

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Percival H.Y. Chee and Carolyn T. Chee
Address 50 South Beretania Street, Suite C-116, Honolulu, Hawaii 96813

Project Name (*): 1516 NEHOA as to Apartments 1, 2, 3, 4, 6, 7, 8 and 9
Address: 1516 Nehoa Street, Honolulu, Hawaii 96822

Registration No. 1736 Effective date: June 5, 2003
Expiration date: July 5, 2004

Preparation of this Report.

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

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 by the developer when complete information is filed.

FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with

X SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[X] Final Public Report dated: February 17, 1986
[] Supplementary Public Report dated:

And [X] Supersedes all prior public reports.
[] Must be read together with
[] This report reactivates the public report(s) which expired on

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report,
as Exhibit "K"

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 developer.

Changes made are as follows:

The public report format currently in use by the Real Estate Commission ("Commission") is different from the format upon which the Final Public Report for this project was issued on February 17, 1986. Although this Supplementary Public Report may be read with the earlier Final Public Report, if a prospective purchaser desires to compare the previous report to this Supplementary public Report, the Purchaser should be aware that the information contained on a specific page of this Supplementary Public Report may not coincide with the same page number in the Final Public Report. Therefore, it is suggested that the Table of Contents be referred to when making comparisons between reports. An attorney should be consulted for further assistance.

SEE THE DISCLOSURE ABSTRACT ATTACHED TO THIS REPORT AS EXHIBIT "K".

1. The current developer of the project is Percival H. Y. Chee and Carolyn T. Chee.
2. First American Title Company, Inc. is now the current escrow company for the project.
3. The Real Estate Broker is Brandt International, Inc. dba Kahala Associates.
4. The new attorney is Brad Y. C. Wong, Esquire.

SPECIAL ATTENTION

This is a **CONDOMINIUM PROJECT**, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated as a **LIMITED COMMON ELEMENT** and not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

1. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have been complied with.
2. Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

THE PROSPECTIVE PUCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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.

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 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 project's 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.

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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: **Percival H. Y. Chee and Carolyn T. Chee** Phone: **(808) 521-6578**
Name* (Business)
50 South Beretania Street, Suite C-116
Business Address
Honolulu, Hawaii 96813

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

N/A

Real Estate Broker*: **Brandt International, Inc. dba Kahala Associates** Phone: **(808) 735-7500**
Name (Business)
4211 Waialae Ave., Suite H-6
Business Address
Honolulu, Hawaii 96816

Escrow: **First American Title Company, Inc.** Phone: **(808) 536-3866**
Name (Business)
333 Queen Street, Suite 700
Business Address
Honolulu, Hawaii 96813

General Contractor*: **N/A** Phone: _____
Name (Business)
Business Address

Condominium Managing Agent*: **Self managed by the Association of Apartment Owners** Phone: _____
Name (Business)
Business Address

Attorney for Developer: **Brad Y. C. Wong** Phone: **(808) 534-4803**
Wesley Y. S. Chang Phone: **(808) 534-4807**
Name (Business)
841 Bishop Street, Suite 702
Business Address
Honolulu, Hawaii 96813

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

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: Document No. _____
Book 19142 Page 285
 Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

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 Conveyances Condo Map No. 977
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 19142 Page 285
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. 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%*	_____75%_____
Bylaws	65%	_____75%_____
House Rules	---	_____N/A_____

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 1516 Nehoa Street Tax Map Key (TMK): (1) 2-5-1-9
Honolulu, Hawaii 96822

Address TMK is expected to change because _____

Land Area: 34,878 square feet acre(s) Zoning: R-6

Fee Owner: Percival H.Y. Chee and Carolyn T. Chee
 Name
50 South Beretania Street, Suite C-116
 Address
Honolulu, Hawaii 96813

For Apartment 5: Edwin J.W. Yee and
 Tina N.J. Tong Yee
 100 Cole Street
 San Francisco, California 94117
 General Rev. Trust Agreement of
 Ronald You Ming Young
 General Rev. Trust Agreement of
 Ramona Mook Lan Young
 967 Kailiu Place
 Honolulu, Hawaii 96825

Lessor: N/A
 Name

 Address

C. **Buildings and Other Improvements:**

1. New Building(s) when the Final Public Report was issued in February 1986
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 5 Floors Per Building: 2
 Exhibit A contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other See Exhibit A

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>9</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

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

Pets: _____

Number of Occupants: _____

Other: No time-sharing, rooming house, bed & breakfast or commercial uses. _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
See Exhibit B	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 9

*** 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 Exhibit J

Permitted Alterations to Apartments:

Not Applicable

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has previously elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls:	<u>9</u>			
	<u>Regular</u>	<u>Compac:</u>	<u>Tandem</u>	
	<u>Covered Open</u>	<u>Covered Open</u>	<u>Covered Open</u>	TOTAL
Assigned (for each unit)	<u>1</u> -----	-----	-----	<u>9</u>
Guest	-----	-----	-----	<u>0</u>
Unassigned	-----	-----	-----	<u>0</u>
Extra for Purchase	-----	-----	-----	<u>0</u>
Other: _____	-----	-----	-----	-----
Total Covered & Open:	<u>9</u>	<u>0</u>	<u>0</u>	<u><u>9</u></u>

Each apartment will have the exclusive use of at least 1 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

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

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute/Enclosure(s)
- Other: _____

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

- There are no violations. Violations will not be cured.
- Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

The existing roofing appears to have reached its useful life and requires replacement however the rest of the existing structural, electrical and mechanical components material to the use and enjoyment of such apartments are good for their age.

No representations are made as to the useful life of such structural components and mechanical and electrical installations.

11. 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> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit C .

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 use them, as described in the Declaration, are:

described in Exhibit D^{*}.

as follows:

* Note: Land areas referenced herein are NOT legally subdivided lots.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit E.

as follows:

- E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit F describes the encumbrances against the title contained in the title report dated May 30, 2003 and _____ and issued by First American Title Company, Inc. _____
May 13, 2003

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Individual Mortgages as to Apartments 1, 2, 3, 4, 6, 7, 8 and 9	Lender has priority over Buyer's rights under a sales contract, and has a right to terminate sales contracts upon foreclosure of its mortgage before an apartment sale is closed. Should the lender terminate Buyer's sales contract, Buyer shall be entitled to a refund of all deposits, less escrow cancellation fee.

F. 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:

Not Applicable

2. Appliances:

Not Applicable

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Apartments 1, 2, 3, 4, 5, 6, 7, 8 and 9 were completed in July, 1986.

H. **Project Phases:**

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

V. MISCELLANEOUS

A. 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 ___H___ contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated May 12, 2003
Exhibit ___I___ contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales 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 or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) 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.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules. (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 1736 filed with the Real Estate Commission on February 17, 1986.

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

YELLOW paper stock WHITE paper stock PINK paper stock

C. **Additional Information Not Covered Above**

The Broker and Attorney for Developer listed on page 5 of this report also represent the Buyer.

The apartments shall include all built-in furniture, attached fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, existing drapes, range, refrigerator, and other items described in the Deposit, Receipt, Offer and Acceptance for each apartment.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Carolyn T. Chee

Printed Name of Developer

By: Carolyn T. Chee 5-8-03
 Duly Authorized Signatory* Date

Carolyn T. Chee

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

**Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.*

EXHIBIT A

EXPLANATION OF BUILDINGS AND OTHER IMPROVEMENTS

Excerpt from Declaration of Horizontal Property Regime of 1516 Nehoa:

A portion of Section 1 entitled "Description of Land and Building" provides as follows:

There are five (5) buildings, all of which contain two (2) stories each, containing a total of nine (9) residential apartments, each with an attached two-car carport, situate upon 34,878 square feet of land. Four (4) of the buildings contain two (2) apartments each. One (1) building contains only one (1) apartment. The buildings are constructed of reinforced concrete first story floors, wood second floors, wood and gypsum board walls and bases, stucco outside walls for the lower level, glass, aluminum and allied building materials, integrated walls and gypsum interior walls with paint finish. The roof is constructed of asphalt shingles. The floor of each unit is uncovered and buyers have the sole responsibility to install their own floor covering. There are no basements or elevators. Each apartment contains two stories, with the kitchen, living and dining rooms and a one-half bath located on the ground floor, and a den, three (3) bedrooms and two (2) full baths located on the second floor.

EXHIBIT B

APARTMENT TYPES

Excerpt from Declaration of Horizontal Property Regime of 1516 Nehoa:

Paragraph (a) of Section 2 provides as follows:

(a) The apartments are numbered consecutively, from 1 to 9. Apartments numbered 1, 3, 5 and 7 are located on the Ewa (Westerly) side of the project site and apartments numbered 2, 4, 6 and 9 are located on the Diamond Head (Easterly) side of the project site. Apartment 8 is located at the back or northerly side of the project site. Apartments 1, 4 and 5 are Type "A" units; Apartments 2, 3 and 6 are Type "B" units; Apartment 9 is a Type "D" unit; Apartment 8 is a Type "E" unit; Apartment 7 is a Type "C" unit.

All apartments contain a kitchen, dining room, living room, den, three bedrooms and two and one—half baths.

Type "B" units are the reverse of the Type "A" units except that Apartment 5 has a carport of 465 square feet (compared to 505 square feet for all other "A" and "B" units). The total net living area for Type "A" and "B" units is 2,125 square feet, excluding carport.

The Type "C" unit has a net living area of 2,047 square feet, excluding carport.

The Type "D" unit has a net living area of 1,964 square feet, excluding carport.

The Type "E" unit has a net living area of 1,932 square feet, excluding carport.

EXHIBIT C

COMMON ELEMENTS

Excerpt from Declaration of Horizontal Property Regime of 1516 Nehoa:

Section 3 entitled "Common Elements" provides as follows:

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

- (a) Said land in fee simple.
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls and roofs of each building.
- (c) All yards, grounds, landscaping, fencing, and walls located at the Nehoa Street entrance, other than those located within the limited common elements ("exclusive area") designated for Apartments 1 and 2.
- (d) All recreational areas, consisting of two barbeque and play areas located between units 3 and 5 and between units 4 and 6, including all improvements thereon and therein.
- (e) All driveways and walkways not within areas designated as limited common elements.
- (f) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.
- (g) All portions of the drainage canal or conduit located at the Westerly boundary of the project site, including all walls and foundations contained thereon and therein.
- (h) All trees, shrubs and bushes originally placed on the site, whether or not in common areas or exclusive use areas, such as trees, shrubs and bushes being plantings required by the City and County of Honolulu, State of Hawaii, as a condition of the building permit for the project.
- (i) Any and all other apparatus and installations of common use, such as the sprinkler system and street lights, and all other parts of the property

necessary or convenient to its existence, maintenance and safety, or normally in common use.

- (j) All street lights and fixtures within the project.

EXHIBIT D

LIMITED COMMON ELEMENTS

Excerpt from Declaration of Horizontal Property Regime of 1516 Nehoa:

Section 4 entitled "Limited Common Elements" provides as follows:

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

(a) All ground areas outlined in the Condominium Map attached hereto and incorporated by reference, as "exclusive area" for each of said nine (9) apartments for the exclusive use of such apartment.

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

EXHIBIT E

COMMON INTEREST

Each apartment shall have appurtenant thereto the undivided fractional percentage interest and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting set forth as follows:

<u>Unit No. and Type</u>	<u>Dwelling Area (sq. ft.)</u>	<u>Carport Area (sq.ft.)</u>	<u>Parking Stall (Carport) No.</u>	<u>Percentage of Common Elements</u>
1-A	2125	505	1	11.4%
2-B	2125	505	2	11.4%
3-B	2125	505	3	11.4%
4-A	2125	505	4	11.4%
5-A	2125	485	5	11.4%
6-B	2125	505	6	11.4%
7-C	2047	485	7	10.9%
8-E	1932	498	8	10.3%
9-D	1964	501	9	10.4%
			TOTAL	100%

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

As to all apartments:

1. Portion of the Makiki Stream Drainage Canal which lies within said premises.
2. A Grant of Easement for utility purposes, in favor of Hawaiian Electric Company, Inc., recorded November 5, 1985 as Book 19057 Page 584 of Official Records.
3. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604(c), of the United States Codes or Chapter 515 of the Hawaii Revised Statutes, as contained in the document entitled Declaration, recorded July 15, 1986 as Book 19670 Page 352 of Official Records.
4. Covenants, conditions, restrictions and all other provisions contained in or incorporated by reference in the Declaration of Condominium Property Regime and the By-laws attached thereto, on Regular System Condominium Map No. 977; in any document creating the estate or interest herein set forth; and in any other allied document referred to in any of the above documents. Said Declaration was recorded December 12, 1985 as Book 19142 Page 285 of Official Records.

As to Apartment 1:

5. A mortgage to secure an original principal indebtedness of \$352,000.00, and any other amounts or obligations secured thereby.
Dated: October 29, 2001
Mortgagor: Percival H. Y. Chee and Carolyn T. Chee, husband and wife
Mortgagee: First Hawaiian Bank
Recorded November 1, 2001 as Regular System Document No. 2001-172896 of Official Records.

As to Apartment 2:

5. A mortgage to secure an original principal indebtedness of \$356,000.00, and any other amounts or obligations secured thereby.
Dated: October 29, 2001
Mortgagor: Percival H. Y. Chee and Carolyn T. Chee, husband and wife
Mortgagee: First Hawaiian Bank

Recorded November 1, 2001 as Regular System Document No. 2001-172895 of Official Records.

As to Apartment 3:

5. A mortgage to secure an original principal indebtedness of \$356,000.00, and any other amounts or obligations secured thereby.

Dated: October 29, 2001

Mortgagor: Percival H. Y. Chee and Carolyn T. Chee, husband and wife

Mortgagee: First Hawaiian Bank

Recorded November 1, 2001 as Regular System Document No. 2001-172894 of Official Records.

As to Apartment 4:

5. A mortgage to secure an original principal indebtedness of \$352,000.00, and any other amounts or obligations secured thereby.

Dated: October 29, 2001

Mortgagor: Percival H. Y. Chee and Carolyn T. Chee, husband and wife

Mortgagee: First Hawaiian Bank

Recorded November 1, 2001 as Regular System Document No. 2001-172893 of Official Records.

As to Apartment 6:

5. A mortgage to secure an original principal indebtedness of \$352,000.00, and any other amounts or obligations secured thereby.

Dated: October 29, 2001

Mortgagor: Percival H. Y. Chee and Carolyn T. Chee, husband and wife

Mortgagee: First Hawaiian Bank

Recorded November 1, 2001 as Regular System Document No. 2001-172892 of Official Records.

As to Apartment 7:

5. A mortgage to secure an original principal indebtedness of \$360,000.00, and any other amounts or obligations secured thereby.

Dated: October 29, 2001

Mortgagor: Percival H. Y. Chee and Carolyn T. Chee, husband and wife

Mortgagee: First Hawaiian Bank

Recorded November 1, 2001 as Regular System Document No. 2001-172891 of Official Records.

As to Apartment 8:

5. A mortgage to secure an original principal indebtedness of \$348,000.00, and any other amounts or obligations secured thereby.

Dated: October 29, 2001

Mortgagor: Percival H. Y. Chee and Carolyn T. Chee, husband and wife

Mortgagee: First Hawaiian Bank

Recorded November 1, 2001 as Regular System Document No. 2001-172890 of Official Records.

As to Apartment 9:

5. A mortgage to secure an original principal indebtedness of \$352,000.00, and any other amounts or obligations secured thereby.

Dated: October 29, 2001

Mortgagor: Percival H. Y. Chee and Carolyn T. Chee, husband and wife

Mortgagee: First Hawaiian Bank

Recorded November 1, 2001 as Regular System Document No. 2001-172889 of Official Records.

EXHIBIT G

**Maintenance Schedule
for 12 Month Period**

Maintenance:

Janitorial \$1620

Utilities:

Electricity (common elements) \$0
Water \$6835

Insurance \$6952

Management Fee \$1200

Supplies and Equipment \$300

Maintenance and Repairs \$750

Miscellaneous and Contingencies \$100

*Reserves

Total Operating Expenses per annum \$17757

The monthly maintenance breakdown for each individual apartment according to the percentage of common interest is as follows:

<u>Apartment No.</u>	<u>Estimated Initial Monthly Maintenance</u>
1	\$169
2	\$169
3	\$169
4	\$169
5	\$169
6	\$169
7	\$161
8	\$152
9	\$154

*Note: Developer has not conducted a reserve study in accordance with §514S-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

EXHIBIT H

SUMMARY OF PERTINENT PROVISIONS OF THE SALES CONTRACT

Developer has filed a Deposit Receipt Offer and Acceptance and Addendum to Deposit Receipt Offer and Acceptance with the Hawaii Real Estate Commission. The terms of the Deposit Receipt and Sales Contract include the following provisions:

3. **PERMITTED APARTMENT USES.** The Apartment shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. Buyer acknowledges that the Apartment shall not be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The Apartment and all apartments in the Project shall not be rented by the apartment owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days; or (ii) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing of laundry and linen, or bellboy service; or (iii) any time-sharing plan. Other than the foregoing restrictions, the owner of the Apartment shall have the absolute right to lease the same, subject to the provisions of the Declaration.

4. **CHANGES IN DOCUMENTS AND APARTMENT.** Seller reserves the right to modify all documents related to the Project, including the Declaration, By-Laws, Condominium Map, the Apartment Deed, the Rules and Regulations, and any exhibits to any such documents.

Seller further reserves the right to make minor changes in the Apartment and other apartments and in the common elements or limited common elements but, except as provided in the Declaration, no changes shall be made which substantially affect the physical location or design of the Apartment.

5. **BUYER'S RIGHT TO RESCIND.** Notwithstanding anything to the contrary contained in Section 4. above:

(a) Except for any additions, deletions, modifications and reservations, made pursuant to the terms of the Declaration, if, prior to the Closing Date, there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Apartment or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale made under the DROA and to receive a prompt and full refund of any monies paid.

(b) Buyer's right of rescission under subparagraph (a) above shall be waived upon (1) delivery to Buyer, either personally or by registered or certified mail, return receipt requested, of a disclosure document which describes the material change and contains a provision for Buyer's written approval or acceptance of such change, and (2) Buyer's written approval or acceptance of the material change, or the lapse of ninety (90) days since Buyer has

accepted the Apartment, or the occupancy of the Apartment by Buyer; provided that if Buyer does not rescind the DROA or execute and return the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document, Buyer shall be deemed to have approved and accepted such change; provided, further, that the deemed approval and acceptance shall be effective only if at the time of delivery of the disclosure document, Buyer is notified in writing of the fact that Buyer will be deemed to have approved and accepted the change upon Buyer's failure to act within the thirty (30) day period; provided, further, that if prior to delivery of such disclosure document, ninety (90) days have lapsed since Buyer has accepted the Apartment, or Buyer has occupied the Apartment, then Buyer's right of rescission under subparagraph (a) above shall not be waived unless Buyer shall execute the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document or Buyer is deemed to have approved and accepted such change as set forth above. A copy of the form of disclosure document shall be delivered to the Commission prior to delivery to Buyer.

6. CONDITION TO BINDING EFFECT OF DROA.

(a) Notwithstanding anything herein to the contrary, the DROA shall not be binding upon Buyer and any obligation to purchase the Apartment under the DROA shall not be enforceable against Buyer until:

(1) A true copy of the Commission's Final Public Report on the Project has been delivered to Buyer, either personally or by certified mail with return receipt requested, together with a true copy of all other public reports on the Project, if any, issued prior to the date of such delivery and not previously delivered to Buyer (unless the Final Public Report supersedes all prior public reports or a supplementary public report has been issued which supersedes the Final Public Report and any other public reports, in which case a true copy of the Commission's supplementary public report shall be delivered instead);

(2) Buyer has been given an opportunity to read the reports; and

(3) Two (2) copies of the form of the receipt and notice set forth in Section 514A-62 of the Hawaii Revised Statutes, as amended, have been delivered to Buyer and Buyer (i) executes the receipt and notice, and (ii) waives Buyer's right to cancel; provided, however, that if Buyer does not execute and return the receipt and notice within thirty (30) days from the date of delivery of such reports, or if the Apartment is conveyed to Buyer prior to the expiration of such thirty-day period, Buyer shall be deemed to have receipted for the reports and to have waived Buyer's right to cancel.

(b) Unless such right has previously been waived pursuant to subparagraph (a) above, Buyer shall have the right to cancel the DROA at any time prior to the earlier of (1) the conveyance of the Apartment to Buyer or (2) midnight of the thirtieth (30th) day following the date of delivery of said Final Public Report to Buyer, and, upon any such cancellation, shall be entitled to a prompt and full refund of all monies paid, less any costs

associated with the purchase up to a maximum of TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00).

(c) Upon Buyer's execution of the receipt and notice and Buyer's waiver of Buyer's right to cancel, or on Buyer's being deemed to have received for the reports and to have waived Buyer's right to cancel as set forth in subparagraph 5(a) above, the DROA and Buyer's obligations to purchase the Apartment shall be valid, binding and enforceable against Buyer without the execution of any additional instruments by Buyer.

EXHIBIT I

SUMMARY OF PERTINENT PROVISIONS OF THE ESCROW AGREEMENT

Developer and First American Title Company, Inc. executed a Condominium Escrow Agreement dated May 12, 2003 for the Project. Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a return of such purchaser's funds and escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

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

(b) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised such purchaser's right to cancel the sales contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised such purchaser's right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in subparagraph (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in subparagraph (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser upon the occurrence of the events described in subparagraphs (a), (b) or (c) above, and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Seller and shall be deemed no longer held hereunder. Escrow shall provide Seller with written notice of each refund.

The Escrow Agreement also provides that no disbursements of funds held in escrow shall be made unless and until the following conditions have been fulfilled:

i. the Real Estate Commission has re-issued an effective date for a final public report (the "**Final Report**") on the Project;

ii. the Buyer has been given a copy of the Final Report, has had an opportunity to read the Final Report, and has told the Seller in writing that the Buyer has the Final Report and does not wish to cancel the sale on the Hawaii Real Estate Commission's form of "Receipt for Public Report(s) and Notice of

Right to Cancel" or the Buyer is deemed to have done these things under the Condominium Law; and

iii. when the things described in (i) and (ii) above have happened and either the time in which the Seller and the Buyer could back out of the agreements in the Sales Contract has passed, or the Seller and the Buyer have said that they will not back out of the agreements in the Sales Contract. Technically, under the Condominium Law, the Sales Contract must "become effective" under certain sections of the law (Sections 514A-40, 514A-62 and 514A-63) before the funds may be distributed to the Seller.

THE ESCROW AGREEMENT CONTAINS VARIOUS OTHER PROVISIONS WHICH THE BUYER SHOULD BECOME ACQUAINTED WITH. THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE ESCROW AGREEMENT. FOR MORE DETAILED INFORMATION, THE BUYER MUST SECURE A COPY OF THE ESCROW AGREEMENT AND READ IT THOROUGHLY.

EXHIBIT J

BOUNDARIES OF EACH APARTMENT

Excerpt from Declaration of Horizontal Property Regime of 1516 Nehoa:

Paragraph (d) of Section 2 provides as follows:

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

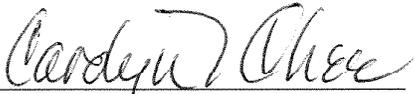
EXHIBIT K

**DISCLOSURE ABSTRACT
PURSUANT TO HRS 514A-61**

1. These disclosures pertain to 1516 NEHOA, a condominium project located at 1516 Nehoa Street, Honolulu, Hawaii (TMK, 1st Div., 2-5-1-9).
2. The developers of the project are PERCIVAL H. Y. and CAROLYN T. CHEE, whose address is 50 South Beretania Street, Suite C-116, Honolulu, Hawaii 96813.
3. The project is self managed.
4. The project broker is Brandt International, Inc. dba Kahala Associates, 4211 Waialae Avenue, Suite H-6, Honolulu, Hawaii 96816. Telephone number 808-735-7500.
5. A breakdown of the estimated maintenance fees and the monthly estimated cost for each apartment based on generally accepted principles is attached hereto as Exhibit "A" and incorporated herein by reference.
6. There are no warranties against defects of material and workmanship in either individual apartments, common elements or exclusive use areas, and the purchaser buyers his/her unit in an "as is" condition.
7. All of the apartments of the project are to be used for residential purposes only. No apartments shall be used for hotel or commercial purposes.
8. No commercial or other non-residential development is included in the project.

Date: _____

6/04/03


CAROLYN T. CHEE

1516 NEHOA

Maintenance Schedule for 12 Month Period

Maintenance:

Janitorial \$1620

Utilities:

Electricity (common elements) \$0
Water \$6835

Insurance \$6952

Management Fee \$1200

Supplies and Equipment \$300

Maintenance and Repairs \$750

Miscellaneous and Contingencies \$100

*Reserves

Total Operating Expenses per annum \$17757

The monthly maintenance breakdown for each individual apartment according to the percentage of common interest is as follows:

<u>Apartment No.</u>	<u>Estimated Initial Monthly Maintenance</u>
1	\$169
2	\$169
3	\$169
4	\$169
5	\$169
6	\$169
7	\$161
8	\$152
9	\$154

*Note: Developer has not conducted a reserve study in accordance with §514S-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

EXHIBIT "A"

<u>Unit No. and Type</u>	<u>Dwelling Area (sq. ft.)</u>	<u>Carport Area (sq.ft.)</u>	<u>Parking Stall (Carport) No.</u>	<u>Percentage of Common Elements</u>
1-A	2125	505	1	11.4%
2-B	2125	505	2	11.4%
3-B	2125	505	3	11.4%
4-A	2125	505	4	11.4%
5-A	2125	485	5	11.4%
6-B	2125	505	6	11.4%
7-C	2047	485	7	10.9%
8-E	1932	498	8	10.3%
9-D	1964	501	9	10.4%
			TOTAL	100%