

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 public report has been issued by the Real Estate Commission.

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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.

PEOPLE CONNECTED WITH THE PROJECT

Developer: MAKIKI CRESCENT INC. Phone: 521-1077
Name 838 S. Beretania St., Suite 300 (Business)
Business Address
Honolulu, Hawaii 96813

Names of officers or general partners of developers who are corporations or partnerships:
Edward W. K. Lee - President
Annie A. Woolley - Vice President

Real Estate Sales Agent: W W & Associates, Inc. Phone: 734-2248
Name 3536 Harding Ave., #406 (Business)
Business Address
Honolulu, Hawaii 96816

Escrow: First Hawaii Title Corporation Phone: 528-5656
Name 220 South King Street, #825 (Business)
Business Address
Honolulu, Hawaii 96813

Managing Agent: J.I.M. Corporation Phone: 941-0085
Name P. O. Box 38082 (Business)
Business Address
Honolulu, Hawaii 96837-1082

Attorney for Developer: Hong, Iwai and Hulbert
Attention: Roy K. Kawano
Name Suite 2200, Pauahi Tower
1001 Bishop Street
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 changes that may have been made to the above information after this public report was issued.

**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 19685 Page 310
- 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. 1017
- 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 19685 Page 357
- 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	—	The Board of Directors shall have the power to adopt, <u>amend or repeal</u> the House Rules.

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

2. Developer: The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules: The developer reserves the right to modify the Declaration, Bylaws, Apartment Deed and Escrow Agreement; provided that no such modification shall (a) increase buyer's share of common expenses, (b) require a substantial change of the building, (c) reduce substantially the size of an apartment, or (d) substantially impair or modify any of the obligations in respect of the building given or undertaken by the developer. The developer further reserves the right to make minor changes to any apartment and to the common elements; provided that no changes shall be made which shall affect the physical location or reduce the number of apartments in the Project or substantially change the design.

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.

II. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

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

The leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners) either (1) remove or dispose of the building and other improvements; or (2) convey the building and improvements to the lessor at a specified price.

Exhibit _____ contains further explanations.

Lease Term Expires: _____
Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

For Subleaseholds:

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

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

B. Underlying Land:

Land Area: 9,288 square feet

Zoning: A-2

Tax Map Key: First Division 2-4-22:03

Fee Owner: Makiki Crescent Inc. (the developer)
name
838 S. Beretania St., Suite 300
address
Honolulu, Hawaii 96813

Sublessor:
name
address

C. Buildings and Other Improvements:

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

2. Buildings: 1 Floors Per Building: _____

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other Steel, aluminum, concrete blocks, glass and allied building materials.

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>9</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: No more than 2 pets may be kept in any apartment and the approval of the Board of Directors is required before any dog may be kept in an apartment.
 Number of Occupants: _____
 Other: See item 1 of Attachment at page 21 regarding restrictions on the use of the apartments.

6. Interior (fill in appropriate numbers):

Total Apartments 9

Elevators None

Stairways 2

Trash Chutes None

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>A</u>	<u>1</u>	<u>3 / 2</u>	<u>1,232</u>	<u>_____</u>
<u>B</u>	<u>1</u>	<u>3 / 2</u>	<u>1,100</u>	<u>_____</u>
<u>C & F</u>	<u>1 Each</u>	<u>3 / 2</u>	<u>1,057</u>	<u>_____</u>
<u>D & E</u>	<u>1 Each</u>	<u>3 / 2</u>	<u>1,063</u>	<u>_____</u>
<u>G</u>	<u>1</u>	<u>3 / 2</u>	<u>1,058</u>	<u>_____</u>
<u>H</u>	<u>1</u>	<u>3 / 2</u>	<u>1,079</u>	<u>_____</u>
<u>J</u>	<u>1</u>	<u>2 / 1</u>	<u>974</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: Each apartment shall be deemed to include (a) all walls and partitions which are not load-bearing within its perimeter or party walls, (b) the interior decorated or finished surfaces of all perimeter or party walls and load-bearing walls, floors and ceilings, the exterior unfinished surfaces of entry doors and the frames thereof, and all floor coverings, (c) all windows, window glass, and frames, and (d) all fixtures contained or installed in the apartment. An apartment will not be deemed to include the perimeter or party walls or the interior load-bearing walls or the floors and ceilings surrounding the apartment or any pipes, wires, conduits, or other utility or service lines running through the apartment which are utilized by or serve more than one apartment.

Permitted Alterations to Apartments: Any alterations or additions within an apartment shall be undertaken by an apartment owner only pursuant to the written approval thereof, including the plans therefor, by the holders of first mortgages affecting such apartment, the Board of Directors, and all other apartment owners thereby directly affected (as determined by the Board of Directors in its sole discretion). Upon completion of such alteration or addition, the apartment owner shall duly record and file of record an amendment to the Declaration, together with the approved plans showing only such alteration or addition.

7. Parking Stalls:

	<u>Number of Stalls</u>
Assigned Stalls (For Individual Units)	<u>16</u>
Guest Stalls	<u> </u>
Unassigned Stalls	<u> </u>
Other: _____	<u> </u>
 Total Parking Stalls	 <u>16</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.

	regular	compact	tandem
Number of covered stalls	<u>10</u>	<u>6</u>	<u> </u>
Number of open stalls	<u> </u>	<u> </u>	<u> </u>

Commercial parking garage permitted on condominium.

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

8. Recreational and Other Common Facilities:

- | | |
|---|---------------------------------------|
| <input type="checkbox"/> Swimming pool | <input type="checkbox"/> Storage Area |
| <input type="checkbox"/> Recreation Area | <input type="checkbox"/> Laundry Area |
| <input type="checkbox"/> Tennis Court | <input type="checkbox"/> Trash Chute |
| <input checked="" type="checkbox"/> Other: <u>Driveway, landscaping and other ground improvements, and a private park area.</u> | |

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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot (for conversions only)

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

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 B 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 C

as follows:

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

Exhibit A describes the common interests for each apartment.

The percent common interest for each apartment as shown in Exhibit A will also be used to determine each apartment's share of the maintenance fees and other common profits and expenses of the Project and for all other purposes, including voting.

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

Exhibit D describes the encumbrances against the title contained in the title report dated July 21, 1986.

Blanket Liens:

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
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See item 2 of Attachment at page 21 regarding the blanket lien covering the underlying land.

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:

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

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium. 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 E contains a schedule of maintenance fees and maintenance fee disbursements.

H. Separate Utility Charges for Apartments:

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

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input checked="" type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. Construction Warranties

1. **Building and Other Improvements:** The construction contract with the general contractor for the Project contains the following warranty clause:

If, within one year after the date of substantial completion of the work, any of the work is found to be defective or not in accordance with the contract documents, the contractor shall correct it promptly after receipt of a written notice from the developer to do so unless the developer has previously given the contractor a written acceptance of such condition. The developer shall give such notice promptly after discovery of the condition.

The developer makes no warranties itself, but if buyer shall give the developer written notice of any such condition promptly after discovery thereof, and during the unexpired term of such contractor's warranty, the developer will forward such notice together with the written notice to the contractor to correct such condition.

2. **Appliances:** A description of warranties on the appliances to be installed in each apartment is presently unavailable inasmuch as the purchase contracts therefor have not been executed by the developer. The developer will attempt to assign to buyers the unexpired term, if any, of any manufacturer's or dealer's warranties covering any fixtures or appliances in the apartment. By such assignment the developer will be merely passing through to buyers any such manufacturer's or dealer's warranties, and the developer will not be adopting any such warranties or acting as co-warrantor.

J. Status of Construction and Estimated Completion Date A construction contract has been executed on June 2, 1986 between the developer and MSD Construction Ltd., as Contractor. The developer advised the Commission that construction of the Project will commence on or about August 1, 1986, and that the estimated completion date is sometime in February, 1987 (assuming there are no delays).

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 F contains a summary of the provisions of the sales contract.

Escrow Agreement dated June 19, 1986

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

Other Affidavit of Intent to Purchase a Unit Designated for Owner-Occupants; Receipt for Public Report(s) and Notice of Right to Cancel; Apartment Deed.

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

A. Apartment Numbering and Location. The 9 apartments will be numbered by assigning to each apartment such letter which will correspond to the designated type of such apartment. The Type J apartment will be located on the ground level of the building. Each of the remaining 8 apartments will have two levels and will be located on the second and third levels of the building. Starting with the Type A apartment, which will be located on the makai (southerly) corner of the building, the apartments will be numbered consecutively from the letter A through the letter H. The Type H apartment will be located on the mauka (northerly) corner of the building.

B. Financing of Project. The developer has filed a verified statement with the Commission showing all costs involved in completing the Project to be \$1,097,994.00. The developer has advised the Commission that it intends to finance the development and construction of the Project by means of an interim construction loan and to the extent necessary, by use of its own funds. The developer has also advised the Commission that it has obtained a commitment from Bancorp Finance of Hawaii, Inc. to make such interim construction loan subject to the fulfillment of all of the conditions precedent set forth in such commitment.

Buyers are advised that any examination of agreements, contracts, and documents relating to the Project and any inspections of the Project by Bancorp Finance of Hawaii, Inc. will be made solely for the benefit of Bancorp Finance of Hawaii, Inc. and not for any other person, including buyers, and Bancorp Finance of Hawaii, Inc. has no responsibility for the truth or accuracy of the developer's documents.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

1. The Developer delivers 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 Apartment Deed

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.

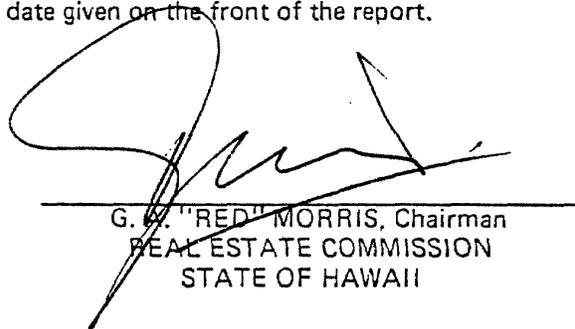
This Public Report is a part of registration No. 1780 filed with the Real Estate Commission on July 28, 1986.

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. G. "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

V. ATTACHMENT

1. Other Special Use Restrictions: The apartments shall be occupied and used only as residential dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or for hotel purposes, which are defined as (a) rental for any period less than thirty days, or (b) any rental in which the occupants of such apartments are provided customary hotel services on a daily basis, such as room service for food and beverages, maid service, laundry and linen or bellboy service. The apartments shall not be used, leased, rented or any undivided interest therein conveyed for time-sharing purposes or under any time-sharing plan or arrangement. Except for such transient, hotel, or time-sharing purposes, the owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration.

2. Blanket Lien. The underlying land is covered by a Mortgage, Security Agreement and Financing Statement dated December 15, 1980 and is more particularly described in item 3 of Exhibit D. The developer has obtained a commitment from Bancorp Finance of Hawaii, Inc. to make a loan to the developer if all of the conditions of such commitment are satisfied by the developer. The loan from Bancorp Finance of Hawaii, Inc. will be used to pay off the existing mortgage and to construct the Project. If the developer defaults on the existing mortgage and is unable to obtain any loan to pay off the existing mortgage and to construct the Project, the developer will not be able to convey the apartment to a buyer. If all of the conditions of Bancorp Finance of Hawaii, Inc.'s commitment are satisfied, the existing mortgage will be paid off and Bancorp Finance of Hawaii, Inc. will then have a blanket lien on the underlying land and the Project. If the developer defaults on Bancorp Finance of Hawaii, Inc.'s loan prior to conveying the apartment to a buyer, such buyer's interest in the apartment will be subordinate to Bancorp Finance of Hawaii, Inc.'s interest in the apartment.

EXHIBIT A

PERCENT COMMON INTEREST AND PARKING STALL ASSIGNMENT

<u>Apartment Number</u>	<u>Percent Common Interest</u>	<u>Parking Stall Number</u>
A	12.723	4 & 5
B	11.360	2 & 3
C	10.916	14 & 15
D	10.978	8 & 9
E	10.978	10 & 11
F	10.916	1
G	10.927	6 & 7
H	11.143	12 & 13
J	10.059	16

NOTE: Parking Stalls Numbered 7, 9, 11, 13, 14 and 15 are designed for compact cars.

EXHIBIT B

Common Elements

There will be designated one freehold estate consisting of the remaining portion and appurtenances of the Project, being the common areas and facilities. The common elements shall include, but are not limited to, the following:

1. The underlying land in fee simple;
2. All foundations, columns, girders, beams, floor slabs, supports, perimeter walls, load-bearing walls, floors and ceilings (except for the inner decorated or finished surfaces of the perimeter walls, party walls, load-bearing walls, floors and ceilings within each apartment space and except as expressly provided otherwise), roofs, and stairways of the building;
3. All areas, structures or facilities of the Project, within or outside of the building, which are for common use or which serve more than one apartment space, such as refuse facilities, mailboxes, hallways, walkways and common ways, driveways, planter, landscaping, yards, private park area, fences, retaining walls and the parking stalls;
4. All central and appurtenant installations serving more than one apartment space for power, light, gas, water, ventilation, refuse, telephone, radio and television signal distributions, and all pipes, wires, conduits, ducts, vents, and other service utility lines which serve more than one apartment space;
5. All apparatus and installations for common use, and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use;
6. All other parts of the Project which are not included in the definition of an apartment space.

EXHIBIT C

Limited Common Elements

Certain of the common elements are designated as "limited common elements" and are set aside and reserved for the use of certain apartment spaces, which apartment spaces shall have appurtenant thereto an exclusive easement for the use of such limited common elements. The limited common elements so set aside and so reserved are as follows:

1. Parking Stalls. The parking stalls and the apartment space to which the same appertain are set forth in Exhibit A. Subject to the limitation that each apartment space shall at all times have at least one parking stall appurtenant to it, apartment space owners will have the right to change the assignment (but not the numbering) of parking stalls by amendment of the Declaration and the respective apartment deeds involved, such amendment to the Declaration and apartment deeds to be in writing and executed only by the owners of the apartment spaces seeking such change (and their respective mortgagees, if any) and to be effective only upon recording the same in the Bureau of Conveyances of the State of Hawaii.

2. Mailboxes. The mailbox assigned to an apartment space shall be limited to the use of such apartment space. Each apartment space shall at all times have at least one mailbox appurtenant to it.

3. Other. All other common elements of the Project which are rationally related to less than all of the apartment spaces shall be limited to the use of such apartment space or apartment spaces to which the same are related.

EXHIBIT D

Encumbrances Against Title

A Preliminary Report issued by First Hawaii Title Corporation dated July 21, 1986, identifies the following encumbrances on the underlying land:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Reserving to the State of Hawaii (formerly Territory of Hawaii) in perpetuity all rights of vehicle access appurtenant to remnant B-22-A-3 over and across Courses 3 and 4 of said Remnant B-22-A-3, into and from the Mauka arterial and over and across Course 5 into and from Makiki Street, no vehicle access being permitted over and across said Courses, as reserved in Deed dated July 15, 1955, recorded on July 18, 1955 in the Bureau of Conveyances of the State of Hawaii in Book 2986 Page 427.
3. Mortgage, Security Agreement and Financing Statement dated and recorded on December 15, 1980 in said Bureau of Conveyances in Book 15209 Page 426, made by EDWARD W. K. LEE, husband of Yung Chin Lee, and ZINTEL, INC., a Hawaii corporation, to BISHOP TRUST COMPANY, LIMITED, a Hawaii corporation, as Trustee under that certain unrecorded Revocable Inter Vivos Trust Agreement dated January 15, 1976, made by Evelyn Honsinger as Settlor, the Trust Estate being known as Makina Trust I, as to an undivided one-third (1/3) interest, and as Trustee under that certain unrecorded Inter Vivos Trust Agreement dated December 23, 1975, made by Junedale Lee as Settlor, the Trust Estate being known as Makina Trust II, as to an undivided one-third (1/3) interest, and as Trustee under that certain unrecorded Revocable Inter Vivos Trust Agreement dated December 12, 1975, made by Maxine Rothwell as Settlor, the Trust Estate being known as Makina Trust III, as to the remaining undivided one-third (1/3) interest.
4. For real property taxes as may be due and owing, inquiry should be made with the Department of Finance, Real Property Assessment Division, City and County of Honolulu.
5. The Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners, and the Condominium Map as cited on page 7 of this report.

EXHIBIT E

ESTTDATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
A	\$127.23	\$1,526.76
B	113.60	1,363.20
C	109.16	1,309.92
D	109.78	1,317.36
E	109.78	1,317.36
F	109.16	1,309.92
G	109.27	1,311.24
H	111.43	1,337.16
J	100.59	1,207.08

[] Revised on _____

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

common elements only \$ 40 \$ 480
 common elements
and apartments

~~Gas~~

Refuse Collection 80 960

~~Telephone~~

Water and Sewer 150 1,800

Maintenance, Repairs and Supplies

Building 30 360

Grounds 143 1,716

Management

Management Fee 312 3,744

Payroll and Payroll Taxes

Office Expenses

Insurance

120 1,440

Reserves

100 1,200

Taxes and Government Assessments

Other

Audit and Legal 15 180

Fire Control/Miscellaneous 10 120

TOTAL \$1,000 \$12,000

I/We, J.I.M. CORPORATION, as managing agents for the condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles for the twelve-month period commencing January 1, 1987.


Date: 7/21/86

EXHIBIT F

Summary of Provisions of the Sales Contract

The Sales Contract establishes the developer's willingness to sell and a buyer's willingness to purchase an apartment.

Among other provisions, the Sales Contract includes the following:

1. The buyer acknowledges receipt of a separate Receipt and Notice instrument in the form and content as set forth in Section 514A-62(d), Hawaii Revised Statutes. The Receipt and Notice instrument gives the buyer the right to cancel the Sales Contract in the manner as set forth therein.

2. The developer may cancel the Sales Contract if the buyer's application for eligibility for a mortgage loan is rejected or not preliminarily approved within forty-five days after application.

3. The buyer will pay for the following closing costs: acknowledgments of buyer's signatures on all documents, drafting of buyer's mortgage, mortgage insurance premiums, financing and other fees in connection with buyer's mortgage, all credits reports, all recording fees not paid by the developer, title insurance and one-half of the escrow fees.

4. The developer makes no warranties, express or implied, with respect to the apartment, the Project, or consumer products or other things installed or contained in the apartment

or the Project, including but not limited to warranties of merchantability, habitability, workmanlike construction or fitness for a particular purpose.

5. The buyer agrees to subordinate his interest under the Sales Contract and in and to the apartment to the lien of any construction mortgage made by the developer to finance the cost of the development and construction of the Project.

6. The developer and its agent have no program at this time nor is any program planned or contemplated to offer a rental service of any kind to the owners of apartments in the Project, either individually or in any form of pooling arrangement, or by a third-party designated or arranged for by the developer, nor have any representations been made by the developer or its agent as to the feasibility of renting the apartment, or otherwise generating income or deriving any other economic benefit from ownership of the apartment. The developer and its agent have made no representations (nor is anyone authorized to do so) contrary to this paragraph with respect to either benefits to be derived from the rentals or other tax treatment of any buyer of an apartment.

7. The buyer agrees that the developer shall have the right to conduct construction activities for the completion of the improvements and correction of defects in the Project, and such rights shall terminate 24 months after the later of (a) the date of recording in the Bureau of Conveyances of the State of

Hawaii of the first Apartment Deed to an apartment in the Project, or (b) "substantial completion" (as the term is used in Chapter 507, Part II, Hawaii Revised Statutes) of the improvements to be completed or corrected.

8. The buyer further agrees that the developer shall have the right to conduct sales activities on the Project, including the use of model apartment units, sales offices, signs and extensive sales displays and activities, and the use of three parking spaces in the Project for parking for prospective purchasers, until the earlier to occur of (a) 24 months from the recording as aforesaid of the first Apartment Deed to an apartment in the Project, or (b) the sale of the last unsold apartment in the Project.

The foregoing are only excerpts from certain paragraphs in the Sales Contract. It is incumbent upon the prospective buyer that he reads with care the entire Sales Contract.

EXHIBIT G

Summary of Provisions of the Escrow Agreement

The Escrow Agreement establishes how the proceeds from the sale of the apartments are placed in trust as well as the retention and disbursements of said funds.

Among other provisions, the Escrow Agreement includes the following:

1. Escrow shall deposit any or all funds received and held in escrow in interest bearing accounts in federally-insured savings and loan institutions or federally-insured banking institutions designated by the developer or may use such funds for the purchase of time certificates. Any and all interest earned on such funds during the holding thereof shall accrue to the credit of the developer in accordance with the agreements and instructions contained in the Sales Contracts.

2. Subject to such deductions as may be provided in the Sales Contract and the escrow cancellation fee, the buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such buyer, if one of the following has occurred:

(a) The developer notifies Escrow to return to the buyer the funds of the buyer then being held thereunder by Escrow; or

(b) The developer notifies Escrow of the developer's exercise of the option to rescind the Sales Contract pursuant to

any right of rescission stated therein or otherwise available to the developer; or

(c) The conditions providing for a refund under Sections 514A-62, 514A-63 or 514A-105 of the Horizontal Property Act (as amended on the date upon which the Sales Contract becomes binding and effective) have been met, and written notice thereof has been provided to the developer, and the developer and the buyer have advised Escrow to refund buyer's funds.

Upon the return of said funds to the buyer as aforesaid, Escrow shall return to the developer such buyer's Sales Contract and any conveyancing documents theretofore delivered to Escrow pursuant to such Sales Contract; and thereupon the buyer shall no longer be obligated under the Sales Contract.

3. Escrow shall make no disbursements of any buyer's funds, except by way of refunds thereof as provided above, until such buyer's Sales Contract has "become effective" and the requirements of Section 514A-39, 514-62 and 514A-63 of the Horizontal Property Act have been met. No disbursements of any buyer's funds shall be made until Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared, unless sufficient funds are set aside for any bona fide dispute.

The foregoing are only a summary of certain provisions in the Escrow Agreement. It is incumbent upon the prospective buyer that he reads with care the entire Escrow Agreement.