

# REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION  
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

1010 RICHARDS STREET  
P. O. BOX 3469  
HONOLULU, HAWAII 96801

## PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

900 NANALA  
900 Ala Nanala  
Honolulu, Hawaii

Registration No. 1770

### IMPORTANT — Read This Report Before Buying

#### **This Report Is Not an Approval or Disapproval of This Condominium Project**

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: June 30, 1986  
Expires: July 30, 1987

#### SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 20, 1986, AND AS OF JUNE 24, 1986, THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. 900 NANALA is a proposed fee simple residential condominium project consisting of eight buildings. There will be eight separate buildings to be used as living units, hereinafter referred to as "apartments". Each apartment shall incorporate its own two-car garage.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved floor plans) have not been filed in the office of the recording officer.

4. This Preliminary Public Report is made a part of the registration of the 900 NANALA condominium project. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) and Disclosure Statement in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt therefor.

5. No advertising or promotional matter has been submitted pursuant to the Rules and Regulations promulgated by the Commission.

6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, June 30, 1986, as noted above, unless a Final or Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: 900 NANALA

LOCATION: The project, consisting of 30,317 square feet, is located on the corner of Ala Nanala and Ala Ilima, Moanalua, Honolulu, Hawaii.

TAX MAP KEY: 1-1-59:1

ZONING: A-2

DEVELOPER: Frontier Corp., whose address is Bishop Street, Suite 1110, Honolulu, Hawaii 96813. Its telephone number is 524-6600. Officers are: Lawrence K.W. Lee, President; Mieko G. Lee, Vice President; and Peter M. Lee, Secretary-Treasurer.

ATTORNEY REPRESENTING DEVELOPER: H.K. Bruss Keppeler, Attorney at Law, 1188 Bishop Street, Suite 907, Honolulu, Hawaii 96813. His telephone number is 528-5011.

DESCRIPTION OF PROJECT: The proposed project consists of eight living units called apartments each contained in a free standing one-story building without basement. The buildings are constructed principally of concrete slab floors and footings, exterior walls of concrete masonry units with a "split block" texture, interior walls constructed of wooden studs and gypsum board and roofs framed in wood and covered with cedar shakes. Windows are of aluminum and glass and doors are of wood. The buildings will contain all necessary wiring and plumbing fabricated in appropriate materials.

The proposed Declaration of Horizontal Property Regime and Condominium Map reveal that the project will be serviced by two driveways, designated as common elements, and that each apartment will be constructed within a private land area, designated as a limited common element appurtenant to such apartment. The description of each apartment and its respective private land area is as follows:

1. Unit No. 1: This apartment has a gross area of 1416 square feet which incorporates 1011 square feet of net living area and 342 square feet of interior garage space (for 2 cars). It contains a kitchen, dining area, living room, three bedrooms, two bathrooms, a master bedroom dressing area, a utility room, a hall and, of course, the garage, all as shown on the Condominium Map. Appurtenant to it is a private land area (limited common element) containing 3677 square feet.

2. Unit No. 2: This apartment has a gross area of 1478 square feet which incorporates 1039 square feet of net living area and 380 square feet of interior garage space (for 2 cars). It contains a kitchen, dining area, living room, three bedrooms, two bathrooms, a master bedroom dressing area, a utility area (in the garage) and, of course, the garage, all as shown on the Condominium Map. Appurtenant to it is a private land area (limited common element) containing 3623 square feet.

3. Unit No. 3: This apartment has a gross area of 1478 square feet which incorporates 1039 square feet of net living area and 380 square feet of interior garage space (for 2 cars). It contains a kitchen, dining area, living room, three bedrooms, two bathrooms, a master bedroom dressing area, a utility area (in the garage) and, of course, the garage, all as shown on the Condominium Map. Appurtenant to it is a private land area (limited common element) containing 3456 square feet.

4. Unit No. 4: This apartment has a gross area of 1478 square feet which incorporates 1039 square feet of net living area and 380 square feet of interior garage space (for 2 cars). It contains a kitchen, dining area, living room, three bedrooms, two bathrooms, a master bedroom dressing area, a utility area (in the garage) and, of course, the garage, all as shown on the Condominium Map. Appurtenant to it is a private land area (limited common element) containing 3744 square feet.

5. Unit No. 5: This apartment has a gross area of 1478 square feet which incorporates 1039 square feet of net living area and 380 square feet of interior garage space (for 2 cars). It contains a kitchen, dining area, living room, three bedrooms, two bathrooms, a master bedroom dressing area, a utility area (in the garage) and, of course, the garage, all as shown on the Condominium Map. Appurtenant to it is a private land area (limited common element) containing 3700 square feet.

6. Unit No. 6: This apartment has a gross area of 1416 square feet which incorporates 1011 square feet of net living area and 342 square feet of interior garage space (for 2 cars). It contains a kitchen, dining area, living room, three bedrooms, two bathrooms, a master bedroom dressing area, a utility area (in the garage) and, of course, the garage, all as shown on the Condominium Map. Appurtenant to it is a private land area (limited common element) containing 3448 square feet.

7. Unit No. 7: This apartment has a gross area of 1416 square feet which incorporates 1011 square feet of net living area and 342 square feet of interior garage space (for 2 cars). It contains a kitchen, dining area, living room, three bedrooms, two bathrooms, a master bedroom dressing area, a utility area (in the garage) and, of course the garage, all as shown on the Condominium Map. Appurtenant to it is a private land area (limited common element) containing 3164 square feet.

8. Unit No. 8: This apartment has a gross area of 1416 square feet which incorporates 1011 square feet of net living area and 342 square feet of interior garage space (for 2 cars). It contains a kitchen, dining area, living room,

three bedrooms, two bathrooms, a master bedroom dressing area, a utility room, a hall and, of course, the garage, all as shown on the Condominium Map. Appurtenant to it is a private land area (limited common element) containing 3330 square feet.

The "net living area" of an apartment is based on the interior floor area of an apartment. The "gross area" consists of the "net living area" and "interior garage space", together with the exterior walls of the apartment.

Each apartment shall have its own parking (for 2 cars) within its garage, as shown on the proposed Condominium Map. Each apartment shall have its own mailbox located either along or near its private land area boundary with the adjacent public roadway or within the common element driveways.

Each apartment shall have immediate access to its entry from its private land area either over the common element driveway adjacent thereto or directly on to the public roadway or both, as shown on the proposed Condominium Map.

Each apartment shall be deemed to include the entire free standing building, including without limitations, foundations, floor, walls (including exterior walls), windows, ceiling, all structural supports, roof, garage, water, electric, sewer and other utility lines within the private land areas appurtenant to an apartment but shall not be deemed to include all pipes, wires, conducts or other utility or service lines running through an apartment and/or private land area which are utilized for or serve more than one apartment, the same being a common element as defined herein.

COMMON ELEMENTS: The common elements will include all of the limited common elements set forth hereinbelow, and all of the remaining portions and appurtenances of the Project other than the apartments themselves, including specifically, but not limited to:

- (a) said land in fee simple;
- (b) driveways No. 1 (1178 square feet) and No. 2 (997 square feet), as shown on the proposed Condominium Map.
- (c) all ducts, sewer lines, electrical equipment, pipes, wiring 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, refuse, telephone and radio and television signal distribution;
- (d) any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called "limited common elements", area hereby set aside and reserved for the exclusive use of an apartment and such apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) Each private land area under and surrounding an apartment, as shown on the Condominium Map, shall be appurtenant to that apartment. Within each private land area shall be an open space area as shown on the Condominium Map.

(b) The improvements (other than the building housing the apartment and its garage) within said private land area. Each apartment owner shall be responsible for the proper repair and maintenance of such limited common elements appurtenant to his apartment and shall at all times keep the same in good order and condition and shall maintain and keep the private land area, including open space area, in a neat and attractive condition and all trees, shrubs and grass thereon in good cultivation, and replant the same as may be necessary, and repair and make good all defects in the same when notice shall be given by the Board of Directors or Managing Agent. The costs of maintaining and repairing a limited common element shall not be considered a common expense but shall be borne exclusively by the apartment owner to whom the limited common element is appurtenant.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project, called the "common interest", and the same proportionate share in all common profits and expenses of the Project and for all other purposes including voting in the Association of Apartment Owners. The common interest expressed in percentage for each of the 8 apartments (being apartments number 1 to number 8 inclusive) shall be 12.5%.

PURPOSE OF BUILDING AND RESTRICTION AS TO USE: The apartments shall be occupied and used only as dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. Until all other units are sold by the Developer, the latter reserves the right to use any apartment in the Project as a "model apartment", for sales offices and for other uses reasonably related to sales and development of the Project.

The House Rules provide, in part that pets are allowed provided that the owner of an apartment shall indemnify the Association and hold it harmless against any loss or liability.

OWNERSHIP OF TITLE: Seventy-Eight, Inc., a Hawaii corporation, has sold the land under an Agreement of Sale dated October 22, 1985, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1329784 and noted on Transfer Certificate of Title No. 210,085 to Developer, Frontier Corp., a Hawaii corporation. The above Agreement of Sale has been confirmed by a Preliminary Title Report issued by Long & Melone, Ltd., dated April 15, 1986.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated April 15, 1986, issued by Long & Melone, Ltd., notes that the title of the land is encumbered, as follows:

1. Any taxes that may be due and owing, reference is made to the Office of the Finance Director, City and County of Honolulu.

2. The reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. The reservation, in favor of the Trustees under the Will and of the Estate of Samuel M. Damon, deceased, of all artesian and other underground water and rights thereto appurtenant to said premises, as reserved in Deed dated October 7, 1965, filed in the Office of the Assistant Registrar as Land Court Document No. 372554, and recorded in the Bureau of Conveyances of the State of Hawaii at Honolulu in Liber 5163 at Page 496; said Trustees having released all right to enter upon surface of lands to exercise said exception and reservation in Land Court Document No. 372554,

including any rights of ingress and egress upon said lands by Release dated October 12, 1965, filed as aforesaid as Land Court Documents No. 372562, and recorded as aforesaid in Liber 5163 at Page 572.

4. Those certain perpetual covenants contained in Declaration dated November 24, 1970, filed as aforesaid as Land Court Document No. 520605.

5. That certain Mortgage and Security Agreement in favor of BANK OF HAWAII, a Hawaii corporation, as Mortgagee, made by SEVENTY-FOUR, INC. and SEVENTY-EIGHT, INC., Hawaii corporations, as Mortgagor, dated April 23, 1982, filed as aforesaid as Land Court Document No. 1113589 (also affects other lands).

6. A Financing Statement made by and between SEVENTY-EIGHT, INC., Debtor, and BANK OF HAWAII, Secured Party, covering all insurance and condemnation proceeds, and all fixtures and personal property recorded as aforesaid in Liber 16296 at Page 199.

7. Agreement of Sale by and between SEVENTY-EIGHT, INC., and FRONTIER CORPORATION, dated October 22, 1985, filed as Land Court Document No. 1329784.

8. Assignment of Seller's Interest in Agreement of Sale to BANK OF HAWAII, dated October 22, 1985, filed as Land Court Document No. 1329785.

NOTE: The Agreement of Sale mentioned above provides that, upon full payment of the total purchase price thereunder, SEVENTY-EIGHT, INC., shall convey the land to the Developer, Frontier Corp., free and clear of items 5 and 6.

EASEMENTS: The proposed Declaration provides that, in addition to any easement thereby established in the limited common elements, the apartments and common elements shall also have and be subject to the following easements:

1. Each apartment shall have appurtenant thereto non-exclusive easements in the common elements designed for such purposes for ingress to, and egress from, the private land area including such apartment; in the other common elements for use according to their respective purposes, subject always to the exclusive use of the limited common elements as provided herein; in all other limited common elements, including private land area for support of its private land area; and in all pipes, wires, ducts, cables, conduits, public utility lines and other common elements, if any, located in any of the other apartments or limited common elements and serving his apartment.

2. If any part of the common elements now or hereafter encroaches upon any apartment or limited common element including private land area, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. Likewise, if as a part of the initial construction of the Project any part of a limited common element encroaches upon any common element, a valid easement for such encroachment and the maintenance thereof, so long as it continues, shall exist. In the event any apartment building shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any portion of the Project, minor encroachments of any parts of the common elements, apartments and/or limited common elements due to the same shall be permitted, and valid easements for such encroachments and the maintenance thereof shall exist.

3. Each apartment shall be subject to an easement in favor of the Association of Apartment Owners for access to any limited common elements, including private land area, from time to time during reasonable hours as may be absolutely necessary for the operation of the Project or for making emergency repairs therein necessary to prevent damage to any apartments or common elements; provided, however, no entry shall be made to an apartment unless Board of Directors has given written notice thereof at least 30 days prior to such entry and said notice shall set forth in full detail the basis for such absolute necessity to enter the apartment for the operation of the Project.

ALTERATION OF APARTMENTS: After completion of the initial construction, an apartment owner may modify or alter his apartment at any time by submitting all plans for such alteration, together with a statement of the estimated cost of construction and completion date, to the Board of Directors for approval, or if there is not yet any Board, then, to the Developer. For purposes hereof, the only alterations of an apartment requiring the prior approval of the Board of Directors or the Developer are those which affect the external appearance or design of such apartment and which are constructed within the limited common element which is appurtenant to such apartment. The Board of Directors shall approve the plans for alteration within fourteen (14) calendar days after submission of said plans and statement as long as such plans conform to the Design Requirements set forth in Exhibit "C" to the Declaration. Plans shall be rejected only upon the unanimous vote of all directors. The Board shall not unreasonably or capriciously disapprove any such proposed alteration. Any disapproval shall be given in writing to the proposing apartment owner within said fourteen (14) day period and shall state why the proposed alteration does not conform to the Design Requirements or what danger the alteration poses to the health, safety or welfare of the Project. If the Board fails to take any action within such time period, approval of the plans shall be deemed to have been automatically granted.

The alteration of an apartment may decrease or increase the size or elevation of such apartment, layout of rooms, and its configuration; provided that the same shall not extend or place the apartment outside of the limits of the limited common element (private land area) upon which the apartment is located, as designated on the proposed Condominium Map. The boundaries and designation of the limited common elements shall not be altered except by general amendment to the Declaration in accordance with the Act. Nothing shall affect the right of an apartment owner to decorate the interior of his apartment in his sole discretion.

Before the commencement of construction, all plans shall be approved by the appropriate state and municipal agencies. The apartment owner shall also obtain and deposit with the Association a bond or certificate thereof naming the Association as additional obligee, in a penal sum of not less than one hundred percent (100%) of the cost of such construction as the same may change from time to time and with a corporate surety authorized to do business in Hawaii guaranteeing performance of such construction, free and clear of all mechanic's and materialmen's liens arising under Section 514A-16 of the Hawaii Revised Statutes, as amended.

Upon the completion of any such alteration, the Declaration and the Condominium Map shall be amended by the owner of the affected apartment and, subject to the approval of the Board of Directors, one officer of the Association other than the apartment owner of such apartment, or if there is not yet a Board of Directors or any officer, the Developer. Any such amendment shall set forth the number of the apartment involved, the description thereof as so altered in accordance with Section 514A-11(3), Hawaii Revised Statutes, as amended, and shall include a complete set of plans of such altered

apartment, along with the verified statement of a registered architect or professional engineer that the plans depict the apartment "as built" pursuant to Section 514A-12, Hawaii Revised Statutes, as amended. Such amendment shall also include the consent thereto of the holder of any recorded mortgage of the apartment involved if such lienholder requires such approval.

PURCHASE MONEY HANDLING: An Escrow Agreement dated March 14, 1986, has been executed and a copy of same has been filed with the Commission. The Escrow Agent is Long & Melone Escrow, Ltd., a Hawaii corporation. Upon examination, the specimen Reservation Agreement And Sales Contract and the executed Escrow Agreement are found to be consonant with Chapter 514A of the Hawaii Revised Statutes, as amended, and particularly Sections 514A-39, 514A-40(6), 514A-63, and 514A-65.

It is incumbent upon the prospective purchaser that he reads with care the Reservation Agreement And Sales Contract and the executed Escrow Agreement. The latter Agreement establishes how the proceeds from the sale of condominium units are placed in trust as well as the retention and disbursement of said funds. The former sets forth the terms of the purchase, which terms include the right of Developer to treat the Sales Contract as a reservation agreement until the Purchaser and Developer execute a formal acceptance for the purchase of the apartment pursuant to the terms of the Reservation Agreement And Sales Contract.

The Escrow Agreement provides that Purchaser shall be entitled to a refund of his funds and that Escrow shall pay the funds to Purchaser without interest, less a \$25.00 escrow cancellation fee, if Purchaser requests in writing the refund of his funds; provided, one of the following has occurred:

1. Escrow receives a written request from Seller to return to Purchaser the funds of such Purchaser then held hereunder by Escrow; or
2. If Purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of Purchaser's contract, requiring the approval of the county officer having jurisdiction over the issuance of permits for construction, unless Purchaser has given written approval or acceptance of the change, or ninety (90) days have elapsed since Purchaser has accepted in writing the apartment or he has first occupied the apartment; or
3. If Purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless Purchaser has given written approval or acceptance of the difference; or
4. If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report; provided that if the Final Public Report is issued after the one year period and a copy of the Final Public Report is delivered to Purchaser either personally or by registered or certified mail with return receipt requested, notwithstanding any law to the contrary, Purchaser shall have thirty (30) days from the date of delivery to exercise his or her right of refund and cancellation of obligation, after which period such right shall be deemed waived; provided, further, that such waiver shall be effective only if at the time Purchaser receives a copy of the Final Public Report, he or she is notified in writing of his or her right of refund and cancellation of obligation and the waiver of such right upon his or her failure to act within the thirty (30) day period.

Additionally, the specimen Reservation Agreement and Sales Contract provides:

1. That Purchaser's interest in the Reservation Agreement And Sales Contract is subordinate to the lien of any Interim Lender of the Project as well as any extensions, renewals and modifications thereof.

2. That Seller makes no warranties, express or implied, with respect to the apartment or common elements and Seller merely assigns to Purchaser all warranties given by General Contractor, subcontractors or materialmen of the Project, including manufacturer's or dealer's warranties covering appliances for the apartment and common elements.

3. That Purchaser will pay, at the time of closing, all closing costs, including but not limited to all escrow fees, conveyance taxes, all notary and recording fees, charges for Purchaser's credit report, costs for drafting of the Apartment Deed, mortgages and notes and costs of the title report and any title insurance, abstract of title or certificate of title. Purchaser shall, at the closing, prepay maintenance fee for a period of three (3) months and prepay real property taxes for the remainder of the tax year. Purchaser shall also pay, at closing, any loan origination fees or other costs related to his or her permanent financing.

MANAGEMENT AND OPERATIONS: The By-Laws of the Association of Owners vest the Board of Directors with the powers and duties necessary for the administration of the affairs of the Project. The Developer or the Board of Directors will decide whether there will be a managing agent.

FINANCING CONSTRUCTION: The Developer is negotiating with GECC Financial Corporation (but has not yet obtained a commitment) for construction of the common element improvements and permanent financing for land acquisition and construction of the apartments. Developer reserves the right to give such lender a security interest shall remain at all times a lien on the project, including the apartments and common elements. A construction contract for the project has not yet been executed.

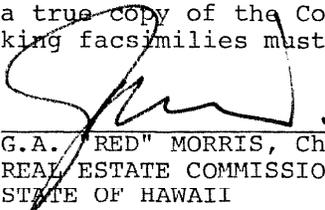
STATUS OF PROJECT: Developer has advised the Commission that construction is expected to start in the month of July 1986 and that the anticipated completion date is at the end of 1986.

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The Purchaser or prospective Purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted on June 20, 1986 and information subsequently filed as of June 24, 1986. THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1770 filed with the Commission on June 20, 1986.

The report, when reproduced, shall be a true copy of the Commission's Public Report. Paper stock used in making facsimilies must be yellow.

DISTRIBUTION:

DEPARTMENT OF FINANCE, CITY  
AND COUNTY OF HONOLULU  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT, CITY AND  
COUNTY OF HONOLULU  
ESCROW AGENT  
FEDERAL HOUSING ADMINISTRATION

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

Registration No. 1770

June 30, 1986

DISCLOSURE STATEMENT

This Disclosure Statement is prepared pursuant to the Horizontal Property Regime Act of the State of Hawaii (Chapter 514A of the Hawaii Revised Statutes, as amended) and is provided to each prospective initial Purchaser by the Developer herein.

1. The name and address of the project, and the name, address, and telephone number of the Developer or his agent and of the project manager or his agent:

THE PROJECT NAME: "900 NANALA", LOCATED AT MOANALUA, HONOLULU, HAWAII.

DEVELOPER: FRONTIER CORP., 1188 BISHOP STREET, SUITE 1110, HONOLULU, HAWAII 96813, TELEPHONE NO: 524-6600.

PROJECT MANAGER: HOWARD PRYOR, 1188 BISHOP STREET, SUITE 1110, HONOLULU, HAWAII 96813, TELEPHONE NO: 524-6600.

2. A breakdown of the annual maintenance fees and the monthly estimated cost for each apartment, revised and updated at least every twelve months and certified to have been based on generally accepted accounting principles:

SEE EXHIBIT "1" ATTACHED HERETO AND BY REFERENCE MADE A PART HEREOF, WHICH EXHIBIT IS A PROPOSED BUDGET PREPARED BY THE DEVELOPER, SETTING FORTH MAINTENANCE FEE COLLECTION FOR EACH APARTMENT.

3. A description of all warranties for the individual apartments and the common elements, including the date of initiation and expiration of any such warranties:

WARRANTIES FOR THE BUILDING CONSTRUCTION SHALL BE ONE (1) YEAR COMMENCING FROM THE DATE OF COMPLETION.

4. A statement of the proposed number of apartments to be used for residential or hotel use in a mixed use project containing apartments for both residential and hotel use:

ALL 8 APARTMENTS WILL BE USED AS DWELLINGS BY THE OWNERS THEREOF.

5. A statement of the extent of commercial or other non-residential development in the project:

NO COMMERCIAL OR OTHER NON-RESIDENTIAL USE IS CONTEMPLATED.

THE DISCLOSURE REQUIREMENTS HEREIN SHALL BE ADMINISTERED BY THE REAL ESTATE COMMISSION OF THE STATE OF HAWAII.

EXHIBIT "A"

INITIAL ESTIMATED BUDGET  
FOR  
900 NANALA

(ANNUAL EXPENSES)

INSURANCE, GENERAL	\$450.00
RESERVES	<u>510.00</u>
TOTAL	\$960.00 per year

\$10.00 PER APARTMENT, PER MONTH

(\$10 x 8 x 12) \$960.00 per year

FRONTIER CORP.  
1188 BISHOP STREET  
SUITE 1110  
HONOLULU, HAWAII, 96813  
TELEPHONE 524-6600

EXHIBIT 1