condominium Map. There are 26 Type C apartments.

4. Type C-1 (one-bedroom/one-bath). The Type C-1 apartment has an entry, living/dining room, kitchen, one bedroom, dressing room, one bathroom, a walk-in closet and storage room, with a net living area of approximately 800.16 square feet and a gross apartment area of approximately 881 square feet. Apartment 1803 is the only Type C-1 apartment, as shown on said Condominium Map.

5. Type D (two-bedrooms/two-baths). Each Type D apartment has a foyer, living room, storage room, bar, dining room, two halls, kitchen, pantry, two bedrooms, two bathrooms, two dressing rooms and a walk-in closet, with a net living area of approximately 1562.01 square feet and a gross apartment area of approximately 1658 square feet. Apartments 1901 and 1902 are Type D apartments, as shown on said Condominium Map. There are 2 Type D apartments.

6. Type E (three-bedrooms/three and one-half baths). The Type E apartment has a foyer, study, living room, dining room, kitchen, three bedrooms, three and one-half bathrooms, three dressing rooms, a family room, bar, laundry, two storage rooms, a pantry, one vestibule, a walk-in closet, five halls and two lanais, with a net living area of approximately 3086.67 square feet plus two lanais of approximately 83.94 square feet, for a total net living area of approximately 3170.61 square feet, and a gross apartment area of approximately 3327 square feet. Apartment PH1 is the only Type E apartment, as shown on said Condominium Map.

Each apartment will have immediate access to a corridor which leads to the elevator lobby and two elevators, two stairways, and trash chute.

EXHIBIT "D"

BOUNDARIES OF EACH APARTMENT

The 86 apartments shall not include the undecorated or unfinished surfaces of the perimeter walls or of the interior loadbearing walls, the floors and perimeter ceiling surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in the Declaration. Each apartment shall include the walls and partitions which are not loadbearing and which are within its perimeter walls; doors and door frames; windows and window frames; lanais, if any; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining or connected thereto; and all fixtures originally installed therein. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment is measured from undecorated or unfinished surfaces of the interior face of perimeter walls, which measurement is referred to herein as the "net living area", and from the exterior face of exterior walls and the center line of party walls, which measurement is referred to in the Declaration as the "gross apartment area", and no reduction is made to account for interior load bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

EXHIBIT "E"

PERMITTED ALTERATIONS TO APARTMENTS

1. The owner of an apartment may make any alterations or additions within an apartment, and the owner of any two or more apartments separated by a common element which is a wall may alter or remove all or portions of the intervening wall, if the structural integrity of the building is not thereby affected and if the finish of the common elements then remaining is then restored to a condition substantially comparable to that of the common element prior to such alterations. Such alterations shall require only the written approval thereof, including the apartment owner's plans therefor, by the Lessors, the holders of first mortgage liens affecting such apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board (which approval by the Board shall not be unreasonably or arbitrarily withheld), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board) and such alterations may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the project as so altered. Prior to the termination of the common ownership of such adjacent apartments, if the intervening wall shall have been altered or removed pursuant to the foregoing provisions and any entry to hallways sealed, the owner of such apartments shall be obligated to restore such intervening wall and hallway entries to substantially the same condition in which the same existed prior to such alteration or removal.

2. The Association shall have the right to grant permits, licenses, and easements over the common elements for utilities, roads and other purposes reasonably necessary or useful for the proper maintenance and operation of the project without the consent of the apartment owners or the Lessors and Developer.

EXHIBIT "F"

INITIAL PARKING STALL ASSIGNMENT

<u>APARTMENT NO.</u>	<u>PARKING STALL(S) NO(S).</u>	<u>LOCATION</u>
401	327	Level 3A
402	311	Level 3
403	319C	Level 3A
404	305	Level 3
405	323	Level 3A
406	308	Level 3
501	320	Level 3A
502	326	Level 3A
503	310	Level 3
504	307	Level 3
505	325	Level 3A
506	309	Level 3
601	324	Level 3A
602	304	Level 3
603	321	Level 3A
604	306	Level 3
605	302	Level 3
606	303	Level 3
701	301	Level 3
702	222	Level 2A
703	322	Level 3A
704	214C	Level 2A
705	210	Level 2
706	312	Level 3
801	220	Level 2A
802	216	Level 2A
803	202	Level 2
804	313	Level 3
805	205	Level 2
806	213	Level 2
901	215	Level 2A
902	206	Level 2
903	218	Level 2A

C - compact parking stalls

<u>APARTMENT NO.</u>	<u>PARKING STALL(S) NO(S).</u>	<u>LOCATION</u>
904	221	Level 2A
905	211	Level 2
906	201	Level 2
1001	217	Level 2A
1002	207	Level 2
1003	212	Level 2
1004	219	Level 2A
1005	204	Level 2
1006	208	Level 2
1101	B24	Basement
1102	115	Level 1C
1103	B27C	Level 1A
1104	B35	Level 1A
1105	B32	Level 1A
1106	B25	Basement
1201	B2	Basement
1202	B20	Basement
1203	B33	Level 1A
1204	119	Level 1C
1205	B19	Basement
1206	B8	Basement
1401	B1	Basement
1402	B26	Basement
1403	118	Level 1C
1404	B29	Level 1A
1405	B31	Level 1A
1406	B21	Basement
1501	B7	Basement
1502	B28	Level 1A
1503	B34	Level 1A
1504	B23	Basement
1505	B22	Basement
1506	114	Level 1C
1601	203	Level 2
1602	116	Level 1C
1603	120	Level 1C
1604	113C	Level 1C
1605	111	Level 1B
1606	B30	Level 1A
1701	B3 & B4 (tandem)	Basement
1702	110	Level 1B
1703	117	Level 1C

C- compact parking stalls

<u>APARTMENT NO.</u>	<u>PARKING STALL(S) NO(S).</u>	<u>LOCATION</u>
1704	121	Level 1C
1705	209	Level 2
1706	B9C & B10C (tandem)	Basement
1801	B11C & B12C (tandem)	Basement
1802	101	Level 1B
1803	109, 112	Level 1B
1804	102	Level 1B
1805	B5 & B6 (tandem)	Basement
1901	107, 108	Level 1B
1902	B17, B18	Basement
PH1*	103, 104, 105, 106	Level 1B
	B13 & B14 (tandem)	Basement
	B15 & B16 (tandem)	Basement

\*NOTE: In addition to the parking stalls noted above, Parking Stalls Nos. 314, 315C, 316C, 317C and 318C, all located in Level 3, will be assigned to Apartment No. PH1. Developer hereby reserves the right to sell to owners of other apartments any or all of such parking stalls, as well as any or all of the above parking stalls, as limited common elements appurtenant to such other apartments and, by way of amendment to the Declaration as therein provided, to redesignate such parking stalls to be appurtenant to other apartments.

C - compact parking stall

EXHIBIT "G"

COMMON ELEMENTS

One estate is hereby designated in all of the remaining portions and appurtenances of the project, herein called the "common elements", including specifically, but not limited to:

1. Said land.
2. All foundations, floor supports, columns, girders, beams, supports, lobbies, halls, elevators, stairways, entrances, exits, unfinished perimeter walls and loadbearing walls and roof of the building.
3. All yards, grounds, landscaping, roads, walkways, loading areas, parking areas and parking stalls, driveways, and all refuse facilities.
4. All ducts, electrical equipment, wiring pipes and other central and appurtenant transmission facilities, installations 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.
5. All tanks, pumps, motors, fans, compressors and ducts.
6. Any and all 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.
7. All recreational facilities, including the swimming pool, whirlpool, barbecue pits, picnic tables and benches located on the grounds of the project, including the Private Park area and facilities more particularly described in the Declaration of Restrictive Covenants (Private Park) dated July 14, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16566 at Page 69; subject, however, to all of the terms and conditions of said Declaration of Restrictive Covenants (Private Park) including without limitation, the obligation by each apartment owner to contribute proportionately to the perpetual maintenance thereof.
8. All of the basement facilities, including the meeting room, toilets, shower and saunas located in the basement.
9. The office and lobby located on Level 1 of the first floor.

EXHIBIT "H"

ENCUMBRANCES AGAINST TITLE

1. Real Property taxes as may be due and owing. For further information on taxes, check with the Finance Director, City and County of Honolulu.

2. AS TO PARCEL I:

Terms, provisions and conditions as contained in that certain Lease by and between Harry Shotaro Uyehara and Helen M. Uyehara, husband and wife, as Lessor, and Jim Anderson, Inc., a Hawaii corporation, as Lessee, dated November 30, 1981, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16096 at Page 1.

Said Lease, by mesne assignments, was assigned to TOSEI HAWAII, INC., a Hawaii corporation, by Assignment of Leases dated June 6, 1988, recorded as aforesaid in Liber 22013 at Page 342.

Consent thereto and Estoppel Certificate by Harry Shotaro Uyehara and Helen M. Uyehara, husband and wife, dated June 2, 1988, recorded as aforesaid in Liber 22013 at Page 352.

3. Terms, provisions and conditions as contained in that certain Deposit, Receipt, Offer and Acceptance dated January 27, 1988, executed by and between Harry Uyehara and Helen Uyehara, as Seller, and Olympia Land (U.S.A.), Inc., a Hawaii corporation, as buyer, as disclosed in that certain instrument dated June 2, 1988, recorded as aforesaid in Liber 22013 at Page 323.

By instrument dated June 2, 1988, recorded as aforesaid in Liber 22013 at Page 323, Olympia Land (U.S.A.), Inc., as Assignor, assigns all of its right, title and interest in and to the foregoing Deposit, Receipt, Offer and Acceptance, to TOSEI HAWAII, INC., a Hawaii corporation.

Consent thereto, by Harry Uyehara and Helen Uyehara, recorded as aforesaid in Liber 22013 at Page 325.

4. AS TO PARCEL II:

Terms, provisions and conditions as contained in that certain Lease by and between Nosredna Properties, a registered Hawaii Limited Partnership, as Lessor, and Kingsplace Associates, a registered Hawaii joint venture, as Lessee, dated June 17, 1982, recorded as aforesaid in Liber 16424 at Page 740.

Said Lease, by mesne assignments, was assigned to TOSEI HAWAII, INC., a Hawaii corporation, by Assignment of Leases dated June 6, 1988, recorded as aforesaid in Liber 22013 at Page 342.

AS TO BOTH PARCELS I AND II:

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

6. Declaration of Restrictive Covenants dated July 14, 1982, recorded as aforesaid in Liber 16566 at Page 60.

7. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by laws set forth in the Declaration of Horizontal Property Regime dated April 18, 1985, recorded as aforesaid in Liber 18591 at Page 258.

8. By-Laws of the Association of Apartment Owners of Kingsplace dated April 18, 1985, recorded as aforesaid in Liber 18591 at Page 291.

9. Condominium Map No. 953 filed in the Bureau of Conveyances, State of Hawaii.

ETHIBIT "I"

AMENDED DISCLOSURE ABSTRACT  
AS OF September 21, 1988

Name of Project: FOSTER GARDEN HILL  
2040 and 2034 Nuuanu Avenue  
Honolulu, Hawaii

Developer: KINGSPLACE ASSOCIATES  
1650 Liliha Street, Room 208  
Honolulu, Hawaii 96817

Seller: TOSEI HAWAII, INC.  
2270 Kalakaua Avenue, #1401  
Honolulu, Hawaii 96815  
Phone: (808) 947-9995

Project Manager: HAWAIIAN JOY, LTD.  
2270 Kalakaua Avenue, #1401  
Honolulu, Hawaii 96815  
Phone: (808) 923-1888

Use of Apartments:

The residential apartments at FOSTER GARDEN HILL shall be occupied and used only for purposes permitted from time to time by applicable zoning ordinances, rules and regulations, including any permissible non-conforming use. The apartments may not be used for any other purpose without the written consent of the Lessor and the Board of Directors of the Association and any governmental agencies whose approval is necessary. The parking stalls may be used as parking spaces for motor vehicles only. The owners of the respective apartments shall have the absolute right to sublet or assign the lease of such apartments subject to all provisions of the Horizontal Property Act, the Declaration and the By-Laws; provided, however, that no apartment owner may sublet or assign the lease of less than the entire apartment.

The extent of use of the project for permanent or temporary residences or transient quarters shall depend upon the individual apartment owners' use of their apartments. There are no commercial units in the project. The

apartments are subject to additional restrictions on the use as set forth in (i) the Declaration of Horizontal Property Regime of FOSTER GARDEN HILL, (ii) the By-Laws, (iii) the Condominium Conveyance Document, (iv) the sales contracts for the individual apartments, and (v) the House Rules. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

Seller's Reservation:

The Seller is considering the division of the Type E (PH1) unit into two or three units. In this connection Seller reserves the right, at its sole discretion, to expand the Project by the addition of two or three units, and to file such documents as may be reasonably required to exercise such right. The percentage interest in the common elements of Buyer under the remaining units will not be affected or changed by subdivision. In the event apartment PH1 is divided, apartment PH1's percentage interest in the common elements will be allocated to the new apartments in accordance to the ratio which the area of the new apartment bears to the total area of apartment PH1.

No Warranties, "As Is":

ALL APARTMENTS, TOGETHER WITH THE COMMON ELEMENTS, FURNISHINGS AND APPLIANCES, ARE BEING OFFERED FOR SALE BY SELLER IN THEIR PRESENT CONDITION, "AS IS". SELLER HEREBY DISCLAIMS ANY AND ALL WARRANTIES OF ANY KIND WHATSOEVER, EXPRESS OR IMPLIED, ON THE APARTMENTS AND THEIR CONSTRUCTION, THE COMMON ELEMENTS AND THEIR CONSTRUCTION, THE FURNISHINGS, APPLIANCES, INCLUDING, WITHOUT LIMITATION, ANY IMPLIED WARRANTIES OF MERCHANTABILITY OR HABITABILITY OF THE APARTMENTS, COMMON ELEMENTS, FURNISHINGS, AND APPLIANCES OR THEIR FITNESS FOR ANY PARTICULAR PURPOSE.

Breakdown of Annual Maintenance Fees and Monthly Estimated Costs for Each Apartment:

THE SELLER ADVISES THAT THE MAINTENANCE FEES OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE PRIOR TO ACTUAL OPERATION OF THE PROJECT AND EVEN IF MAINTENANCE FEES HAVE BEEN ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. THE ESTIMATED MAINTENANCE FEES AND MONTHLY FEES FOR EACH APARTMENT ARE BASED ON THE LATEST INFORMATION AVAILABLE TO THE DEVELOPER AND MANAGEMENT AGENT AND ARE SUBJECT TO

REVISION BASED ON ACTUAL COSTS FOR THE ITEMS ENUMERATED. MAINTENANCE FEES CAN VARY DEPENDING ON SERVICES DESIRED BY APARTMENT OWNERS. THE BUYER SHOULD CHECK THE ATTACHED MAINTENANCE FEE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED THEREIN.

See attached Schedule.

THIS AMENDED DISCLOSURE ABSTRACT SUPERSEDES IN ITS ENTIRETY ANY AND ALL DISCLOSURE ABSTRACTS HERETOFORE PREPARED IN CONNECTION WITH THIS PROJECT, SAID DISCLOSURE ABSTRACT(S) BEING OF NO FURTHER FORCE AND EFFECT.

Foster Garden Hill  
Projection of Annual Maintenance Fee

Building Maintenance:

Major Improvements	\$ 50,000.00
Repairs, Purchases, & Maintenance	<u>\$ 15,000.00</u>
Elevator	\$ 7,800.00
Refuse	<u>\$ 2,400.00</u>

Utilities:

Electricity	\$ 15,000.00
Sewer	<u>\$ 6,500.00</u>
Water	<u>\$ 6,500.00</u>
Telephone	<u>\$ 1,680.00</u>

Payroll:

Salary - Resident Manager	\$ 12,000.00
Payroll Taxes & Benefits	<u>\$ 3,000.00</u>
Loding - Resident Manager	<u>\$ 7,200.00</u>

Administration:

Management Fee	\$ 10,000.00
Office Supplies & Administrative	<u>\$ 4,000.00</u>

Other:

Insurance	\$ 12,000.00
Professional Fee	<u>\$ 3,000.00</u>
Miscellaneous	<u>\$ 1,000.00</u>

TOTAL: \$ 157,080.00

Estimated Figures for the Annual Maintenance  
Fees and the Monthly Cost for Each Unit

	<u>Monthly Cost Per Unit</u>	<u>Annual Maintenance Fee</u>
A	\$148.65	\$1,783.80
B	138.60	1,663.20
C	103.18	1,238.16
C-1	206.59	2,479.08
D	388.71	4,664.52
E	780.12	9,361.44

\*The figures are certified by the management company as being based on generally accepted accounting principles.

  
\_\_\_\_\_  
Seiji Fukayama  
Hawaiian Joy, Ltd.  
(Management Company)

EXHIBIT "J"

SUMMARY OF PROVISIONS OF THE SALES CONTRACT

The Sales Contract establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust funds.

The specimen Sales Contract specifically provides that Purchaser approves the Escrow Agreement, assumes the benefits and obligations therein provided, that Seller makes no warranties with respect to the Project and that Seller has reserved the right to divide PH1 into two or three units.

EXHIBIT "K"

SUMMARY OF PERTINENT PROVISIONS OF THE ESCROW AGREEMENT

Among other provisions, the Escrow Agreement provides that a Buyer shall be entitled to a refund of his funds:

(a) When Refunds Will Be Made. The Sales Contract states when refunds of deposits may be made to the Buyer. Escrow agrees to make any refunds as soon as possible after the Buyer and the Seller notify Escrow in writing that a refund should be made. No refund will be made to any Buyer who asks for it unless Escrow receives written approval from the Seller.

(b) Interest on Refunds. The refunds will be made without any interest unless the Sales Contract contains different instructions.

(c) When Escrow May Subtract Cancellation Fees From Refunds. The words "cancellation fees" mean Escrow's cancellation fees which are described in the Sales Contract and are described later in this Agreement. Fees for cancellation may also be charged by the lender who has agreed to lend the Buyer money to buy the apartment. The Sales Contract states the times when Escrow is to subtract cancellation fees from the amount to be refunded unless the Seller tells Escrow not to charge the cancellation fees.

(d) Written Notice of Refunds. Escrow shall give each Buyer who is to get a refund written notice of the refund. Escrow will send this notice by registered or certified mail to the Buyer at the address shown on the Buyer's Sales Contract or to the last address which the Buyer may have given to Escrow.

The Escrow Agreement also provides when the Buyer's funds may be taken out of Escrow's trust funds:

(a) The Real Estate Commission has issued a final Public Report (the "Final Report") and a supplementary Public Report (the "Supplementary Report") on the Project; and

(b) The Buyer has been given a copy of the Supplementary Report together with a receipt and notice form which complies with Section 514A-62 of the Condominium law; and

(c) The Buyer has signed the receipt and notice form and waived his right to cancel or thirty (30) days have elapsed since the Buyer received a copy of the Supplementary Report and receipt and notice form; and

(d) The Seller notifies Escrow in writing that, since the things described in (a), (b) and (c) above have happened, neither the Buyer nor the Seller may back out of the agreements they made in the Sales Contract. In the same written notice, the Seller shall notify Escrow either that the time in which the Seller or the Buyer could back out of the agreements in the Sales Contract has passed, or that the Seller and the Buyer have said that they will not back out of the agreements in the Sales Contract; and

(e) Buyer's Sales Contract "has become effective", and that "the requirements of Sections 514A-39 and 514A-63, have been met," as said phrases are used in Section 514A-65 of the Horizontal Property Act (Chapter 514A, Hawaii Revised Statutes).