



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

**CONDOMINIUM PUBLIC REPORT**

on

MAILE SKY COURT  
 (formerly known as MAILE COURT)  
 2058 Kuhio Avenue  
 Honolulu, Hawaii

Registration No. 1606

Issued: April 10, 1990  
 Expires: May 10, 1991

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of March 28, 19 90, 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:**      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.  
           *(yellow)*

       **FINAL:**              The developer has legally created a condominium and has filed complete information with the Commission.

- No prior reports have been issued
- Supersedes all prior public reports
- Must be read together with \_\_\_\_\_

  X   **SUPPLEMENTARY:**      Updates information contained in the  
           *(pink)*

- Prelim. Public Report dated \_\_\_\_\_
- Final Public Report dated July 31, 1984
- 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.

[ ] No prior reports have been issued by the Commission.

[X] Changes made are as follows:

1. Construction of the Project was substantially completed in approximately March, 1984 by the original developer of the Project, ESAR Ventures, a Hawaii general partnership.

2. ESAR Ventures filed for bankruptcy, and the Project was purchased by Outrigger Hotels Hawaii ("Outrigger") in 1986, and has been operated as a hotel by Outrigger since that date to the present. None of the apartments in the Project has been sold to purchasers by either ESAR Ventures or Outrigger.

3. On October 31, 1989, Maile Sky Court Co., Ltd., a Japan corporation ("MSCCL") acquired the Project from Outrigger.

4. MSCCL intends to sell the apartments solely in Japan and has continued to retain Outrigger to operate the Project as a hotel under a long-term management contract. Inasmuch as MSCCL did not construct the Project, was not the original owner of the Project, and purchased the Project over 5 years after the Project was completed, it is not the "developer" of the Project. Therefore, although this Supplementary Public Report refers to MSCCL as the "developer", MSCCL is in fact only the owner and seller of the apartments in the Project, and shall not be construed or deemed to be the "developer" of the Project.

5. The name of the Project has been changed to "Maile Sky Court", and MSCCL has filed an Amendment of the Declaration of Horizontal Property Regime and Condominium Map, and Amendment of Bylaws of Association of Apartment Owners for the Project. Among other things, the Amendments served to reduce the number of residential apartments in the Project from 596 apartments to 580 apartments, and redesignated and reassigned certain limited common elements in the Project.

6. The Project is a subleasehold condominium project. Apartments will be conveyed by MSCCL to purchasers by way of a Condominium Conveyance Document, which will expire on October 31, 2050. At closing, the purchasers will be required to lease the apartments back to MSCCL under a Condominium Lease Agreement that has a term ending on June 30, 2026. So long as the Condominium Lease Agreement is in effect, the purchasers may not sell their apartments without giving MSCCL a first right of refusal to purchase the apartments.

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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 "Condominium 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 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

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

**Types of Project:**

1.  New Building(s)  Conversion  
 Both New Building(s) and Conversion
2.  Residential  Commercial  
 Mixed Residential and Commercial  
 Other Hotel operated apartment and commercial
3.  High Rise (5 stories or more)  Low Rise
4.  Single or  Multiple Buildings
5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
	See attached Exhibit "A"			
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 584

*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>170</u>
Guest Stalls	<u>0</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: _____	<u>0</u>
Total Parking Stalls	<u>170</u>

7. Recreational amenities:  
 Swimming pool, jacuzzi, sun deck

## I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Maile Sky Court Co., Ltd. Phone: 03-486-4110 (Tokyo)  
Name 1-13-5 Shibuya, Shibuya-ku (Business)  
Business Address  
Tokyo, Japan 150

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

President: Tetsuo Nishida, President  
Directors: Masanobu Yoshimura, Teruo Katsube, Yoichi Motohiro and  
Mamoru Sasaki  
Statutory Auditor: Hisatsugu Nakamura and Mistsuo Orihara

Real Estate Sales Agent: n/a. Seller to sell Phone: 03-486-4110 (Tokyo)  
Name directly to buyers in Japan. (Business)  
Business Address

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211  
Name 235 Queen Street (Business)  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: To be self-managed. Hotel Phone: (808) 947-2828  
Name operation by Outrigger Hotels (Business)  
Business Address  
Hawaii, 2058 Kuhio Avenue,  
Honolulu, Hawaii 96815

Attorney for Developer: see attached Exhibit "B"  
Name \_\_\_\_\_  
Business Address  
\_\_\_\_\_

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

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

- A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed  
 Recorded - Bureau of Conveyances - Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document Number 1247640

Amendment date(s) and recording/filing information:

Amendment dated March 12, 1990, filed as Land Court Document No. 1716293 & 1716294.

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

The Condominium Map for this condominium project is:

Proposed  
 Recorded - Bureau of Conveyance Condo Map No. \_\_\_\_\_  
 Filed - Land Court Condo Map No. 521

Amendment date(s) and recording/filing information:

Amendment dated March 12, 1990, filed as Land Court Condo Map No. 521, as amended.

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

The Bylaws for this condominium are:

Proposed  
 Recorded - Bureau of Conveyances - Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court - Document Number 1247641

Amendment date(s) and recording/filing information:

Amendment dated March 12, 1990, filed as Land Court Document No. 1716291 & 1716292.

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.

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 common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>Board of Directors</u>

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

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

The developer may amend the Declaration, Condominium Map and Bylaws:

(a) In any manner prior to the first conveyance of an apartment in the Project.

(b) To file the "as built" certificate required by Section 514A-12 of the Condominium Statute.

(c) To effect any change or amendment required by an administrative agency of any state, territory, possession or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the land as a condition precedent to marketing the Project.



**B. Underlying Land:**

Address: 2058 Kuhio Avenue Tax Map Key: 2-6-16: 48, 49 & 50  
Honolulu, Hawaii (TMK)

Address  TMK is expected to change because n/a

Land Area: 28,519  square feet  acre(s) Zoning: Apartment Precinct  
under Waikiki Special  
Design District

James Choy, Dorothy Chin, Rudolph Choy and  
James Choy and Rudy Choy, Trustees of the Katherine  
Fee Owner: Kim Choy Revocable Trust dated July 23, 1976, as amended

Name  
c/o Melvin Y. Kaneshige, Esq.  
745 Fort Street, Suite 1408  
Address  
Honolulu, Hawaii 96813

Sublessor: Maile Sky Court Co., Ltd.  
Name  
1-13-5 Shibuya, Shibuya-ku  
Address  
Tokyo, Japan 150

**C Buildings and Other Improvements:**

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

2. Buildings: 1 Floors Per Building 43  
 Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other steel, glass and allied building materials

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input checked="" type="checkbox"/> Commercial	<u>4</u>	<input type="checkbox"/> Industrial	_____
<input type="checkbox"/> Residential	_____	<input type="checkbox"/> Agricultural	_____
<input checked="" type="checkbox"/> <del>Timeshare</del> Hotel	<u>580</u>	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other: _____			_____

5. Special Use Restrictions:

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

Pets No pets allowed without the consent of the Board of Directors

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

Other: See attached Exhibit "J"

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 584

Elevators \_\_\_\_\_

Stairways \_\_\_\_\_

Trash Chutes \_\_\_\_\_

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
	<u>See attached Exhibit "A"</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 the floor area may have been used.*

Boundaries of Each Apartment:

See attached Exhibit "D"

Permitted Alterations to Apartments:

See attached Exhibit "E"



9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years): n/a

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:

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

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

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

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

\*Independent study about the non-conforming nature of the project is available to purchasers on request. Purchasers are advised to read it as it may affect present and future values.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "F" describes the common elements.

As follows:

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

There are no limited common elements in this project.

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

described in Exhibit "G"

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit "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 "H" describes the encumbrances against the title contained in the title report dated January 29, 1990 and issued by Title Guaranty of Hawaii, Incorporated.

**Blanket Liens:**

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Blanket Mortgage in favor of The Long Term Credit Bank of Japan, Limited and The Mitsubishi Trust and Banking Corporation	Buyer's Sales Contract may be cancelled and Buyer may lose all right to purchase the apartment

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.

[X] self-managed by the Association of Apartment Owners.

[X] other operated as a hotel by Outrigger Hotels Hawaii

**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" & "Ia" contains a <sup>description</sup> ~~schedule~~ of maintenance fees and maintenance fee disbursements, and commercial tenants in the project.

**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 type="checkbox"/> Water & Sewer    |
| <input type="checkbox"/> Other _____               |   |
| <input checked="" type="checkbox"/> Not applicable |   |

**I. Construction Warranties:**

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

**1. Building and Other Improvements:**

The Project was substantially completed in March of 1984. There are no warranties available for the Project and no warranties, express or implied, are being made by the developer/seller. Each Apartment is being sold in "as is" condition.

**2. Appliances:**

No warranties are available and no warranties, express or implied, are being made by the developer/seller. The appliances are being conveyed in "as is" condition.

J. Status of Construction and Estimated Completion Date:

Construction of the Project was substantially completed in March, 1984.

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:

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

Escrow Agreement dated March 27, 1990

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

Other Condominium Conveyance Document and Condominium Lease Agreement and Power of Attorney and Revised Condominium Map Sheets

#### **IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

The Developer intends to market the apartments to purchasers in Japan.

The Public Report is prepared to meet the requirements of the Condominium Laws of the State of Hawaii, not the laws in Japan.

Purchasers in Japan are advised to consult the proper authorities in Japan as to its effects on purchases of properties outside of Japan.

**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 Condominium 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 Condominium Conveyance Document, Condominium Lease Agreement and Power of Attorney and revised Condominium Map Sheets

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. 1606 filed with the Real Estate Commission on  
May 21, 1984.

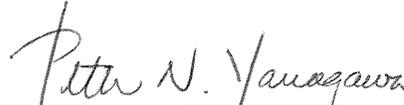
Reproduction of Report. When reproduced, this report must be on:

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.



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PETER N. YANAGAWA, 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"

DESCRIPTION OF APARTMENTS AND PROJECT

The Project consists of one 43-story building containing 584 apartments: 580 residential apartments and 4 commercial apartments.

Although the building is a 43-story building, the floors are numbered ground (first) through 44, since there is no 13th floor. The 4 commercial apartments and the parking stalls in the Project are located on the first through 5th floors.

Each residential apartment has been given a three or four digit apartment number. The first number in a three-digit apartment number and the first two numbers in a four-digit apartment number indicate the floor on which the apartment is located. For example, Apartment No. 701 is located on the seventh floor, and Apartment No. 2809 is located on the 28th floor.

Floor numbers 6 through 24 and floor number 27 each contains 16 apartments. These floors are each similar in layout. Each apartment on these floors consists of one living area and one bathroom. There are no kitchen facilities in any of these apartments.

Floor numbers 25 and 26 contain a total of 4 two-story apartments designated as Apartment Nos. 2601, 2602, 2603 and 2604. Apartment Nos. 2601 and 2602 each contains one living room, one family room, one kitchenette, one study/den, six bathrooms, four bedrooms and one dining room. Apartment Nos. 2603 and 2604 each contains one living room, one family room, one kitchenette, five bedrooms, six bathrooms and one dining room. Access to the apartments on the 25th and 26th floors can be obtained only by taking the elevator to the 26th floor. There is no elevator stop on the 25th floor. Access between the 26th floor and the 25th floor is provided by an interior apartment stairwell connecting these floors.

Floor numbers 28 through 44 each contains 16 apartments. These floors are similar in layout. Each

apartment on these floors consists of one living area and one bathroom, except that the apartments with apartment numbers ending in the numbers "08" and "09" on each of these floors also contain a kitchenette.

As used herein, the term "kitchenette" refers to a two-burner cooktop, an under-the-counter refrigerator and a sink.

The approximate size of the net living area of, and undivided percentage interest in the common elements appurtenant to, each Apartment in the Project are as follows:

1. Floors numbered 6 through 24 and floor numbered 27:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>Apartment Numbers End- ing with the Following Last Two Digits:</u>	<u>Approximate Area (Sq. Ft.)</u>	<u>Square Feet Used for Percentage Interests</u>	<u>Percentage Interest (%)</u>	<u>Total Per- centage In- terest (%)</u>
"01"	228	230	0.1639	3.1141
"02"	206	195	0.1390	2.6410
"03"	237	230	0.1639	3.1141
"04"	185	195	0.1390	2.6410
"05"	185	195	0.1390	2.6410
"06"	237	230	0.1639	3.1141
"07"	206	195	0.1390	2.6410
"08"	228	230	0.1639	3.1141
"09"	225	230	0.1639	3.1141
"10"	206	195	0.1390	2.6410
"11"	237	230	0.1639	3.1141
"12"	195	195	0.1390	2.6410
"13"	195	195	0.1390	2.6410
"14"	237	230	0.1639	3.1141
"15"	206	195	0.1390	2.6410
"16"	225	230	0.1639	3.1141

2. Floors numbered 25 and 26:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>Apartment Numbers</u>	<u>Approximate Area (Sq. Ft.)</u>	<u>Square Feet Used for Percentage Interests</u>	<u>Percentage Interest (%)</u>	<u>Total Percentage Interest (%)</u>
2601	1,766	1,760	1.2532	1.2532
2602	1,766	1,760	1.2532	1.2532
2603	1,758	1,760	1.2532	1.2532
2604	1,758	1,760	1.2532	1.2532

3. Floor numbered 28 through 44:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>Apartment Numbers Ending with the Following Last Two Digits:</u>	<u>Approximate Area (Sq. Ft.)</u>	<u>Square Feet Used for Percentage Interests</u>	<u>Percentage Interest (%)</u>	<u>Total Percentage Interest (%)</u>
"01"	228	230	0.1639	2.7863
"02"	206	195	0.1390	2.3630
"03"	237	230	0.1639	2.7863
"04"	185	195	0.1390	2.3630
"05"	185	195	0.1390	2.3630
"06"	237	230	0.1639	2.7863
"07"	206	195	0.1390	2.3630
"08"	292	290	0.2067	3.5139
"09"	289	290	0.2067	3.5139
"10"	206	195	0.1390	2.3630
"11"	237	230	0.1639	2.7863
"12"	185	195	0.1390	2.3630
"13"	185	195	0.1390	2.3630
"14"	237	230	0.1639	2.7863
"15"	206	195	0.1390	2.3630
"16"	225	230	0.1639	2.7863

4. Commercial Apartments:

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>	<u>5</u>
<u>Apartment Numbers</u>	<u>Approximate Area (Sq. Ft.)</u>	<u>Square Feet Used for Percentage Interests</u>	<u>Percentage Interest (%)</u>	<u>Total Percentage Interest (%)</u>
C-1	6,205	3,100	2.2042	2.2042
C-2	9,511	4,755	3.3864	3.3864
C-3	355	180	0.1262	0.1262
C-4	1,632	815	0.5800	<u>0.5800</u>
				100.0000

Note: 1. The Total Percentage Interests set forth above represent the total percentage interests for apartments of this type. For example, there are 19 apartments on floors numbered 6 through 24 and 27 which end in the digits "01". There is therefore a total percentage interest of 3.1141% for these 19 apartments (.1639% x 19).

2. The percentage interests in the common elements have been calculated on the basis of the square footages of the apartments which are identified in column 3 above. (For example, for purposes of computing the percentage interest for Apartment 601, the square footage of 230 square feet was used even though the approximate square footage of that apartment is 228 square feet.) The percentage interests set forth above shall be valid and effective, whether or not the Developer's calculations of such interests are accurate or mathematically correct.

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EXHIBIT "B"

ATTORNEYS FOR DEVELOPER

1. Matsubara, Lee & Kotake  
Attn: Mr. Mervyn Kotake  
888 Mililani Street, 8th Floor  
Honolulu, Hawaii 96813
  
2. Cades Schutte Fleming & Wright  
Attn: Ms. Rene Ojiri  
1000 Bishop Street, Suite 1000  
Honolulu, Hawaii 96813
  
3. Okinobu & Ishihara  
Attn: Mr. Haruhiko Okinobu  
7F, Samon Eleven Building  
3-1 Samon-cho, Shinjuku-ku  
Tokyo 160, Japan

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EXHIBIT "C"

DESCRIPTION OF LEASEHOLD NATURE OF PROJECT

The Apartments will be conveyed on a subleasehold basis. The fee owners of the land (the "Land") on which the Project is located have, through mesne assignments, leased the Land to the developer. That lease (the "Master Lease") is dated November 27, 1973, filed as Land Court Document No. 668494. The term of the Master Lease expires on October 31, 2050. The lease rent is fixed under the Master Lease as follows:

November 1, 1973 - October 31, 1975:	\$20,000/year
November 1, 1975 - October 31, 1990:	\$50,000/year
November 1, 1990 - October 31, 2015:	\$82,500/year

Thereafter, the lease rent will be renegotiated for three 10-year periods and one 5-year period. The rent is payable monthly.

The developer will convey apartments to purchasers pursuant to a sublease entitled "Condominium Conveyance Document". The Condominium Conveyance Documents have a term which expires on October 31, 2050. The lease rent payable by the purchasers under the Condominium Conveyance Documents will be fixed through October 31, 2015. Until October 31, 2015, the rent for each apartment will be equal to \$82,500 per year, multiplied by the apartment's appurtenant undivided percentage interest in the Land. The rent is payable monthly. Thereafter, the lease rent payable under each Condominium Conveyance Document will be equal to the lease rent payable under the Master Lease, multiplied by each apartment's appurtenant undivided percentage interest in the Land. The Condominium Conveyance Documents give the apartment owners, acting through the Project's Board of Directors, the right to negotiate with the fee owners on the rent payable under the Master Lease for the renegotiated rent periods.

It is the developer's expectation that so long as the Project is operated as a hotel, the hotel operator will deduct from the revenue derived from the Project, and pay directly to the fee owners, the rent payable under the Condominium Conveyance Documents and the rent payable under the Master Lease.

Upon the termination of the Condominium Conveyance Documents and the Master Lease, the Land and the improvements on the Land will be surrendered to, and owned by, the fee owners.

EXHIBIT "D"

DESCRIPTION OF BOUNDARIES OF EACH APARTMENT

Each Apartment shall be deemed to include all walls, columns and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, door frames, windows, window frames or panels along the perimeter and the air-space within the perimeters. The Apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter (party and non-party) walls, the interior load-bearing columns, girders, beams and walls, the floors and ceilings surrounding each Apartment or any pipes, shafts, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment.

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EXHIBIT "E"

PERMITTED ALTERATIONS TO EACH APARTMENT

The Project's Declaration of Horizontal Property Regime provides in part as follows:

"The owner of a residential apartment shall not, without the prior written consent of the Board, make any structural alterations in or additions to the apartment or make any alterations in or additions to the exterior of the apartment (including awnings, jalousies or screens) or to any other portion or portions of the common elements unless otherwise provided for herein or in the Bylaws."

"Notwithstanding anything to the contrary contained in this Declaration, the Bylaws or the House Rules, the owner of a commercial apartment may, without the consent of the Association, the Board, the Fee Owner, the Developer or any apartment owner: (a) alter the layout of spaces within the commercial apartment and may install, maintain and rearrange partitions and other improvements within the commercial apartment, so long as such changes to the commercial apartment (i) do not affect the structural integrity of the Project and (ii) conform to all applicable laws, and (b) display any sign (electrical or otherwise) on the interior or exterior of the commercial apartment, provided such sign (i) promotes the business being conducted at the apartment and (ii) conforms to all applicable laws."

EXHIBIT "F"

DESCRIPTION OF COMMON ELEMENTS

The Project's common elements include the limited common elements described in Exhibit "G" and all other portions of the Project other than the apartments and all other common elements mentioned in the Condominium Statute (Chapter 514A, HRS) which are actually included in the Project, including specifically but not limited to:

- (a) The land on which the Project is situated.
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, chases, corridors, foyers and walls and walkways around the Project.
- (c) All yards, grounds, landscaping, retaining walls, planters, the recreational deck, swimming pool, jacuzzi, sun deck and bath facilities located on the ground floor and fifth floor, lobbies, foyers, waiting areas and all refuse facilities.
- (d) 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 and radio (but specifically excluding any and all transmission facilities, installations, cables, telephones and telephone equipment and appurtenances, for telephone and/or television service, which facilities, installations, cables, telephones, equipment and appurtenances will be privately owned by the companies providing such equipment and services).
- (e) Any and all other portions of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use, and which are not included as part of an apartment.

EXHIBIT "G"

DESCRIPTION OF LIMITED COMMON ELEMENTS

The limited common elements of the Project are as follows:

(a) The area on the ground floor and which is outlined in green on sheet A-2 of the Condominium Map shall be appurtenant to commercial apartment C-1.

(b) The deck area located at the makai/ewa corner of the fifth floor and which is outlined in black on sheet A6 of the Condominium Map shall be appurtenant to commercial apartment C-1.

(c) The recreation deck and lounge area located on the fifth floor and which are outlined in yellow/green on sheet A6 of the Condominium Map shall be appurtenant to commercial apartment C-1.

(d) All of the parking stalls in the Project shall be appurtenant to commercial apartment C-1.

(e) The areas on the second, third and fourth floors and which are outlined in pink on sheets A-3, A-4 and A-5, respectively, of the Condominium Map, shall be appurtenant to commercial apartment C-1.

(f) All of the rooftop of the Project's building, and all of the rooms on the rooftop which are located on the Diamond Head side of the stairs leading to the roof, as outlined in yellow on sheet A-14 of the Condominium Map, and all of the airspace above such rooftop and rooms, shall be appurtenant to commercial apartment C-1 and may be used for, among other purposes, the purpose of installing and commercially operating transmission and receiving facilities, installations, equipment and appurtenances, including antennas, cables, receivers, etc., for radio, television, microwave, cablevision and any other type of transmission and receiving signals and facilities. Notwithstanding the foregoing, the Association shall be responsible, as a common expense of the Association, for the maintenance and repair of the roof of the Project's building; provided, however, that the maintenance and repair of any facilities, installations, equipment and

appurtenances installed upon the roof shall be the obligation of the installer and/or owner of commercial apartment C-1.

The limited common elements may be used in any manner and for any purpose permitted by law, and the owner of the apartment(s) to which such limited common elements may from time to time be appurtenant may enter into leases with, or grant licenses, easements or concessions to, or enter into any other agreement with, third-parties covering all or any portion of such limited common elements, upon such terms and conditions as may be desired by such owner.

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EXHIBIT "H"

DESCRIPTION OF ENCUMBRANCES

1. -AS TO SECOND (LOT 191-A):-

(A) Easement "15" for sanitary sewer purposes, situate over and across Lot 191, as shown on Map 62, as set forth by Land Court Order No. 30500, filed August 22, 1969.

(B) Grant in favor of the City and County of Honolulu, dated May 28, 1969, filed as Land Court Document No. 481583; granting an easement for sewer purposes over Easement "15".

(C) Agreement dated April 8, 1974, filed as Land Court Document No. 682343, by and among Katherine Kim Choy, unmarried, James Choy, husband of Alice Kam Choy, Rudolph Choy, husband of Ivanelle Mountcastle Choy, Dorothy Chin, wife of King Chin, The City and County of Honolulu, The Board of Water Supply, City and County of Honolulu, and The Hawaii corporation; re: the relocation of the sewer line from its present location on that certain portion of Lot 191 to Easement "15".

(D) Grant in favor of Hawaiian Electric Company, Inc., dated June 14, 1984, filed as Land Court Document No. 1250224; granting an easement for utility purposes over Lot 191. Consent thereto given by ESAR Ventures, a Hawaii general partnership, First Federal Savings and Loan Association of Rogers, a Federal savings and loan association, by instrument dated June 14, 1984, filed as Land Court Document No. 1250225.

2. Agreement dated April 23, 1976, filed as Land Court Document No. 762314; re: The Hawaii Corporation agrees to and with Katherine Kim Choy, et al., that neither the aforesaid assignment by Mandarin Capital Investment nor the within consent by said Katherine Kim Choy, et al., shall relieve or release The Hawaii Corporation from any of the terms, covenants or obligations in said lease contained.

3. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime dated July 16, 1984, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1247640, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 521.) Consent thereto given by James Choy, Dorothy Chin, aka Dorothy Choy Chin, Rudolph Choy, aka Rudy Choy, Katherine Kim Choy Revocable Trust dated July 23, 1976, as amended, James Choy, Trustee aforesaid, and Rudy Choy, Trustee aforesaid, Fee Owners, and ESAR Ventures, Lessee, by instrument dated July 16, 1984, filed as Land Court Document No. 1247642.
  
4. By-Laws of the Association of Apartment Owners of the Condominium Project known as "MAILE COURT" dated July 16, 1984, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1247641, as the same may hereafter be amended. Consent thereto given by James Choy, Dorothy Chin, aka Dorothy Choy Chin, Rudolph Choy, aka Rudy Choy, Katherine Kim Choy Revocable Trust dated July 23, 1976, as amended, James Choy, Trustee aforesaid, and Rudy Choy, Trustee aforesaid, Fee Owners, and ESAR Ventures, Lessee, by instrument dated July 16, 1984, filed as Land Court Document No. 1247642.
  
5. Grant in favor of Gasco, Inc., a Hawaii corporation, dated September 26, 1984, filed as Land Court Document No. 1262887; granting an easement for underground gas pipeline purposes across, through and under Lots 83, 191, 82 and 81 for the term of the Blue Star Piping Allowance Gas Supply Contract dated May 4, 1984 (term: 5 years or a total gas usage of 261,000 therms, whichever event occurs later).
  
6. Terms, agreements, reservations, covenants, conditions and provisions contained in that certain Lease dated November 27, 1973, executed by Katherine Kim Choy, unmarried, James Choy, husband of Alice Kam Choy, Rudy Choy, also known as Rudolph Choy, husband of Ivanelle Mountcastle Choy, and Dorothy Choy Chin, also known as Dorothy Chin, wife of King Chin, as Lessor, and The Hawaii Corporation, a Hawaii corporation, as Lessee, filed as Land Court Document No. 668494.

7. Unrecorded contracts, leases and agreements entered into by the Association of Apartment Owners of Maile Court.
8. Encroachment of gate post from Lot 80 into Lot 81 at north corner, (building does not conform to City and County setback lines), as shown on Survey Map prepared by James R. Thompson, Registered Professional Land Surveyor, dated September 29, 1986, revised October 10, 1986, August 31, 1988 and October 2, 1989.
9. Various building setback lines, as shown on survey map prepared by James R. Thompson, Registered Professional Land Surveyor, dated September 29, 1986, revised October 10, 1986, August 31, 1988 and October 2, 1989.

10. FIRST LEASEHOLD MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT AND ASSIGNMENT OF RENTALS

MORTGAGOR : MAILE SKY COURT CO., LTD., a Japan corporation, by and through its Hawaii Branch

MORTGAGEE : THE LONG TERM CREDIT BANK OF JAPAN, LIMITED, a Japan corporation, and THE MITSUBISHI TRUST AND BANKING CORPORATION, a Japan corporation

DATED : October 30, 1989  
 FILED : Land Court Document No. 1679582  
 AMOUNT : \$42,000,000.00

(Note: No consent given by Lessor.)

11. OUTRIGGER MAILE COURT HOTEL COLLATERAL ASSIGNMENT OF TENANT LEASES dated October 31, 1989, recorded in Liber 23827 at Page 349, by MAILE SKY COURT CO., LTD., a Japan corporation, by and through its Hawaii branch, in favor of HOTEL OPERATING CO. OF HAWAII, LTD., a Hawaii corporation, assigning the entire Lessor's interest in and to those certain tenant leases more particularly set forth in Exhibit "1" attached hereto, as security for the repayment of that certain promissory note dated October 31, 1989, secured by that certain Mortgage filed as Land Court Document No. 1679583. (Not noted on Transfer Certificate(s) of Title referred to herein)

EXHIBIT "1(a)"  
(Commercial tenants in project)

1. **Standard Concession Lease Agreement**
  - a. Landlord: Outrigger Hotels Hawaii
  - b. Tenant: Hair Shoppe At Maile Court
  - c. Date: June 1, 1988
  - d. Term: April 30, 1998
  - e. Security deposit: N/A
  
2. **Standard Concession Lease Agreement**
  - a. Landlord: Outrigger Hotels Hawaii
  - b. Tenant: Honolulu Cellular Telephone Company
  - c. Date: May 1, 1987
  - d. Term: April 30, 1997
  - e. Security deposit: \$2,000 (Plus tax)
  
3. **Parking Agreement**
  - a. Landlord: Outrigger Hotels Hawaii
  - b. Tenant: Restaurant Corporation of the Pacific, Inc., and Schoch Restaurants, Inc., dba Nick's Fishmarket
  - c. Date: December 27, 1987
  - d. Term: month to month
  - e. Security deposit: N/A
  
4. **Parking Agreement**
  - a. Landlord: Outrigger Hotels Hawaii
  - b. Tenant: Propark, Inc,
  - c. Date: November 29, 1986
  - d. Term: December 31, 1988
  - e. Security deposit: N/A
  
5. **Standard Concession Lease Agreement, as amended**
  - a. Landlord: Outrigger Hotels Hawaii
  - b. Tenant: Outrigger Tours & Travel
  - c. Date: June 9, 1988
  - d. Term: Co-terminous with Management Agreement
  - e. Security deposit: N/A
  
6. **Lease Agreement**
  - a. Landlord: Outrigger Hotels Hawaii
  - b. Tenant: Web Service Co., Inc.
  - c. Date: December 4, 1986
  - d. Term: month to month
  - e. Security deposit: N/A

7. Agreement

- a. Proprietor: Outrigger Hotels Hawaii
- b. Operator: Outrigger Auto Services.
- c. Date: July 22, 1988
- d. Term: month to month
- e. Security deposit: N/A

8. Standard Form Service Agreement

- a. Owner: Outrigger Hotels Hawaii
- b. Contractor: Nyna J. Weiser dba "The  
Therapist" Professionals of  
Massage
- c. Date: September 1, 1988
- d. Term: August 31, 1989
- e. Security deposit: N/A

EXHIBIT "I"

MAINTENANCE FEE SCHEDULE

The Project has been operated, and will continue to be operated, as a hotel, and the initial hotel operator is Outrigger Hotels Hawaii. All normal costs of maintaining and operating the hotel will be paid by Outrigger Hotels Hawaii out of revenues derived from the operation of the hotel, and therefore no maintenance fee schedule will be established for the Project at this time.

Pursuant to the terms of the Condominium Lease Agreement, under which each purchaser will lease back his or her apartment to the developer, the developer shall deduct from the rent payable to the purchaser under the Condominium Lease Agreement, a monthly sum to be deposited into a maintenance expense fund. This sum will increase by increases in the Consumer Price Index or because of other economic factors or reasons so as to ensure that the Project is properly maintained.

A pro-forma Statement of Maintenance Reserve Fund with a pro-rata schedule for each unit will be provided to each purchaser at time of signing of Sales Contract.

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EXHIBIT "J"

SUMMARY OF SALES CONTRACT AND OTHER DOCUMENTS

A. Sales Contract

Each purchaser should carefully review the Sales Contract to be entered into by the developer and the purchaser. Some of the pertinent provisions of the Sales Contract are summarized as follows:

1. Each apartment will be conveyed to the purchaser by way of a Condominium Conveyance Document (summarized below).

2. At closing, each purchaser will lease back the apartment to the seller by way of a Condominium Lease Agreement (summarized below).

3. The purchaser may not resell the apartment to a person who is a resident, citizen or domiciliary of the United States of America until one (1) year from the date the last of the apartments in the Project is sold. If the purchaser wishes to resell the apartment, the purchaser must give the seller a first right of refusal to purchase the apartment.

4. The apartment will be used a part of a hotel operation, and therefore the purchaser cannot use or occupy the apartment. The hotel will be operated by Outrigger Hotels Hawaii pursuant to a long-term hotel operating agreement, and the seller shall have the right to appoint new hotel operators in the future.

5. Furnishings, fixtures and personal property are not included in the sale, and will not be conveyed to the purchaser.

6. The apartment and the Project are being sold in "as is" condition, without any representations or warranties whatsoever.

7. The purchaser may not assign the Sales Contract without the seller's consent.

8. The Sales Contract and the sale of the apartments are deemed to have been made and to be consummated in Japan. As such, the Sales Contract and the performance thereof shall be governed, interpreted, construed and regulated by the laws of Japan.

9. At closing, the purchaser will be giving the seller a power of attorney to act on the purchaser's behalf on all matters arising under the Project's Declaration of Horizontal Property Regime, the Project's Bylaws of Association of Apartment Owners or Chapter 514A, HRS. This power of attorney shall terminate upon the termination of the Condominium Lease Agreement and may be revoked by the purchaser upon written notice to the seller.

10. The Sales Contract contains other terms governing the payment of deposits, the use of seller-arranged financing, late charges, seller's right to take back-up offers, purchaser's acknowledgment of various documents and information concerning the Project, default, risk of loss, payment of closing costs and prorations, and other matters.

THE FOREGOING IS A SUMMARY OF ONLY SOME OF THE TERMS OF THE SALES CONTRACT, AND IS NOT A COMPLETE DESCRIPTION OF ALL OF THE TERMS OF THE SALES CONTRACT. THE SALES CONTRACT CONTAINS MANY IMPORTANT TERMS WHICH ESTABLISH THE RIGHTS AND OBLIGATIONS OF THE PARTIES. EACH PURCHASER SHOULD CAREFULLY REVIEW THE SALES CONTRACT IN ITS ENTIRETY.

#### B. Condominium Conveyance Document

Title to each apartment will be conveyed to the purchaser by way of a Condominium Conveyance Document (the "Conveyance Document"). Each purchaser should carefully review the Conveyance Document to be entered into by the developer and the purchaser. Some of the pertinent provisions of the Conveyance Document are summarized as follows:

1. The apartments will be conveyed to the purchaser on a sub-leasehold basis. The term of the Conveyance Document ends on October 31, 2050. At that time, the purchaser must surrender the land, his apartment and the rest of the Project to the fee owner (the purchaser will no longer have any right, title or interest in the land, his apartment or the rest of the Project), and will be paid only a nominal sum of money for this surrender.

2. The purchaser will pay a fixed monthly lease rent to the developer through October 31, 2015. Thereafter, upon renegotiation of the rent due under the master lease of the land, the purchaser will be pay his proportionate share of the rent payable to the fee owner under the master lease. "Proportionate share" means the rent payable to the fee owner under the master lease, multiplied by the percentage in the land assigned to the purchaser's apartment. The terms for setting the rent upon renegotiation are set forth in the master lease the developer has with the fee owner. The purchaser should therefore review the master lease for determining how the lease rent is to be renegotiated under the master lease. The purchaser, acting through the Project's board of directors, will have the right to negotiate with the fee owner the master lease rent payable to the fee owner, pursuant and subject to the terms of the master lease.

4. The Conveyance Document is subject to the master lease. If the master lease should be terminated before the Conveyance Document is terminated, then the purchaser shall have the right to continue the Conveyance Document with the fee owner, provided that the purchaser is not in default under the Conveyance Document and provided certain other conditions are met. The Master Lease outlines the default provision which protects unit owners in good standing.

5. In addition to the basic rent described above, the purchaser also will be required to pay under the Conveyance Document other sums of money, including general excise taxes, real property taxes and assessments, other charges applicable to his apartment, and other sums described in the Conveyance Document.

6. If the purchaser defaults under the Conveyance Document, the developer may sell the apartment at foreclosure sale, and to exercise other rights and remedies available at law or in equity.

7. The Conveyance Document requires the purchaser and the Project's Association to maintain the Project in good condition and to make all improvements required by law, to indemnify the developer and fee owner against various things, and to comply with all applicable laws.

8. The Conveyance Document contains other provisions governing such matters as the developer's right of inspection, bonding requirements imposed on the

purchaser, the purchaser's obligation to pay costs of collection, insurance which the purchaser must obtain, prohibitions against liens upon the apartment, management of the Project, the purchaser's obligation to surrender the apartment, restrictions on the purchaser's right to sell or sublease the apartment or assign the Conveyance Document, the purchaser's obligation to pay interest on past-due amounts, what happens upon condemnation of the apartment or Project, restrictions on the purchaser's right to mortgage the apartment, and what happens upon the purchaser's default under the Conveyance Document.

THE FOREGOING IS A SUMMARY OF ONLY SOME OF THE TERMS OF THE CONVEYANCE DOCUMENT, AND IS NOT A COMPLETE DESCRIPTION OF ALL OF THE TERMS OF THE CONVEYANCE DOCUMENT. THE CONVEYANCE DOCUMENT CONTAINS MANY IMPORTANT TERMS WHICH ESTABLISH THE RIGHTS AND OBLIGATIONS OF THE PARTIES. EACH PURCHASER SHOULD CAREFULLY REVIEW THE CONVEYANCE DOCUMENT IN ITS ENTIRETY.

#### C. Condominium Lease Agreement

At closing, each purchaser will be required to lease his apartment back to the developer by way of a Condominium Lease Agreement (the "Lease Agreement"). Each purchaser should carefully review the Lease Agreement to be entered into by the developer and the purchaser. Some of the pertinent provisions of the Lease Agreement are summarized as follows:

1. The term of the Lease Agreement commences from the closing date and continues until June 30, 2002, and is automatically continued for an additional 14-year period and a subsequent 10-year period (thus expiring on June 30, 2026). The rent payable to the purchaser until June 30, 2002 is fixed, and is to be redetermined by the developer for the following 14-year period and the subsequent 10-year period; however, the rent may be readjusted by the developer if there occur any force majeure or other material changes in the economic environment or other circumstances, as described in the Lease Agreement.

2. So long as the management services for the Project are provided by the developer or its affiliates or agents, the monthly rent payable to the purchaser shall be reduced by 10%. In addition, the purchaser will pay at closing, and will have deducted from its rent thereafter, a monthly sum which will be deposited into a maintenance fund to be used for the proper maintenance and operation of the Project.

3. Under the Lease Agreement, the developer will have sole control and use of the apartment and will operate the Project as a hotel, and the purchaser will not have any right to use or occupy the apartment.

4. If during the term of the Lease Agreement the purchaser should desire to sell his apartment, the purchaser shall be required to give the developer a right of first refusal to purchase the apartment.

5. The Lease Agreement automatically applies to whoever owns the apartment, and the apartment may not be sold by the purchaser without the Lease Agreement.

6. The Lease Agreement covers other matters, such as the payment of certain costs and expenses related to the ownership of the apartment and the right to cure defaults.

THE FOREGOING IS A SUMMARY OF ONLY SOME OF THE TERMS OF THE LEASE AGREEMENT, AND IS NOT A COMPLETE DESCRIPTION OF ALL OF THE TERMS OF THE LEASE AGREEMENT. THE LEASE AGREEMENT CONTAINS MANY IMPORTANT TERMS WHICH ESTABLISH THE RIGHTS AND OBLIGATIONS OF THE PARTIES. EACH PURCHASER SHOULD CAREFULLY REVIEW THE LEASE AGREEMENT IN ITS ENTIRETY.

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EXHIBIT "K"

SUMMARY OF ESCROW AGREEMENT

An Escrow Agreement, dated March 27, 1990, has been entered into between the Seller and Title Guaranty Escrow Services, Inc. ("Escrow"). The Escrow Agreement describes the manner in which various closing documents will be ordered by Escrow, delivered to the Seller in Japan for signature by the parties, and returned to and recorded by Escrow in Hawaii. Among other things, the Escrow Agreement provides that (a) upon the recordation of the closing documents, the purchaser will be provided with an Owner's title insurance policy, in the amount of the purchase price, insuring that title to the apartment is vested in the purchaser, and (b) if any dispute should arise between Seller and the apartment purchaser, Escrow shall not be required to take any action, but instead may file an interpleader action and have the dispute resolved by the courts.

THE FOREGOING IS A SUMMARY OF ONLY SOME OF THE TERMS OF THE ESCROW AGREEMENT, AND IS NOT A COMPLETE DESCRIPTION OF ALL OF THE TERMS OF THE ESCROW AGREEMENT. THE ESCROW AGREEMENT CONTAINS MANY OTHER TERMS DESCRIBING THE MANNER IN WHICH THE CLOSING OF APARTMENTS WILL OCCUR. EACH PURCHASER SHOULD CAREFULLY REVIEW THE ESCROW AGREEMENT IN ITS ENTIRETY.