REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

KAPILI BUSINESS CENTER
Lawehana Street, Lot 227
Halawa, Oahu, Hawaii

Registration No. 1867

Issued: April 28, 1988
Expires: May 28, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of April 21, 19 88 **and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.**

Type of Report:

____ **PRELIMINARY:** (yellow) — The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

__X__ **FINAL:** (white) — The developer has legally created a condominium and has filed complete information with the Commission.
[X] Supersedes all prior public reports
[ ] Must be read together with _____

____ **SUPPLEMENTARY:** (pink) — Updates information contained in the
[ ] Prelim. Public Report dated _____
[ ] Final Public Report dated _____
[ ] Supp. Public Report dated _____

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____

[ ] This report reactivates the _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required [x] Not Required -- disclosures covered in this report.

FORM: RECO-30 286/036-350W, 150Y, 50P

Summary of Changes from Earlier Public Reports:

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

Since the issuance of a Preliminary Title Report dated January 12, 1988 on the Kapili Business Center, the Developer reports that material changes have been made to the project. This Final Public Report reflects the changes and supercedes all prior information issued on this project.

TABLE OF CONTENTS

page

Report Purpose 1
Type of Report 1
Summary of Changes from Earlier Public Reports 2
Table of Contents 3
General Information on Condominiums 4
Summary of the Condominium Project 5

I. PEOPLE CONNECTED WITH THE PROJECT 6

Developer
Real Estate Sales Agent
Escrow Company
Managing Agent
Attorney for Developer

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS
- A. Declaration 7
- B. Condominium Map (File Plan) 7
- C. Bylaws 7
- D. House Rules 8
- E. Changes to Condominium Documents 8

III. THE CONDOMINIUM PROJECT
- A. Interest to be Conveyed to Buyer 9
- B. Underlying Land 10
- C. Buildings and Other Improvements 10
- D. Common Elements, Limited Common Elements, Common Interest 14
- E. Encumbrances Against Title 15
- F. Management of the Common Elements 15
- G. Maintenance Fees 16
- H. Utility Charges 16
- I. Construction Warranties 16
- J. Status of Construction 17
- K. Project Phases 17
- L. Sales Documents Filed with the Real Estate Commission 17

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE 18

Buyer's Right to Cancel Sales Contract 19
Signature of Real Estate Commission Chairman 20

EXHIBIT A: Apartment Description; Common Interests & Parking Assignments
EXHIBIT B: Rent Schedule
EXHIBIT C: Restrictions As to Use
EXHIBIT D: Description of Common Elements
EXHIBIT E: Encumbrances Against Title
EXHIBIT F: Estimate of Initial Maintenance Fees
EXHIBIT G: Summary of Sales Contract
EXHIBIT H: Summary of Escrow Agreement
EXHIBIT I:
EXHIBIT J:

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

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

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

A leasehold interest in an apartment and its appurtenant common interest.

Type of Project:

1. [x] New Building(s) [ ] Conversion
   [ ] Both New Building(s) and Conversion

2. [ ] Residential [x] Commercial
   [ ] Mixed Residential and Commercial
   [ ] Other _____

3. [ ] High Rise (5 stories or more) [x] Low Rise

4. [ ] Single or [x] Multiple Buildings

5. Apartment Description See Exhibit "A" attached.

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio

Total Apartments: 10

*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:

	Number of Stalls
Assigned Stalls (Individual Units)	29
Guest Stalls	
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: _____	
Total Parking Stalls	29

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer:
Kaulana Mauka Corp.
Name
109 Poloke Place
Business Address
Honolulu, Hawaii 96822
Phone: 946-3361 (Business)

Names of officers or general partners of developers who are corporations or partnerships:
Peter Z. Dyck - President
David R. McFaull - Vice-President

Real Estate Sales Agent:
Peter Z. Dyck dba
Rayonna Properties
Name
1221 Kapiolani Blvd., #815
Business Address
Honolulu, Hawaii 96814
Phone: 922-2983 (Business)

Escrow:
First American Title Co. of Hawaii
Name
220 S. King Street, Ste. 700
Business Address
Honolulu, Hawaii 96813
Phone: 524-4050 (Business)

Managing Agent:
Kaulana Mauka Corp.*
Name
109 Poloke Place
Business Address
Honolulu, Hawaii 96822
Phone: 946-3361 (Business)

*Kaulana Mauka Corp. is not a licensed Condominium Managing Agent (CMA) and does not have the required bond as specified under Chapter 514A, Hawaii Revised Statutes. Kaulana Mauka Corp. will not be able to operate as a CMA until they are properly licensed and registered with the Real Estate Commission.

Attorney for Developer:
Jonathan S. Durrett
Name
1001 Bishop St., 1250 Pauahi Tower
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

A. Declaration of Horizontal Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded — Bureau of Conveyances — Book _____ Page _____
[x] Filed — Land Court — Document Number 1538837

Amendment date(s) and recording/filing information:

B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[ ] Recorded — Bureau of Conveyance Condo Map No. _____
[x] Filed — Land Court Condo Map No. 659

Amendment date(s) and recording/filing information:

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

The Bylaws for this condominium are:

[ ] Proposed
[ ] Recorded — Bureau of Conveyances — Book _____ Page _____
[x] Filed — Land Court — Document Number 1538838

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. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:
[ ] Proposed [ ] Adopted

[X] Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	–	N/A

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 has reserved the right to successively amend the Declaration (including the By-Laws, and when applicable, the Condominium Map), without the approval, consent or joinder of any purchaser of an apartment or any of the persons then owning or leasing any apartment, to file the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of said Horizontal Property Act, (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built, or (ii) so long as any plans filed therewith involve only changes to the layout, location, apartment numbers or elements as built.

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Exhibit _____ contains further explanations.

Lease Term Expires: June 30, 2034
Rent Renegotiation Date(s): July 1, 2009; July 1, 2014, July 1, 2019; July 1, 2024; July 1, 2029

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[x] Semi-Annually [ ] Annually

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

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

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

Exhibit _____ contains further explanations.

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

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

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

[x] Other: NOTE: Upon expiration of the leasehold and any extensions, Buyer is aware that all improvements on the property shall belong to the Lessor.

For Subleaseholds:

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

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

B. **Underlying Land:**

Address: 4355 Lawehana Street
Honolulu, Hawaii 96818

Tax Map Key: 9-9-71-37 (TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 22,224 [x] square feet [ ] acre(s)

Zoning: I-2

Fee Owner: Queen Emma Foundation
name
1301 Punchbowl Street
address
Honolulu, Hawaii 96813

Sublessor: Kaulana Mauka Corp.
name
109 Poloke Place
address
Honolulu, Hawaii 96822

C. **Buildings and Other Improvements:**

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

2. Buildings: 2 Floors Per Building: 2

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [x] Wood

   [ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial	_____	[x] Industrial	10
[ ] Residential	_____	[ ] Agricultural	_____
[ ] Timeshare/Hotel	_____	[ ] Recreational	_____
[x] Other: See Exhibit "C" attached hereto.			_____

5. Special Use Restrictions:

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

[ ] Pets: N/A

[ ] Number of Occupants: N/A

[x] Other: See Exhibit "C" attached hereto.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 10

Elevators 0 Stairways 10 Trash Chutes 0

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
See Exhibit "A" attached hereto.				

*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:

Space enclosed by the exterior perimeter walls, floor and ceiling of each apartment as shown on the Condominium Map.

Permitted Alterations to Apartments:

Any interior alterations (including removal of walls) which (a) do not affect structural integrity of warehouse building; (b) provide for access from any apartment to common area; (c) made in accordance with plans and specifications prepared by licensed architect or engineer; (d) bond for 100% of cost of construction naming Association's co-obligee is procured; (e) owner assumes all expenses related to alteration; (f) alterations have been approved in writing by the Board of Directors, owner's mortgagees (if applicable), and all governmental agencies having authority over alterations.

7. Parking Stalls:

Total Parking Stalls: 29

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		19		10			29
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open		19		10			

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use. Each apartment shall be assigned at least 1 compact parking stall.

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit "A" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[X] Other: One 12' x 35' loading space
One trash (dumpster) location

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. [X] No variances to zoning code have been granted.

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

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	Conforming	Non-Conforming	Illegal
Uses	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

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

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

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

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

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

   Exhibit "D" describes the common elements.

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

   [ ] There are no limited common elements in this project.

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

   [ ] described in Exhibit _____

   [x] as follows:

   Any entrance or exit which would normally be used for the purposes of ingress to and egress from a specific apartment shall be a limited common element appurtenant to and for the exclusive use of such apartment.

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.

   [x] Exhibit "A" describes the common interests for each apartment.

   [ ] as follows:

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

Exhibit "E" describes the encumbrances against the title contained in the title report dated January 8, 1988.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

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

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Honolulu Federal Savings and Loan Association (Mortgage)	Mortgagee in its discretionmay either elect to honor Buyer's contract or return Buyer it deposit.

F. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

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

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[X] the Developer or the Developer's affiliate.

[ ] other _____

G. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit "F" contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

[ ] Electricity [ ] Television Cable

[ ] Gas [X] Water & Sewer

[ ] Other _____

I. **Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

The execution, delivery and recordation of the Apartment Deed shall constitute the assignment by Developer to Buyer of any and all warranties given Developer by the general contractor for the Project and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as that term is defined in the construction contract for the Project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents.

2. Appliances:

Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the Apartment.

3. Warranty Exclusions:

The Developer makes no warranties, express or implied, with respect to the apartment, the common elements, the project, fixtures, or consumer products contained or installed in the apartment.

J. **Status of Construction and Estimated Completion Date:**

Construction is projected to start on April 1, 1988, and barring unforseen events, is expected to be completed in September 1988.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

L. **Sales Documents Filed with the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[ ] Notice to Owner Occupants Not applicable

[x] Specimen Sales Contract

Exhibit "G" contains a summary of the pertinent provisions of the sales contract.

[x] Escrow Agreement dated June 25, 1987

Exhibit "H" contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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

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

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

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

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

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

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

B. Rights Under the Sales Contract:

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

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

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

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

This Public Report is a part of Registration No. 1867 filed with the Real Estate Commission on July 2, 1987.

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

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

Expiration Date of Reports. 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.

GLORIA DAMRON, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

EXHIBIT "A"

DESCRIPTION OF APARTMENTS

The Project consists of 10 warehouse apartments, as shown on the Condominium Map.

The approximate net floor areas of the apartments are based on measurements taken from the interior surface of all perimeter walls as shown on the Condominium Map, except that no reduction is made to account for interior walls, ducts, vents, shafts, stairways and the like located within the perimeter walls. The floor areas shown below are not exact but are approximations based on the floor plans of each apartment. All floor areas set forth below have been rounded to the next lowest full square foot or tenth of a square foot.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, footings, supports, roof and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls; the inner decorated or finished surfaces of all walls, floors, roof and ceilings; all windows, window frames, louvers (if any), doors or door frames along the perimeter of the apartment; and all of the fixtures originally installed therein.

COMMON INTERESTS AND PARKING ASSIGNMENTS

Apt. Type/No.	Approx. Floor Area (Sq. Ft.)	% of Common Interest	Parking Stalls
1A	1576.2	10.0000	1, 2*, 3*
2AR	1576.2	10.0000	4*, 5*, 6
3A	1576.2	10.0000	7, 8, 9*
4AR	1576.2	10.0000	10, 11, 29*
5A	1576.2	10.0000	12, 13, 14*
6B	1576.2	10.0000	15, 16
7BR	1576.2	10.0000	17*, 18, 19
8B	1576.2	10.0000	20, 21, 22*
9BR	1576.2	10.0000	23*, 24, 25
10B	1576.2	10.0000	26, 27+, 28+

*Denotes compact parking stalls
+Denotes handicapped parking stalls

EXHIBIT "B"

RENT SCHEDULE

The annual rent payable for each apartment, net over and above all taxes, assessments and other charges hereunder, is as follows:

(a) $768.00 per annum from the date of commencement of said term to June 30, 1989;

(b) $1,308.00 per annum for the five-year period ending June 30, 1994;

(c) $1,416.00 per annum for the five-year period ending June 30, 1999;

(d) $1,776.00 per annum for the five-year period ending June 30, 2004; and

(e) $1,908.00 per annum for the five-year period ending June 30, 2009;

(f) For each successive five-year period and any final remaining shorter period of said term (ending June 30, 2034), such annual rent as shall be determined by written agreement of Lessor and Lessee or, if they fail to reach such agreement at least 90 days before the commencement of such period, as shall be equal to Lessee's proportionate share (as established for said apartment by the Declaration) of the then fair market value of the lease, as determined by appraisal as provided in the apartment lease. Notwithstanding anything to the contrary contained herein, said rent shall in no event be less than Lessee's proportionate share of the rent actually reserved under the Master Lease.

EXHIBIT "C"

RESTRICTIONS AS TO USE

All warehouse apartments shall be owned, occupied and used for warehouse, factory and/or roadway purposes only and such accessory uses related thereto. The owner or owners of said apartments shall have the absolute right to rent or lease all or any portion or portions of said apartments in connection with such permitted purposes for any length of time and upon such terms and conditions as the owner or owners of such apartment(s) shall determine.

Specific prohibited uses under this section include, but are not limited to, the following: cabinet making shops; surfboard making shops; automotive mechanic shops; automotive body repair shops; automotive paint shops or any other use which requires excessive noise; the unsafe use and storage of flammable materials as determined by County fire inspectors and storage of customers' motor vehicles within the common elements.

Uses in an apartment requiring electrical power in excess of 200 AMPS/3 PHASE are also prohibited.

Signs or other advertising matter visible from the exterior of the leased premises are also prohibited except that two (2) exterior sign spaces shall be provided as determined in Lessor's sole discretion.

EXHIBIT "D"

DESCRIPTION OF COMMON ELEMENTS

Common Elements. One freehold estate is hereby designated in all remaining portions of the Project, being described and referred to herein as "common elements", including specifically, but not limited to:

(a) Said Land in fee simple;

(b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions and roof;

(c) All roadways, fences and gates;

(d) The project loading zone adjacent to Apartment 1A;

(e) All pipes, cables, conduits, ducts, pumps, sewer lines, electrical equipment, 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, gas (if any), sewer, water, and telephone; and

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

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Covenants, conditions and restrictions set forth in Declaration of Encumbrance dated August 31, 1979, but effective only July 1, 1979, filed as Land Court Document No. 961437, recorded in Liber 13962 at Page 174. Said Declaration was amended by instrument effective September 24, 1980, filed as Land Court Document No. 1037753.

2. Unilateral Agreement for Conditional Zoning dated August 3, 1976, recorded in Liber 11581 at Page 519, by Central Oahu Land Corporation, a Hawaii corporation, and Pearl Harbor Heights Developers, a Joint Venture consisting of Lone Star Hawaii Construction, Inc., a Hawaii corporation, "Declarants".

3. Terms, agreements, reservations, covenants, conditions and provisions contained in that certain Lease No. 15 by and between The Queen's Medical Center, a Hawaii eleemosynary corporation, as lessor, and Munro Investments, Inc., a Hawaii corporation, as lessee, by instrument dated August 31, 1979 and filed in said Office as Document No. 961457 for a term of 55 years commencing July 1, 1979 and terminating June 30, 2034, which said lease was amended by instrument dated November 14, 1979, filed in said Office as Document No. 981502 and recorded in Liber 14241 at Page 762, which said lease was assigned to Honolulu Federal Savings and Loan Association by instrument dated November 14, 1984, filed in said Office as Document No. 1268053 and recorded in Liber 18275 at Page 620, which said lease was further amended by instrument dated December 31, 1984, filed in said Office as Document No. 1278101 and recorded in Liber 18395 at Page 423, and which said lease was further amended by instrument dated January 30, 1986, filed in said Office as Document No. 1353671 and recorded in Liber 19304 at Page 211.

4. That certain Mortgage in favor of Honolulu Federal Savings and Loan Association by instrument dated March 11, 1988, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1536708.

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months =	Yearly Total
1A	$ 91.40		$ 1096.80
2AR	91.40		1096.80
3A	91.40		1096.80
4AR	91.40		1096.80
5A	91.40		1096.80
6B	91.40		1096.80
7BR	91.40		1096.80
8B	91.40		1096.80
9BR	91.40		1096.80
10B	91.40		1096.80

[x] Revised on February 7, 1988

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	-0-		-0-
Electricity			
[x] common elements only	$ 30.00		$ 360.00
[ ] common elements and apartments			
Gas	-0-		-0-
Refuse Collection	-0-		-0-
Telephone	-0-		-0-
Water and Sewer	35.00		420.00
Maintenance, Repairs and Supplies			
Building	20.00		240.00
Grounds	25.00		300.00
Management			
Management Fee	100.00		1,200.00
Payroll and Payroll Taxes	-0-		-0-
Office Expenses	-0-		-0-
Insurance (Fire; Comprehensive General Liability; Liability Umbrella; Officers & Directors)	435.00		5,220.00
Reserves	-0-		-0-
Taxes and Government Assessments	194.00		2,332.00
Audit Fees	-0-		-0-
Other			
Accounting & Payroll	75.00		900.00
TOTAL	$914.00		$10,968.00

I/We, Kaulana Mauka Corp. (Developer), as ~~managing agent~~ for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

x _____

Date: 3/29/88

EXHIBIT "G"

SUMMARY OF SALES CONTRACT

1. The Sales Contract is not a present transfer of any interest in the Project but only an agreement to purchase and sell apartments.

2. The Seller may mortgage the Project and all apartments prior to the sale of the apartments, including the apartment or apartments being purchased. The Seller's mortgagor will have a security interest in the Project which is prior to any interest the Buyer may have in purchasing an apartment or apartments. If necessary, Buyer must execute a document verifying that Seller's mortgagee has such priority.

3. Payment of the purchase price shall be made through an escrow agent, First American Title Company of Hawaii, Inc. Buyer will have the opportunity to read the Escrow Agreement and agrees with the provisions made therein.

All money for the purchase will be paid to Escrow and may be deposited by Escrow into interest-bearing accounts. All interest earned on such money will belong to the Seller.

4. By signing the Sales Contract, Buyer represents that Buyer can make all required payments when due. Buyer must supply the Seller or any mortgage lender with true and accurate financial information.

If Buyer needs a mortgage in order to make the purchase, Buyer must apply for a loan within ten (10) business days after Seller signs the Sales Contract. If Buyer does not qualify for a loan, Seller has the option of cancelling the sale. If the sale is cancelled, Seller will tell Escrow to return Buyer's money (without interest), minus Escrow's cancellation fee, and Seller's or any lender's fee for processing the Sales Contract or loan application. As soon as Buyer receives a commitment letter to make a loan, a copy of the letter must be sent to Seller immediately. If Buyer is unable to go through with the purchase because Buyer's lender does not close the loan, Buyer will be deemed in breach of the Sales Contract. Seller then has the option

of keeping all monies already paid by Buyer or pursuing any other legal remedy.

If Buyer intends to pay in cash, Buyer must furnish written proof of ability to pay within twenty (20) business days after Seller signs the Sales Contracts.

5. Buyer agrees that Buyer has read, reviewed and approved the condominium documents (Declaration or By-Laws), the Condominium Map, Rules and Regulations of the Project, form of Apartment Deed and Disclosure Abstract in addition to the Escrow Agreement.

6. Seller has the right to amend the condominium documents and Condominium Map as long as such amendments do not (a) substantially change Seller's obligations under the Sales Contract; (b) substantially change the design, location or size of an apartment or the building in which an apartment is located; (c) cause Buyer to lose Buyer's loan commitment; (d) increase Buyer's common interest in the Project; or (e) reduce Seller's obligation to pay common expenses for unsold apartments.

7. Seller can choose the initial Managing Agent for the Project. Seller can also exercise all rights of the Association of Apartment Owners and Board of Directors until there are enough other owners to form the Association and Board of Directors.

8. Seller makes no warranties whatsoever about the physical condition of any apartment or any common element. If Seller requests Buyer to inspect the apartment before or after the sale is closed, Buyer will do so and sign a written list of any defects or damage so discovered. If Buyer does not so cooperate with Seller, Seller will not be responsible to Buyer if deficiencies are discovered later. Even if defects are discovered, so long as the apartment can be occupied by Buyer, Buyer will go through with the purchase.

9. Seller makes no representations or warranties whatsoever concerning any apartment description appearing on the Condominium Map, whether the apartment boundaries consist of any walls, or that the maintenance fees shown in the Disclosure Abstract will not change.

Seller further denies that Seller has made any representations to Buyer or anyone else about the rental or

resale of apartments. If Seller so requires, Buyer, any salesperson or anyone else connected with the offer to sell or purchase of the apartment will confirm in writing that no such representations were made by Seller or any of the Seller's agents or salespersons.

10. The Sales Contract is not binding on either Buyer or Seller until a Final Public Report on the Project has been issued by the Real Estate Commission and Buyer's right to cancel the sale has lapsed. Buyer can waive the right to cancel and go through with the sale by signing the appropriate form given to Buyer. Buyer will lose the right to cancel unless Buyer cancels within thirty (30) days of receiving a copy of the Final Public Report, or if Buyer proceeds with the sale, occupies the apartment or otherwise accepts it.

11. The sale will close on the date shown on the Sales Contract not sooner than ten (10) days after Seller signs the Sales Contract and not until a certificate of occupancy for the apartment has been issued.

Prior to the date of closing, "pre-closing" can take place so that all documents and other papers will be ready for closing on the scheduled date. Seller can postpone the closing date for an extra thirty (30) days by giving Buyer ten (10) days prior notice.

Prorations of maintenance fees, real property taxes and other costs will be made as of the closing date. All risk of damage or loss to the purchased apartments will also pass to Buyer as of that date.

12. Some of the expenses apart from the purchase price that the Buyer must pay at closing include the following: the entire Escrow fee, notary fees, conveyance taxes, appraisal fees, recording fees, cost of credit reports, document preparing fees, title insurance, all costs of Buyer's mortgage, and prorated maintenance fees and real property taxes. Buyer will also pay a non-refundable, one-time start-up fee to fund the Association of Apartment Owners.

13. Buyer acknowledges that there may be on-going construction and sales activities going on in the Project by Seller or other apartment owners after closing, and consents to such activity. Sales activities will continue until all apartments in the Project have been sold by Seller.

14. The Sales Contract cannot be transferred or assigned to another buyer without Seller's prior written consent.

15. If Buyer dies before closing, Seller has the option to cancel the sale and return Buyer's purchase money (without interest), less Escrow's cancellation fee or any other costs incurred in processing the Sales Contract or any loan application.

16. Each Buyer is responsible for the fulfillment of the Sales Contract by all other Buyers and can be individually liable to Seller as well as jointly.

17. If any court action is filed concerning this Sales Contract, trial will be by judge and Buyer gives up all right to trial by jury.

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

1. All monies payable by Buyers under Sales Contracts shall be made to the Escrow Agent.

2. Buyers' funds will be deposited by Escrow into federally-insured accounts. All interest earned on such deposits will belong to the Seller.

3. Escrow shall be responsible for collecting any payments due under the Sales Contract from the Buyers by giving Buyers written notice. Escrow will also receive evidence of Buyer's ability to pay the purchase price in cash and/or written loan commitments from Buyer's mortgage lender(s).

4. Escrow will conduct the closing of each Buyer's Sales Contract by collecting all necessary funds and documents, recording all applicable real property documents, and doing all other acts required to close sales.

5. Buyers will be entitled to a refund of their monies if any one of the following events has occurred:

(a) Seller directs Escrow to make the refund;

(b) Seller exercises any cancellation right available under the Sales Contract;

(c) Buyer is entitled to a refund under any provision of the Horizontal Property Act; or

(d) Buyer exercises any right of cancellation available under the Sales Contract;

Upon cancellation of any sale, Escrow has a right to receive a cancellation fee commensurate with the work Escrow has performed, but in any event not less than Twenty Five Dollars ($25.00) nor more than the escrow fee that would have been paid at closing.

6. If Seller terminates the Sales Contract due to a default on the part of Buyer, Seller will so notify Escrow. Escrow will notify the buyer that the Sales Contract was cancelled because of default by certified or registered mail.

If Escrow does not hear from Buyer within fifteen (15) days after Buyer has received such notice, Escrow will deduct its cancellation fee from Buyer's monies and treat the remainder as Seller's property.

7. Escrow's fee is TWO HUNDRED FIFTY AND NO/100 DOLLARS ($200.00) per apartment.