



**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

KAHALA PACIFICA

Hoakoa Place  
Honolulu, Oahu, Hawaii

Registration No. 1727 (Partial Conversion)

Issued: May 31, 1988  
Expires: July 1, 1989

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of May 26, 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 \_\_\_\_\_
  - Final Public Report dated \_\_\_\_\_
  - Supp. Public Report dated \_\_\_\_\_

And  Supersedes all prior public reports

Must be read together with \_\_\_\_\_

This report reactivates the \_\_\_\_\_ public report(s) which expired on \_\_\_\_\_

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required                       Not Required -- disclosures covered in this report.

### Summary of Changes from Earlier Public Reports:

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

Since the issuance of the Supplementary public report No. 1727 on Kahala Pacifica, on January 17, 1988, the following material changes have been made:

1. Kahala Pacifica Joint Venture, the new developer of the project, has made many improvements to the Kahala Pacifica condominium project. These improvements are reflected in the executed and recorded First Amendment to Declaration of Horizontal Property Regime, First Amendment to the Bylaws of the Association of apartment owners and the condominium map (as amended) for the Project. However, the common interest of each apartment has not changed. Prospective purchasers are referred to the amended condominium documents described above for more information regarding all the improvements to the apartments, the common elements and limited common elements appurtenant to the apartments.

2. The prospective purchasers are referred to Kahala Pacifica Joint Venture for answers to any questions they may have in connection with the Project.

## TABLE OF CONTENTS

	page
Report Purpose .....	1
Type of Report .....	1
Summary of Changes from Earlier Public Reports .....	2
Table of Contents .....	3
General Information on Condominiums .....	4
Summary of the Condominium Project .....	5
I. PEOPLE CONNECTED WITH THE PROJECT .....	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration .....	7
B. Condominium Map (File Plan) .....	7
C. Bylaws .....	7
D. House Rules .....	8
E. Changes to Condominium Documents .....	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer .....	9
B. Underlying Land .....	10
C. Buildings and Other Improvements .....	10
D. Common Elements, Limited Common Elements, Common Interest .....	14
E. Encumbrances Against Title .....	15
F. Management of the Common Elements .....	15
G. Maintenance Fees .....	16
H. Utility Charges .....	16
I. Construction Warranties .....	16
J. Status of Construction .....	17
K. Project Phases .....	17
L. Sales Documents Filed with the Real Estate Commission .....	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE .....	18
Buyer's Right to Cancel Sales Contract .....	19
Signature of Real Estate Commission Chairman .....	20
EXHIBIT A:	Rights Reserved to the Developer
EXHIBIT B:	Lease Information
EXHIBIT C:	Description of Buildings
EXHIBIT D:	Special Use Restrictions
EXHIBIT E:	Boundaries of Each Apartment
EXHIBIT F:	Permitted Alterations to Apartment
EXHIBIT G:	Apartment 25
EXHIBIT H:	Common Elements and Limited Common Elements
EXHIBIT I:	Common Interest
EXHIBIT J:	Encumbrances against Title
EXHIBIT K:	Blanket Liens
EXHIBIT L:	Disclosure Statement
EXHIBIT M:	Description of Warranties
EXHIBIT N:	Reservation to Withdraw Apartment 25 from the Project

## 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:**

Leasehold interest in an individual apartment and an undivided interest in the common elements of the Project

**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*	Lanai/Patio
Kahala	(K)	4	3 / 2-1/2	2,431	452
Kahala Reversed	(KR)	6	3 / 2-1/2	2,431	452
Kahala Pacifica	(P)	7	** 4 / 3-1/2	2,677	210
Kahala Pacifica Reversed	(PR)	7	** 4 / 3-1/2	2,677	210
Apartment	25	1	3/2	1,740	393

Total Apartments: 25 \*\* plus a study

\*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>48</u>
Guest Stalls	<u>12</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: <u>Parking to Apartment 25</u>	<u>2</u>
Total Parking Stalls	<u>62</u>

- 7. Recreational amenities: Recreational facilities for the exclusive use of Kahala Pacifica homeowners include a swimming pool, jacuzzi, a barbeque area, a pavillion, and two park sites.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Kahala Pacifica Joint Venture Phone: 521-1045  
Name (Business)  
1001 Bishop Street, Pauahi Tower, #701  
Business Address  
Honolulu, Hawaii 96813

Names of officers or general partners of developers who are corporations or partnerships:  
The partners of Kahala Pacifica Joint Venture are:

C.U.B. Corp., a Hawaii corporation  
KBA Corporation, a Hawaii corporation

Real Estate Sales Agent: Lagoon Investment, Ltd., dba Lagoon Realty Phone: 528-3733  
(Shirley Krause & Doreen Hebert) (Business)  
Name  
1210 Auahi Street, Suite 112  
Business Address  
Honolulu, Hawaii 96814

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211  
Name (Business)  
235 Queen Street, 1st Floor  
Business Address  
Honolulu, Hawaii 96813

Managing Agent: Certified Management (Chuck Whalen) Phone: 836-0911  
Name (Business)  
3179 Koapaka Street  
Business Address  
Honolulu, Hawaii 96819

Attorney for Developer: Chun, Kerr & Dodd  
(Attn: Melvin Y. Kaneshige, Matthew R. Yee)  
Name  
1408 Amfac Building, 700 Bishop Street  
Business Address  
Honolulu, Hawaii 96813-4188

**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 18374 Page 471  
 Filed – Land Court – Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

The declaration was amended on May 20, 1988 and recorded in Book 21964, Page 66.

- 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: (as amended)

Proposed  
 Recorded – Bureau of Conveyance Condo Map No. 940  
 Filed – Land Court Condo Map No. \_\_\_\_\_

Amendment date(s) and recording/filing information:

The Condominium Map was amended and recorded on May 25, 1988.

- 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 18374 Page 509  
 Filed – Land Court – Document Number \_\_\_\_\_

Amendment date(s) and recording/filing information:

The Bylaws were amended on May 20, 1988 and recorded in Book 21964, Page 98.

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>	*Please review the Declaration and Bylaws (as amended) for specific consent exceptions to certain changes
Bylaws	65%	<u>65%</u>	
House Rules	-	<u>By the 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:

See Exhibit A

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

Fee Simple: Individual apartments and the underlying land will be in fee simple.

Leasehold or Subleasehold: Individual apartments and the underlying land will be leasehold.

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

Exhibit B contains further explanations.

Lease Term Expires: August 31, 2041

Rent Renegotiation Date(s): See Exhibit B

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

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

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

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners -- tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit \_\_\_\_\_ contains further explanations.

Lease Term Expires: \_\_\_\_\_

Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  Month  Year.

Other: UPON THE EXPIRATION OF THE LEASE, ALL IMPROVEMENTS THEREON REVERT TO THE LANDOWNER.

For Subleaseholds:

Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is  Cancelled  Foreclosed.

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is cancelled or foreclosed.

**B. Underlying Land:**

Address: Hoakoa Place Tax Map Key: 3-5-024-007(1)  
Honolulu, Hawaii (TMK)

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

Land Area: 22.305  square feet  acre(s) Zoning: R-4 and R-6

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

Sublessor: \_\_\_\_\_  
name  
\_\_\_\_\_  
address  
\_\_\_\_\_

**C. Buildings and Other Improvements:**

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

2. Buildings: 42 Floors Per Building: 3 (except for Apartment 25,  
 Exhibit C contains further explanations. the free standing garages and  
the pavillion which have 1  
floor)

3. Principal Construction Material:

Concrete  Hollow Tile  Wood  
 Other Stucco

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>25</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input checked="" type="checkbox"/> Other: <u>Unit 25 is for residential and nursery use.</u>			

5. Special Use Restrictions:

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

[ X ] **Pets:** See Exhibit D

[ X ] **Number of Occupants:** See Exhibit D

[ X ] **Other:** See Exhibit D

[ ] **There are no special use restrictions.**

6. Interior (fill in appropriate numbers):

Total Apartments 25

Elevators N/A                      Stairways N/A                      Trash Chutes N/A

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
ahala (K)	4	3 / 2-1/2	2,431	452
ahala Rev. (KR)	6	3 / 2-1/2	2,431	452
acificifica (P)	7	** 4 / 3-1/2	2,677	210
acificifica Rev. (PR)	7	** 4 / 3-1/2	2,677	210
Apartment 25	1	3/2	1,740	393

\*\* plus a study

\*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 E

Permitted Alterations to Apartments:

See Exhibit F

7. Parking Stalls:

Total Parking Stalls: 62

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>50</u>	<u>        </u>					
Guest Unassigned	<u>        </u>	<u>12</u>	<u>        </u>				
Extra Available for Purchase	<u>0</u>	<u>        </u>					
Other:	<u>0</u>	<u>        </u>					
Total Covered & Open	<u>62</u>	<u>        </u>					

Each apartment will have the exclusive use of at least 2 parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

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

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool
- Recreation Area
- Tennis Court
- Storage Area
- Laundry Area
- Trash Chute
- Other: Barbeque area, jacuzzi, garbage disposal area, enter phone, security gate, private roadway and park sites 26 and 27.

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

See Exhibit G - Apartment 25

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

See Exhibit G - Apartment 25

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	<u>24</u>	<u>1 (Apt. 25)</u>	<u>          </u>
Structures	<u>24</u>	<u>1 (Apt. 25)</u>	<u>          </u>
Lot	<u>24</u>	<u>1 (Apt. 25)</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   H   describes the common elements.

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

There are no limited common elements in this project.

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

described in Exhibit   H  

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   I   describes the common interests for each apartment.

as follows:

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

Exhibit J describes the encumbrances against the title contained in the title report dated March 24, 1988 issued by Title Guaranty of Hawaii.

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>
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See Exhibit K

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: Certified Management

- [ 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   L   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 checked="" type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas   | <input type="checkbox"/> Water & Sewer               |
| <input checked="" type="checkbox"/> Other <u>garbage collection, landscaping fees.</u> |  |

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:

See Exhibit M

2. Appliances:

See Exhibit M

J. Status of Construction and Estimated Completion Date:

The commencement of construction has been estimated to be around April, 1988. Construction is presently estimated to be completed around December, 1988.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

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 \_\_\_\_\_ contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated December 24, 1987

Exhibit \_\_\_\_\_ contains a summary of the pertinent provisions of the escrow agreement.

Other \_\_\_\_\_

**IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

**Buyer's Right to Cancel Sales Contract:**

**A. Rights Under the Condominium Statute:**

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

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

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

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

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

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

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

**B. Rights Under the Sales Contract:**

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

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

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

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

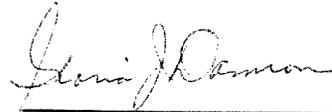
This Public Report is a part of Registration No. 1727 filed with the Real Estate Commission on December 12, 1985.

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



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

Distribution:

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

EXHIBIT A

Rights Reserved to the Developer

(Page 8, Section E.2)

1) Under the Declaration, as amended, the Developer has reserved the right at any time prior to the date of completion applicable for each apartment, with purchaser and mortgagee consent, to alter an apartment if the common elements are not thereby affected.

2) Under the Declaration, as amended, at any time prior to the issuance of the Final Public Report by the Real Estate Commission of the State of Hawaii, the Developer may amend the Declaration and the Bylaws in any manner, provided, however (1) that any material amendment to the Declaration shall also require the prior written approval thereof by at least seventy-five percent (75%) of the institutional vote for each first mortgage owned). Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the apartments, the Declaration (including the Bylaws and when applicable, the Condominium Map) may be amended by Developer (a) by filing the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Act, (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed, or being filed simultaneously with such statement, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built; or (b) to effect any change or amendment required by an administrative agency of any county, foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition precedent to marketing the Project or making a loan to finance the construction and/or the sales of the Project.

EXHIBIT B

Lease Information

(Page 9, Section A)

The proposed form of apartment lease reflects the following:

Lease rent for all twenty-five apartments is payable in equal semi-annual installments each in advance on the first day of March and September in each year during the term of the lease as follows:

For the first period of the term of the lease until August 31, 1996	\$ 850.00 per annum
For the second period of the term of the lease until August 31, 2006	\$1,487.50 per annum
For the third period of the term of the lease until August 31, 2016	\$2,603.00 per annum
For the next two successive ten-year periods (until August 31, 2026 and August 31, 2036, respectively) and the final five-year period (until August 31, 2041) of the term of the lease	Written agreement of the Lessor and the Lessee (either individually or acting through the Association of Apartment Owners) or failing to reach such agreement at least 90 days prior to the commencement of each such period, such lease rent as determined by appraisal; provided, however, that the annual lease rent for the next ensuing period as determined by appraisal shall in no event be less than the annual lease rent for the immediately preceding period.

EXHIBIT C

Description of Buildings

(Page 10, Section C.2)

The 42 buildings in the project may be described as follows:

1. Apartment 25 contains an existing separate structure, an existing open hot house and a separate new hot house;
2. The 24 other apartments are separate structures, 14 of which have common walls;
3. 14 free standing garages, of which 6 garages have common walls; and
4. 1 pavilion and swimming pool recreation structure.

EXHIBIT D

Special Use Restrictions

(Page 11, Section C.5)

Pets. Under the Bylaws, no livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, cats and other household pets in reasonable number may be kept by the apartment owners and occupants in their respective apartments with the prior written approval by the Board but shall not be kept, bred or used therein for any commercial purpose or allowed on any common elements except in transit when carried or on leash, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board of Directors or the managing agent.

Number of Occupants: Under the House Rules, occupancy is limited to not more than two person per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, renter or lessee.

Other: There are restrictions on temporary occupancy, common areas and entrances, parking areas, noise, etc. Please refer to the Declaration, Bylaws and House Rules as amended for more information.

EXHIBIT E

Boundaries of Each Apartment.

(Page 11, Section C.6)

Section 3 of the Declaration, as amended, states as follows:

Except as herein provided, each apartment shall include all walls, ceilings, floors, slabs, foundations, doors and door frames, window and window frames, supporting beams and fixtures, if any, and all ducts, pumps, pipes, conduits, wires and other utility lines running through such apartment which do not serve or are not utilized by any other apartment and excluding all easements shown on the Condominium Map; each apartment shall not be deemed to include any pipes, wires, conduits or other utility lines running over, under or through such apartment which are utilized by or which serve more than one apartment, the same being deemed common elements as hereinafter provided; provided, however, that apartments 11 and 12, 13 and 14, 15 and 16, 17 and 18, 19 and 20, 21 and 22, and 23 and 24 shall not be deemed to include the undecorated or unfinished surfaces of the party walls between these apartments, or any pipes, wires, conduits or other utility or service lines running through a party wall which are utilized by the two apartments adjacent to such party wall, the same being deemed a limited common element appurtenant to and for the exclusive use of the two apartments adjacent to such party wall; and further provided that apartments 12 and 13, 14 and 15, 16 and 17, 19 and 20, and 22 and 23 shall not be deemed to include the undecorated or unfinished surfaces of the party walls between any two of the garages located in each apartment, or any pipes, wires, conduits or other utility or service lines running through a party wall which are utilized by both apartments adjacent to such party wall, the same being deemed a limited common element appurtenant to and for the exclusive use of the two apartments adjacent to such party wall.

EXHIBIT F

Permitted Alterations to Apartments.

(Page 11, Section C.6)

Section 17 of the Declaration, as amended, states as follows:

Any additions to or alterations of any apartment made within such apartment shall be permitted without the consent of the Board or any other apartment owner, except that if such additions or alterations would jeopardize the soundness or safety of the Project, reduce the value thereof, violate the uniform external appearance of the apartments, or impair any easement, then the prior consent of seventy-five percent (75%) of all apartment owners, together with the consent of all other apartment owners directly affected thereby, shall be first obtained.

Developer shall have the right at any time prior to the date of completion, as such term is used in Hawaii Revised Statutes § 507-43(f), applicable for each apartment, with the consent of the purchasers of such apartment and their prospective mortgagees, if any, but without the consent of any other person or persons, to alter an apartment if the common elements are not thereby affected.

EXHIBIT G - APARTMENT 25

(Page 13, Section 9.a and b)

Apartment 25 is presently leased to Kalfred L. K. Yee and Hazel T. Yee, husband and wife, pursuant to Apartment Lease dated November 21, 1984, and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18374 at Page 553.

To the best of Kahala Pacifica Joint Venture's knowledge and belief and specifically based on a report prepared by Kiyoshi Toi, an independent Hawaii registered architect, apartment 25 is approximately 22 years old; the present condition of the structural components and electrical installations material to the use and enjoyment of the improvements are satisfactory; and there are no mechanical installations material to the use and enjoyment of the improvements. KAHALA PACIFICA JOINT VENTURE MAKES NO REPRESENTATIONS AS TO THE EXPECTED USEFUL LIFE OF STRUCTURAL COMPONENTS, MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE APARTMENT.

To the best of Kahala Pacifica Joint Venture's information and belief and specifically based on a letter provided by the director and building superintendent, Building Department, City and County of Honolulu, dated December 30, 1987, Apartment 25 is in compliance with all building code requirements and municipal regulations in force at the time of its construction and no variances or special permits were granted to allow deviations from any applicable codes. Any change to the structure in the future would be subject to any zoning requirements in effect at that time including Section 21-1.7, (Nonconforming Uses) of the Comprehensive Zoning Code, as amended.

- NOTE:
1. There may be, among other requirements, zoning codes, building restriction laws and land use laws precluding the purchaser or the prospective purchaser from making changes to the property and structure submitted herein for supplemental registration as a condominium project. Purchaser or the prospective purchaser should acquaint himself, herself, or itself with such requirements at the appropriate government agencies.
  2. Apartment 25 will be conveyed to Kalfred L. K. Yee and wife Hazel T. Yee. At the time of conveyance, Developer shall comply with all the requirements pertaining to conversion of existing improvements to the Horizontal Property Regime Act. Particularity as to the provisions of H.R.S. § 514A-11, 12, 14 and 40.

EXHIBIT H

Common Elements and Limited Common Elements

(Page 14, Section D.1 and 2)

The Declaration, as amended, states as follows with reference to the common elements and limited common elements of the Project:

One freehold estate is hereby designated in all common elements of the Project which include all other portions of the Project, other than the apartments (except as herein specifically included), and all other common elements mentioned in the Act which are actually included in the Project, including specifically but not limited to:

(a) Said Land in fee simple.

(b) The private roadway located within the Project as outlined on Sheets Nos. A-2, A-3 and A-4 of the Condominium Map, extending from Hoakoa Place (including the twelve (12) guest parking stalls located thereon), walkways, entry gates, enterphone system, mailboxes, refuse facilities, the recreational area and facilities (including the jacuzzi, swimming pool, pavillion and barbeque area) located within the project as outlined as Park Sites 26 and 27 on Sheets Nos. A-2, A-3 and A-4 of the Condominium Map.

(c) All sewer lines, electrical equipment, 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 but not limited to power, light, water, gas, sewer, drainage, and telephone and radio and television and cable television signal distribution.

(d) Any and all other apparatus and installations of common use and all other parts of the Property necessary or convenient to its existence, maintenance and safety, or normally in common use.

(e) The limited common elements described below . . .

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

(a) The various separate land areas (hereinafter called "Residential Lots") numbered "1" through "25" as shown on Sheet No. A-2 of the Condominium Map shall be appurtenant to and for the exclusive use of the apartment having the same number. (For example, Residential Lot 4 is appurtenant to and for the exclusive use of apartment 4); provided, however, as to Residential Lot 25 shall not include the roadway extending from Hoakoa Place which constitutes a common element.

(b) The driveway, if any, extending from the private roadway within the Project to the garage of each apartment as outlined on Sheets Nos. A-3 and A-4 of the Condominium Map, shall be appurtenant to and for the exclusive use of that apartment; provided, that the driveway appurtenant to apartment 2 shall be subject to an access easement for ingress and egress purposes in favor of apartment 1; and further provided, that the Association shall be responsible for maintaining each driveway and the cost of such maintenance for a particular driveway shall be chargeable as a limited common element cost and expense solely to the owner of the apartment to which the driveway is appurtenant.

(c) As to apartments 11 and 12, 13 and 14, 15 and 16, 17 and 18, 19 and 20, 21 and 22, and 23 and 24, the undecorated or unfinished surfaces of the party walls between any two of these apartments, and any pipes, wires, conduits or other utility or service lines running through a party wall which are utilized by both apartments adjacent to such party wall, shall be deemed a limited common element appurtenant to and for the exclusive use of the two apartments adjacent to such party wall.

(d) As to the garages located in apartments 12 and 13, 14 and 15, 16 and 17, 19 and 20, 18 and 19, and 22 and 23, the undecorated or unfinished surfaces of the party walls between any two of these garages and any pipes, wires, conduits or other utility or service lines running through a party wall which are utilized by both apartments adjacent to such party wall, shall be deemed a limited common element appurtenant to and for the exclusive use of the two apartments adjacent to such party wall.

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

Except as specifically provided for herein, all costs and expenses, including but not limited to, maintenance, repair, replacements, additions and improvements to any of the aforementioned limited common elements of the Project shall be charged to the owner of the apartment to which the limited common element is appurtenant. Provided, however, that unless otherwise advised by the apartment owner to which a Residential Lot is appurtenant to, the Association of Apartment Owners of Kahala Pacifica (hereinafter called the "Association") shall be responsible for maintaining all trees, bushes, shrubs and plants in accordance with the Landscaping Plan as outlined on Sheet No. A-5 of the Condominium Map, as the same may be amended from time to time by the Architectural Committee pursuant to the Bylaws (hereinafter called "Landscaping"); provided further that the cost of such maintenance for a particular Residential Lot shall be chargeable as a limited common element cost and expense solely to the owner of the apartment to which the Residential Lot is appurtenant; provided, further, however, that if an apartment owner elects to be responsible for the maintenance of the Landscaping on the apartment owner's Residential Lot and immediately so notifies the Association in writing, then upon the receipt by the Association of such an election, the apartment owner shall maintain such Landscaping at the apartment owner's sole cost and expense in accordance with the abovementioned Landscaping plan as the same may be amended from time to time; provided, further, however, that if any apartment owner making such an election fails to so maintain such Landscaping, then the Association (upon notice from the Architectural Committee of such failure) shall maintain the same Landscaping and the cost of such maintenance shall be chargeable as a limited common element cost and expense solely to said apartment owner.

EXHIBIT I

Common Interest

(Page 14, Section D.3)

The amended declaration states as follows with reference to the percentage of undivided interest:

Each apartment shall have appurtenant thereto an undivided four per cent (4%) interest in all the common elements of the Project (hereinafter referred to as the "common interest"), and the same percentage share in all common profits and expenses of the common elements of the Project, and, except as herein expressly provided for, the same percentage interest for all other purposes including but not limited to voting.

If apartment 25 is withdrawn under the right reserved to it under section 20 of this Declaration, the common interest appurtenant to each apartment shall thereafter be 1/24th fractional interest.

EXHIBIT J

Encumbrances Against Title

(Page 15, Section E.)

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
  
2. Grant in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company, dated April 7, 1955, recorded in Liber 2983 at Page 1; granting a perpetual right and easement to build, construct, rebuild, reconstruct, maintain, operate and repair pole and wire lines and/or underground power lines, etc., over and across a portion of the land described herein.
  
3. License in favor of the City and County of Honolulu, dated August 7, 1956, recorded in Liber 3305 at Page 79; (a) granting the right in the nature of an easement to construct, install, maintain, operate, repair and remove underground sewer pipe lines, etc., under and across a portion of the land described herein, said easement being designated as Easement Area (8) - Sanitary sewer easement, containing an area of 536 square feet, and being more fully described therein, and (b) granting the right in the nature of an easement to construct, maintain, repair and use a roadway, 10 feet wide, over and across a portion of the land described herein, said easement being designated as Easement Area (22) containing an area of 1,189 square feet.
  
4. Grant in favor of Hawaiian Electric Company, Inc., dated August 16, 1960, recorded in Liber 4046 at Page 158; granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate pole and wire lines and/or underground power lines, etc., over, across, through and under a portion of the land described herein.
  
5. Grant in favor of Hawaiian Electric Company, Inc., dated September 5, 1961, recorded in Liber 4142 at Page 174;

granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate pole and wire lines and/or underground power lines, etc., over, across, through and under a portion of the land described herein.

6. Grant in favor of the City and County of Honolulu, dated December 31, 1962, recorded in Liber 4483 at Page 320; granting the right in the nature of an easement to install, maintain, operate, repair and remove an underground water pipeline or pipeliens, etc. under, across and on a portion of the land described herein, said easement containing an area of 11,435 square feet, and being more fully described therein.
  
7. Grant in favor of the City and County of Honolulu, dated December 31, 1961, recorded in Liber 4859 at Page 155; granting rights in the nature of easements to construct, install, maintain, operate, repair and remove underground storm drain pipe lines and underground sanitary sewer pipe lines, etc., under and across portions of the land described herein, said easements being designated as Easement Area (2) - Storm Drain Easement "C", 10 feet wide, and Easement Area (3) - Sanitary Sewer Easement "D", 10 feet wide, the center-lines thereof being more fully described therein.
  
8. Grant in favor of Hawaiian Electric Company, Inc., dated September 12, 1966, recorded in Liber 5500 at Page 137; granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate pole and wire and underground liens, etc., over, across, under and within a portion of the land described herein.
  
9. Grant in favor of the City and County of Honolulu, dated February 24, 1967, recorded in Liber 5899 at Page 327; granting an easement to construct, reconstruct, install, maintain, operate, repair and remove an underground sewer pipe line or pipe lines, etc. through, under and across a portion of the land described herein, said easement containing an area of 2845 square feet, and being more fully described therein.

10. Grant in favor of Hawaiian Electric Company, Inc., dated March 20, 1978, recorded in Liber 12910 at Page 472; granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate overhead and underground power lines, etc., over, under, upon, across and through a portion of the land described herein.
11. Waterline easement in favor of the Board of Water Supply, as shown on the map prepared by Kenneth J. Toshi, Registered Professional Land Surveyor, dated September 14, 1977.
12. Grant in favor of Hawaiian Electric Company, Inc. dated December 6, 1978, recorded in Liber 14273 at Page 770; granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate pole and wire lines, etc., for the transmission and distribution of electricity, etc., over, under, upon, across and through a portion of the land described herein.
13. 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 November 28, 1984, recorded in Liber 18374 at Page 471, as amended by First Amendment to Declaration of Horizontal Property Regime dated May 20, 1988, recorded in Liber 21964 at Page 66, and as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 940, as amended.)
14. Bylaws of the Association of Apartment Owners of the Condominium Project known as "KAHALA PACIFICA" dated November 28, 1984, recorded in Liber 18374 at Page 509, as amended by Amended Bylaws dated May 20, 1988, recorded in Liber 21964 at Page 98, as the same may hereafter be amended.

15. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease No. 27,411, by and between the Trustees under the Will of the Estate of Bernice P. Bishop, deceased, as Lessor and Pac-Pro Management Engineering, Inc., a Hawaii corporation as Lessee, dated November 28, 1984, and recorded in Liber 18374 at Page 424 for a term of 57 years commencing on September 1, 1984.

Partial Cancellation and Surrender of Master Lease dated December 27, 1984, and recorded in Liber 18374 at Page 548; re surrender of Apartment No. 25.

Above Lease, as amended, assigned by mesne assignments to Kahala Pacifica Joint Venture, a Hawaii general partnership, as Assignee, by instrument dated February 24, 1988 and recorded in Liber 21760 at Page 341.

Above Lease, as amended, subject to that certain Mortgage, Security Agreement and Financing Statement dated March 24, 1988, recorded in Liber 21760 at Page 354, made by Kahala Pacifica Joint Venture, a Hawaii general partnership, in favor of GECC Financial Corporation, a Hawaii corporation.

Lessor's Consent to Mortgage of Lease dated March 22, 1988, recorded in Liber 21760 at Page 392, by the Trustees under the Will and of the Estate of Bernice P. Bishop, deceased.

Lessor's Estoppel Certificate dated March 22, 1988, recorded in Liber 21760 at Page 396, by the Trustees under the Will and of the Estate of Bernice P. Bishop, deceased.

16. Terms, agreements, reservations, covenants, conditions and provisions contained in Apartment Lease No. 27,272 (covering Apartment 25 of the Kahala Pacifica condominium project) dated November 21, 1984, recorded in Liber 18374 at Page 553, between the Trustees of the Estate of Bernice Pauahi Bishop, as Lessors, and Kalfred L. K. Yee and Hazel T. Yee, husband and wife, as joint tenants, as Lessees.

EXHIBIT K

Blanket Liens

(Page 15, Section E.)

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage from Kahala Pacifica Joint Venture, to GECC Financial Corporation, a Hawaii corporation	Kahala Pacifica Joint Venture has mortgaged the Project to GECC Financial Corporation, a Hawaii corporation (the "Lender"). All sales contracts are subordinated to the lien and secured interests of the Lender. In the event the Developer defaults under its agreements with the Lender and the Lender forecloses on its secured interests, the Lender's interests will be superior to all Buyers' interests. However, in such an event, Buyers may be able to cancel or rescind their sale contracts under Hawaii Revised Statutes § 415A-62 or 63 and correspondingly obtain a refund (less any escrow cancellation fees and other costs) of their deposits.

EXHIBIT L

DISCLOSURE STATEMENT

ASSOCIATION OF APARTMENT OWNERS OF  
KAHALA PACIFICA

PRELIMINARY ESTIMATED CASH OPERATING BUDGET

RECEIPTS:	MONTHLY	ANNUAL
MAINTENANCE FEES*	\$4,375	\$52,500
START-UP FEES**	0	0
TOTAL OPERATING RECEIPTS	\$4,375	\$52,500

DISBURSEMENTS:

OFFICE & ADMIN EXPENSES	\$35	\$420
MANAGEMENT FEE	700	8,400
AUDIT & TAX PREPARATION	40	480
ENTERPHONE	50	600
ELECTRICITY (LIGHTING: RECREATION AREA / ROADWAY)	220	2,640
WATER & SEWER (RECREATION AREA / LANDSCAPE)	175	2,100
REFUSE SERVICE (DUMPSTER 3 TIMES WEEKLY)	450	5,400
LANDSCAPE MAINTENANCE (COMMON AREA ONLY)	475	5,700
CUSTODIAL SERVICE (RECREATION PAVILION)	100	1,200
GENERAL MAINTENANCE	300	3,600
POOL / SPA (MAINTENANCE, REPAIR & SUPPLIES)	400	4,800
MULTI-PERIL INSURANCE (FIRE, LIABILITY, ERRORS & OMISSIONS)	745	8,940
UMBRELLA LIABILITY	75	900
FIDELITY BONDING	25	300
EXCISE & INCOME TAX	10	120
TOTAL OPERATING DISBURSEMENTS	\$3,800	\$45,600

TRANSFER TO RESERVES:

GENERAL OPERATING	250	3,000
ROADWAY RESEAL	55	660
POOL / SPA REPLASTER	125	1,500
PAVILION PAINTING / ROOFING	25	300
REPLACE ENTERPHONE	30	360
REPLACE MAILBOX	15	180
REPLACE ROADWAY LIGHT FIXTURES (26)	75	900
TOTAL TRANSFER TO RESERVES	\$575	\$6,900
TOTAL DISBURSEMENTS	\$4,375	\$52,500

ESTIMATE OF INITIAL MONTHLY MAINTENANCE FEES PER APARTMENT: \$175.00

AS MANAGING AGENT FOR THE CONDOMINIUM PROJECT, I HEREBY CERTIFY THAT THE ABOVE ESTIMATES OF INITIAL MAINTENANCE FEE ASSESSMENTS AND MAINTENANCE FEE DISBURSEMENTS WERE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES. THE FIGURES CONTAINED HEREIN ARE ESTIMATES AND ARE NOT INTENDED TO BE NOR CONSTITUTE ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

AR CORPORATION dba  
CERTIFIED MANAGEMENT

BY:   
ITS PRESIDENT

\* MAINTENANCE FEE ASSESSMENTS DO NOT PROVIDE FOR EXPENSES RELATED TO THE ADMINISTRATION, OPERATION, OR THE MAINTENANCE, REPAIR, REPLACEMENT, AND RESTORATION OF LIMITED COMMON AREAS, SUCH AS RESIDENTIAL LOTS APPURTENANT TO EACH APARTMENT, DRIVEWAYS BETWEEN THE GARAGE AND ROADWAY, ETC., AS DEFINED IN THE DECLARATION OF HORIZONTAL PROPERTY REGIME.

\*\* DEVELOPER WILL ASSUME ALL START-UP COSTS FOR OPERATION OF THE POOL, SPA, AND BAR-B-QUE, AND ACQUISITION OF POOL FURNITURE.

EXHIBIT M

Description of Warranties

(Page 16, Section I (1) and (2).)

The execution, delivery and recordation of Buyer's Apartment Lease shall constitute the assignment by Seller to Buyer of any and all warranties given Seller by the general contractor for the Project, and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as that term is defined in the construction contract for the Project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any such warranties in asserting any claims based on such warranties. Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the Apartment. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO WARRANTIES, EXPRESS OR IMPLIED, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION, WITH RESPECT TO THE APARTMENT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN. At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's Apartment on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the Property, if any. Buyer agrees to accept possession of the Property despite the existence of such defects or damages to the Property regardless of extent, including but not limited to any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the Property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter by the general contractor or other warrantor. This guarantee shall survive the final closing. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorney's fees, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the Property upon request by Seller (unless the Apartment is uninhabitable) and if Buyer shall make any such refusal Buyer shall be deemed to be in default under this agreement and Seller at its option shall be entitled to cancel this agreement and keep

all payments made hereunder as liquidated damages. Buyer hereby waives all rights of inspection and rights to Seller's cooperation and assistance with the general contractor or other warrantors if Buyer fails to inspect Buyer's Apartment on the date and time specified by Seller, and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations hereunder, including without limitation the making of Payments \_\_\_ and \_\_\_ and performance of Buyer's preclosing and closing obligations.

With respect to apartment 25:

NO WARRANTIES ARE MADE, EXPRESS OR IMPLIED, WITH RESPECT TO APARTMENT 25, ITS APPLIANCES, FURNISHINGS OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON SUCH APARTMENT OR USED IN CONNECTION WITH SUCH APARTMENT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMAN-LIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

EXHIBIT N

Reservation To Withdraw Apartment 25 From The Project

Section 20 of the Declaration, as amended, states as follows:

The owner of apartment 25 reserves the right (which may be exercised only if exercise is consistent with applicable law), together with the Lessors and any institutional holder of a first mortgage on apartment 25, to amend this Declaration and said condominium file plan without the consent or joinder of other persons owning the apartments in the Project, or their mortgagees, to withdraw apartment 25, together with its appurtenant limited common element (Residential Lot 25), from the Horizontal Property Regime created in this Declaration and to reapportion the common interest equally. If apartment 25 is withdrawn under the right reserved to it under section 20 of this Declaration, (1) the common interest appurtenant to each apartment shall thereafter be 1/24th fractional interest, (2) such withdrawal shall not affect the other common and limited common elements (including without limitation the roadway and other common elements described in Section B.4.(b) of this Declaration) nor the remaining 24 apartments, all as described in this Declaration and the condominium map as the same may be amended from time to time, and (3) all costs attributable to such withdrawal shall be borne by the owner of apartment 25.