

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.

N/A

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Appendix I: People Connected with the Project

Attached only if there are additions or changes to information contained in the body of the report.

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 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 condominiums, 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 or encumbered, and they may be disposed of by will or gift.

Your apartment will, however, be part of the group of apartments that comprise the condominium. 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.

Operation of the Condominium

The Association of Apartment Owners is the means through which apartment owners may take action with regard to the administration, management, and operation of the condominium. 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 control of the administration and operation of the condominium will in most cases be limited to your right to vote as an owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer: Fee simple Apartment and Common Interest

Type of Project:

1. New Construction Conversion
 Both New Construction 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

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
Dwelling A	1	3/1-1/2	1,040	_____
Dwelling B	1	3/1	748	_____
Dwelling C	1	3/1	748	_____
Dwelling D	1	3/1	748	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 4

*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)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: Dwelling A, B & C (carport)	<u>6</u> (2 each)
Dwelling D	<u>1</u>
Total Parking Stalls	<u>7</u>

7. Recreational amenities:

None

PEOPLE CONNECTED WITH THE PROJECT

Developer: Eddie Onouye, Inc. Phone: 735-4200
Name (Business)
1339 Hunakai Street
Business Address
Honolulu, Hawaii

Names of officers or general partners of developers who are corporations or partnerships:
Edward H. Onouye - President, Vice President, Secretary and Treasurer
Rodney Mukai - Assistant Secretary and Assistant Treasurer

Real Estate Sales Agent: _____ Phone: _____
Name (Business)
Business Address

Escrow: Founders Escrow & Title of Hawaii Phone: 735-7805
Name (Business)
4211 Waiialae Avenue, #303
Business Address
Honolulu, Hawaii 96816

Managing Agent: Edward H. Onouye Phone: 735-4200
Name (Business)
1339 Hunakai Street
Business Address
Honolulu, Hawaii

Attorney for Developer: Jeffrey S. Grad
Name
841 Bishop St., #2001
Business Address
Honolulu, Hawaii 96813

Appendix I may be attached to this report. If so, it will list additional people connected with the project or change that may have been made to the above information after this public report was issued.

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

A condominium is created by recording in the Bureau of Conveyances 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.

The Declaration for this condominium is:

Proposed
 Recorded -- Bureau of Conveyances -- Book 19637 Page 510
 Filed -- Land Court -- Document Number _____

Amendment date(s) and recording/filing information:

- B. Condominium Map (File Plan) shows the elevation and layout of the condominium. It also shows the floor plan for each apartment.

The Condominium Map for this condominium is:

Proposed
 Recorded -- Bureau of Conveyances -- Map No. 1013
 Filed -- Land Court -- File Plan No. _____

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium. 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 will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded -- Bureau of Conveyances -- Book 19637 Page 530
 Filed -- Land Court -- Document Number _____

Amendment date(s) and recording/filing information:

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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 recorded or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of apartment owners who must vote for or give written consent to changes:

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

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

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

SEE EXHIBIT "A" ATTACHED

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.

B. Underlying Land:

Land Area: 26,048 square feet Zoning: R-5

Fee Owner: Eddie Onouye, Inc.
name
1339 Hunakai Street
address
Honolulu, Hawaii

Sublessor:
name
address

C. Buildings and Other Improvements:

1. New Construction Conversion of Existing Building
 Both New Construction and Conversion

2. Buildings: 4 Floors Per Building: 1

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other _____

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>4</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

5. Special Use Restrictions:

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

Pets: N/A
 Number of Occupants: N/A
 Other: _____

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators n/a Stairways _____ Trash Chutes _____

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
Dwelling A	<u>1</u>	<u>3/1-1/2</u>	<u>1,040</u>	<u> </u>
" B	<u>1</u>	<u>3/1</u>	<u>748</u>	<u> </u>
" C	<u>1</u>	<u>3/1</u>	<u>748</u>	<u> </u>
" D	<u>1</u>	<u>3/1</u>	<u>748</u>	<u> </u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

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

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

Boundaries of Each Apartment:

One (1) freehold estate is hereby designated in each of the four (4) Apartments contained in the Project, within the outside surfaces of the exterior walls and roof and the bottom surfaces of the footing and foundations of each Dwelling.

Permitted Alterations to Apartments:

SEE EXHIBIT "B" ATTACHED

7. Parking Stalls:

	<u>Number of Stalls</u>
Assigned Stalls (For Individual Units)	_____
Guest Stalls	_____
Unassigned Stalls	_____
Other: <u>Dwellings A, B & C (carport)</u>	<u>6 (2 each)</u>
<u>Dwelling D</u>	<u>1</u>
Total Parking Stalls	<u>7</u>

Each apartment will have the exclusive use of at least _____ parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

	regular	compact	tandem
Number of covered stalls	_____	_____	_____
Number of open stalls	_____	_____	_____

Commercial parking garage permitted on condominium.

Exhibit _____ contains additional information on parking stalls for this condominium.

8. Recreational and Other Common Facilities:

- | | |
|---|--|
| <p><input type="checkbox"/> Swimming pool</p> <p><input type="checkbox"/> Recreation Area</p> <p><input type="checkbox"/> Tennis Court</p> <p><input type="checkbox"/> Other: _____
_____</p> | <p><input type="checkbox"/> Storage Area</p> <p><input type="checkbox"/> Laundry Area</p> <p><input type="checkbox"/> Trash Chute</p> <p style="text-align: center;">N/A</p> |
|---|--|

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

A professional engineer's report submitted to the Commission describes the conditions of the houses as follows:

1. The structures appear to be in good condition and no structural defects were noticed.
2. The electrical and mechanical systems and the plumbing system appear to be functioning properly with no major deficiencies noted.

The houses at present are structurally sound and appear to be in good condition with no major defects.

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

A letter from the City and County of Honolulu states that all code requirements were met at the time of construction of the houses.

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 (for conversions only)

	<u>Conforming</u>	<u>Non-Conforming</u>	
		<u>Legal</u>	<u>Illegal</u>
Uses	<u> x </u>	_____	_____
Structures	<u> x </u>	_____	_____
Lot	<u> x </u>	_____	_____

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

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

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

Exhibit C 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. The limited common elements and the apartment which may use them are:

described in Exhibit D

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 E describes the common interests for each apartment.

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

Exhibit F describes the encumbrances against the title contained in the title report dated April 26, 1986.

Blanket Liens:

- There are no blanket liens affecting title to the individual apartments.
- There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Terminates interest of Buyer

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. 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.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

- not affiliated with the Developer.
- the Developer or the Developer's affiliate.
- other _____

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. If you are late 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 _____ contains a schedule of maintenance fees and maintenance fee disbursements.

See Disclosure Abstract

H. Separate Utility Charges for Apartments:

Except for the utilities indicated below, each apartment will be billed separately for utilities:

Electricity Television Cable

Gas Water & Sewer

Other _____

See Disclosure Abstract

I. Construction Warranties

1. Building and Other Improvements:

See attached Exhibit "G"

2. Appliances:

See attached Exhibit "G"

J. Status of Construction and Estimated Completion Date

The project is completed as it is a conversion of existing structures.

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:

Notice to Owner Occupants

Specimen Sales Contract

Exhibit H contains a summary of the provisions of the sales contract.

Escrow Agreement dated April 25, 1986

Exhibit I contains a summary of the provisions of the escrow agreement.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sale 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 a copy of the Final Public Report and all prior public reports not previously delivered to the buyer; and
2. The buyer is given an opportunity to read the reports; and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the reports and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the reports were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the reports 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 (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
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. Declaration of Horizontal Property Regime.
2. Bylaws of the Association of Apartment Owners.
3. House Rules.
4. Escrow Agreement.
5. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
6. 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 are available for \$ 2.50 at the Department of Commerce and Consumer Affairs.

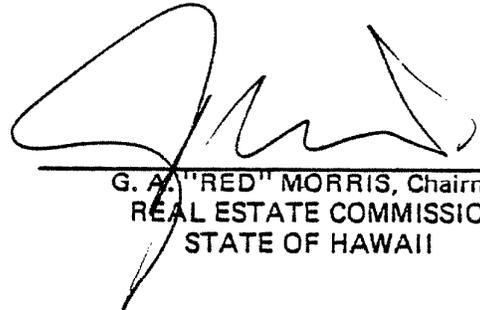
This Public Report is a part of Registration No. 1762 filed with the Real Estate Commission on May 14, 1986.

The Developer is responsible for delivering a true copy of this report to all purchasers and prospective purchasers and for securing a signed receipt for the report. When reproduced, this report must be on:

yellow paper stock white paper stock pink paper stock

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

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



G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Separate Disclosure Abstract on this condominium:

Required Not Required — disclosures covered in this report

Distribution:

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

O/R: 127H

EXHIBIT "A"

AMENDMENT OF DECLARATION.

(a) Except as otherwise provided herein, this Declaration may be amended by vote of seventy-five percent (75%) of the Dwelling Owners, effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such owners or by the proper officers of the Association. Notwithstanding the foregoing, however, if (1) at any time prior to the first filing in the Bureau of Conveyances of the State of Hawaii of a conveyance of a Dwelling, the Declarant may amend this Declaration (including all exhibits) and the By-Laws in any manner, without the consent of any Dwelling purchaser; and (2) at any time thereafter, the Declarant may amend this Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement 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 plan thereto filed fully and accurately depicts layout, location, apartment numbers, and the dimensions of an improvement or change in a Dwelling as built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the apartments as built or any change in any apartment number. In case of a modification or amendment to the By-Laws, this Declaration shall be amended to set forth such modification or amendment pursuant to such percentage vote as required by the By-Laws which rendered the modification or amendment thereof effective.

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS

Changes to Dwellings. Notwithstanding anything to the contrary contained in the Declaration:

Each Dwelling Owner, with the consent of any holder of any mortgage affecting the Owner's Dwelling, shall have the right at his sole option at any time and from time to time without the consent of anyone other than the holders of all liens affecting his Dwelling, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Dwelling or portions thereof or to make improvements upon the Dwelling Lot to which the Dwelling is appurtenant (collectively, the foregoing are referred to "changes") subject to the following conditions:

(i) All building plans for any such changes shall be prepared by a licensed architect or professional engineer and conform with County building or zoning laws and other applicable City and County ordinances.

(ii) The value of the Dwelling after such changes shall not be less than the value before such changes.

(iii) Any change will be made within the Dwelling Lot to which the Dwelling is appurtenant, and no change will reduce the distance between improvements placed on each Dwelling to less than what it was originally as shown on the Condominium Map.

(iv) All such changes shall be at the expense of the Dwelling owner making the change and shall be expeditiously made and in a manner that will not unreasonably interfere with the other owners' use of his Dwelling Lot.

(v) During the entire course of such construction, the Dwelling owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and evidence of such insurance shall be deposited with the Association or its Managing Agent, if any;

(vi) Prior to commencement of the construction of a change, and as a condition thereto, the Dwelling owner making such change shall give reasonable assurance to the Association of the owner's financial ability to complete and to pay for the change.

(vii) The owner of the changed Dwelling shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Dwelling affected by such change for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the project;

(viii) The owner of any changed Dwelling shall have the right and duty without the consent or joinder of any other person to apply for a building permit and any other permit from Governmental Authorities and public utilities to effect any change and to amend this Declaration and the Condominium Map to reflect any such changes. If required by the Act, then promptly upon completion of such changes, the owner of the changed Dwelling shall duly record any amendment to this Declaration with the Bureau of Conveyances of the State of Hawaii, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing Dwelling owners and all future Dwelling Owners and their mortgagees, by accepting an interest in a Dwelling, shall be deemed to have given each Dwelling owner a Power of Attorney to execute applications for a building or other permit as aforesaid and any amendment to the Declaration solely for the purpose of describing the changes to his respective Dwelling. Each Dwelling Owner shall hereafter have a Power of Attorney from all the other Dwelling owners to execute such amendment to the Declaration or to make applications as aforesaid. This Power of Attorney shall be deemed coupled with each Owner's interest in his Dwelling (including his common interest) and shall be irrevocable.

(ix) Each and every conveyance, lease and mortgage or other lien made or created on any Dwelling and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a Dwelling Lot shall reserve to all Dwelling Owners the rights set forth in this paragraph.

EXHIBIT "C"

COMMON ELEMENTS

One freehold estate has been designated in all the remaining portions of the Project, herein called "common elements", including specifically but not limited to:

1. Said land in fee simple;
2. The driveway indicated on the Condominium Map as Driveway Common Element 2964 square feet.
3. Roadway Lot Easement recorded in the Bureau of Conveyances in Liber 2224, Page 347.
4. All other portions of the Land and improvements not specifically heretofore designated as Dwellings, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Horizontal Property Regime.

EXHIBIT "D"

LIMITED COMMON ELEMENTS.

Certain parts of the common elements, herein called the "Limited Common Elements", have been designated and set aside for the exclusive use of each Dwelling, and each Dwelling shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne immediately by the Dwelling to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

The site of each Dwelling, called a "Dwelling Lot", consisting of the land beneath and immediately adjacent thereto, as shown and delineated as "limited exclusive common area" on said Condominium Map. Each limited common letter has the same letter designation as the Dwelling to which it is appurtenant.

EXHIBIT "E"

COMMON INTEREST

The fraction (percentage) of undivided interest in the common elements appurtenant to each apartment is set forth below. Each apartment shall have said fraction in all common profits and expenses of the Project and for all other purposes, including voting on all matters requiring action by the Dwelling Lot owners.

<u>Apartment No.</u>	<u>Percentage</u>
Dwelling A	28%
Dwelling B	24%
Dwelling C	24%
Dwelling D	24%

EXHIBIT "F"

ENCUMBRANCES AGAINST TITLE

1. Mineral and metallic mine rights reserved to the State of Hawaii.
2. Easement in favor of Felmina Matias, wife of Marcelino Matias (formerly Felmina Feliciano Dias) as granted by instrument dated April 16, 1949, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2224, Page 347.
3. Easement in favor of The Hawaiian Electric Company, Limited, a Hawaiian corporation, and Mutual telephone Company, also a Hawaiian corporation, as granted by instrument dated July 19, 1949, recorded in said Bureau in Liber 2247, Page 413.
4. Easement in favor of The City and County of Honolulu, a municipal corporation of the State of Hawaii, as granted by instrument dated June 6, 1961, recorded in said Bureau in Liber 4093, Page 170.
5. Easement in favor The City and County of Honolulu, a municipal corporation of the State of Hawaii, as granted by instrument dated June 6, 1961, recorded in said Bureau in Liber 4093, Page 175.
6. Easement in favor of Hawaiian Electric Company, Inc., a Hawaiian corporation, and Hawaiian Telephone Company, also a Hawaii corporation, as granted by instrument dated May 25, 1964, recorded in said Bureau in Liber 4772, Page 482.
7. Mortgage dated April 28, 1986, recorded in said Bureau in Liber 19456, Page 434, in favor of Masako Murata Tanaka, unmarried, as Mortgagee.
8. Declaration of Horizontal Property Regime of Keaahala Place, dated June 27, 1986, recorded in said Bureau in Liber 19637, Page 510.
9. By-Laws of the Association of Apartment Owners of Keaahala Place, dated June 27, 1986, recorded in said Bureau in Liber 19637, Page 530.
10. Condominium Map No. 1013, filed in said Bureau on July 3, 1986.

EXHIBIT "G"

CONSTRUCTION WARRANTIES

Building and Other Improvements and
Appliances

The parties understand that the Dwelling or Apartment is an existing dwelling constituting the Project, that the Project was constructed several years earlier, that the Seller is selling the improvements to premises in "as is" condition and that the Seller is giving no warranties to Purchaser with respect to the construction, materials or workmanship of the Apartment of the Project. The Seller is transferring the appliances and the electrical and plumbing fixtures in normal working condition consistent with their age. The Purchaser understands that execution, delivery and recordation of the Purchaser's Apartment Deed shall constitute the Purchaser's acceptance of the Apartment and the condition thereof including the personal property therein. Purchaser shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the Apartment. Except as to the foregoing, the Purchaser understands that the Apartment and the project are now being sold in "as is" condition. This means that the Seller shall not correct any defects in the Apartment or anything installed or contained therein. The existence of any defect in the apartment or anything installed or contained therein shall not excuse the Purchaser's obligation to perform all of his obligations under this contract.

The Purchaser understands and agrees that the Seller is disclaiming any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the project, the apartment or anything installed or contained therein. The apartment will be deemed to be sold "as is", and the Seller will not be liable to the Buyer for any construction or other defects, including any latent or hidden defects in the project, the apartment or anything installed or contained therein. This means that the Purchaser will not have the right to file any lawsuit for damages against the Seller for any defects later discovered by the Purchaser.

EXHIBIT "H"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT

1. Description of the Property to be Conveyed: Fee simple interest in the Apartment, together with the following furnishings and appliances: range, refrigerator, disposal, water heater, carpeting (except in kitchen, bathrooms and entry).

2. Purchase Price and Terms. The purchase price set forth on page 1 of the Sales Contract is to be paid as follows:

a. Up to 5% of the total purchase price upon execution of the Sales Contract;

b. That portion of the purchase price to be paid by way of a mortgage loan is to be paid on the closing date; and

c. The balance of the purchase price is to be paid to escrow by purchaser on the closing date.

3. Financing of Purchase. If Purchaser desires financing, a loan application must be made within ten (10) days and if Purchaser's application is not approved within forty-five (45) days after the application, then either Seller or Purchaser may cancel the Sales Contract. Upon such cancellation, Purchaser's deposits will be refunded by escrow without interest.

4. Closing Costs. In addition to the purchase price, the Purchaser is required to pay at closing all escrow fees, notary and recording fees, cost of credit report, if any, any loan fee and the cost for preparing any notes and mortgages, the cost of any required title insurance, and appraisal fees and any obligations of purchaser to his mortgage lender. In addition to the foregoing, the Purchaser may be required to prepay insurance premiums for as much as one year in advance, prepay maintenance fees for as much as two months in advance, and prepay real property taxes for the remainder of the tax year.

5. Closing. Seller has agreed to cause the Apartment to be sold to the Purchaser within the time period set forth on page 1 of the Sales Contract, which is expected to occur within 90 days of the date of the Sales Contract. If Purchaser fails to close as required, then after ten (10) days following Seller's notice of Purchaser's default, if Purchaser has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by

Purchaser will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser.

6. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Purchaser if (a) Purchaser fails to qualify for a permanent loan (paragraph 16); (b) Purchaser defaults under the Sales Contract (paragraph 5.2); or (c) Purchaser dies prior to Closing Date (paragraph 5.1). If Seller cancels the Sales Contract, Escrow will return to Purchaser all of Purchaser's funds earlier deposited in the escrow, without interest.

7. No Present Transfer and Subordination to Construction Loan. The Sales Contract may be subject to construction loans to Masako Murata Tanaka, in the amount \$290,000, and any security interest obtained by Lender is prior and senior to any rights arising under the Sales Contract. Seller may assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Sales Contract, then the Purchaser is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the seller under the Sales Contract.

8. Rights of Purchaser to Cancel the Sales Contract. The Purchaser has the right to cancel the Sales Contract under the following conditions:

a. At any time within thirty (30) days following the date the Final Public Report is delivered to Purchaser. If Purchaser so cancels, Purchaser will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250. If Purchaser does not act within the thirty (30) day period, or if the Apartment is conveyed to the Purchaser, Purchaser will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel (paragraph 6.1).

b. The Purchaser may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Purchaser's Apartment or the amenities available for the Purchaser's use (paragraph 7.1).

c. Purchaser fails to qualify for permanent financing (paragraph 16).

EXHIBIT "I"

SUMMARY OF THE PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between Eddie Onouye, Inc. and Founders Title & Escrow of Hawaii.

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, promptly after request for return by Buyer if one of the following had occurred:

(a) Buyer has not waived his right to cancel the Sales Contract, and Buyer cancels at any time prior to the earlier of (1) the conveyance of the Apartment to him or (2) midnight of the thirtieth day following the date of the Final Public Report to him; or

(b) Seller requests Escrow Agent to return to Buyer the funds of Buyer then being held hereunder by Escrow Agent; or

(c) Seller notifies Escrow Agent of Seller's exercise of the option to rescind the Sales contract pursuant to any right of rescission stated therein or otherwise available to Seller; or

(d) If Buyer's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

(e) Seller notifies Escrow Agent there has been a material change in the Project which directly, substantially, and adversely affects the use or value of (1) such Buyer's Apartment or appurtenant limited common elements, or (2) those amenities of the Project available for such Buyer's use, unless such Buyer's right of rescission has been waived, pursuant to Hawaii Revised Statutes, Section 514A-63.

Upon return of such funds to Buyer, Escrow Agent shall return to Seller Buyer's Sales Contract and any conveyancing documents theretofore delivered to Escrow Agent; and thereupon Buyer shall no longer be obligated under the Sales Contract. Other documents held by Escrow Agent relating to the sale of the Apartment identified in such Sales Contract will be returned to the person from whom, or entity from which, they were received.

Upon occurrence of any event specified above, Escrow Agent shall be entitled to a reasonable fee not to exceed \$50.00 to compensate it for services rendered prior to such event. If Buyer is entitled to a refund under subparagraphs (a) or (c) above, Escrow Agent shall also retain from Buyer's funds, at Seller's request, an amount equal to Seller's other costs associated with the purchase, not to exceed \$250.00.

2. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 7, until Seller has certified in writing to Escrow Agent that all of the following have occurred:

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

(b) Escrow Agent has received a copy of Buyer's receipt for the Preliminary and Final Public Reports and all Supplementary Public Reports issued by the Hawaii Real Estate Commission, and forty-eight (48) hours have elapsed since Buyer receipted for such Public Reports.

3. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, that the grace period of ten days following notice has expired, and that Seller has cancelled the Purchaser's Sales Contract. Escrow then will notify the Purchaser by registered mail that Seller has cancelled the Sales Contract. After the grace period of such notice, Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

KEAAHALA PLACE

DISCLOSURE ABSTRACT

1. (a) PROJECT: Keaahala Place
45-574 B, B1, B2 and B3 Keaahala Road
Kaneohe, State of Hawaii
- (b) DEVELOPER: EDDIE ONOUYE, INC.
1339 Hunakai Street
Honolulu, Hawaii
Telephone: (808) 735-4200
- (d) MANAGING AGENT: Edward H. Onouye
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
3. DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS: The Developer is not making any warranties relating to the materials and workmanship of the Units and the common elements. To the extent any appliances are covered by manufacturer's warranty, such warranties will be assigned to the Apartment Owner.
4. USE OF UNITS. The Keaahala Place Project will consist of four (4) units which will be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for no other purpose. In accordance with the Declaration, the Developer may elect to add an additional residential apartment.
5. EXISTING STRUCTURES BEING CONVERTED. Based upon a report prepared by Endre Toth, Registered Professional Engineer, the Developer states:
 - a. The present condition of all structural components and mechanical and electrical installation material to the use and enjoyment of the condominium appears to be good.
 - b. The Developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a); and
 - c. There are no outstanding notices of uncured violations of building code or other municipal regulations.

EXHIBIT "A"

ESTIMATED OPERATING EXPENSES

KEAAHALA PLACE

For Period June 1, 1986 to May 31, 1987
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance and Water/Sewer and Electricity:	\$	-0-
Fire*/Liability Insurance:	\$	-0-
Management Fee:	\$	-0-
Miscellaneous:	\$	-0-
 TOTAL ANNUAL EXPENSES	\$	-0-

Estimated Monthly Expenses

\$ -0- - 12 months): \$ -0-

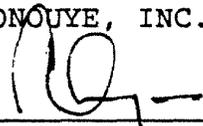
Estimated Monthly Maintenance Fee for Each Apartment:

Estimated Monthly Expenses:	\$	-0-
 TOTAL MONTHLY MAINTENANCE FEE FOR EACH APARTMENT:	\$	-0-

- Note: *
- It is expected all utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges. If the Developer is unable to obtain separate water meters for each Unit, then it is estimated that the total Annual Expense for water and sewer will be \$960, or \$80 total monthly divided among the Units.
- **
- It is contemplated that each apartment owner will purchase and maintain his own homeowner's insurance policy which will include fire and liability coverage and that the Association of Apartment Owners will be named as an additional insured, but without any cost to the Association.

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.

EDDIE ONOYE, INC.

Per 
Its President

"Developer"