



**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

1393 NANIALII STREET

1393 Nanialii Street
Kailua, Hawaii 96734

Registration No. 1869 (Conversion)

Issued: August 27, 1987
Expires: September 27, 1988

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of August 19 , 19 87 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:** 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.
 (yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
 (white)
 [] Supersedes all prior public reports
 [] Must be read together with _____
-
- SUPPLEMENTARY:** Updates information contained in the
 (pink)
 [] 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.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of 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 fee simple interest in the individual apartment and an undivided interest in the common elements of the project.

Type of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings

5. Apartment Description

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>1</u>	<u>1</u>	<u>3/2-1/2</u>	<u>1,824</u>	<u>97</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 1

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>2</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>2</u>

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Douglas Kiyoshi Okabayashi, Barbara Keiko Okabayashi & Brian Eiji Okabayashi
Name: 1393 Naniialii Street
Business Address: Kailua, HI 96734
Phone: _____ (Business)

Names of officers or general partners of developers who are corporations or partnerships:

Real Estate Sales Agent: Tom Pico, Inc.
Name: 109 Hekili Street
Business Address: Kailua, HI 96734
Phone: 261-1771 (Business)

Escrow: First American Title Company of Hawaii, Inc.
Name: 128 Hamakua Drive
Business Address: Kailua, HI 96734
Phone: _____ (Business)

Managing Agent: None
Name: _____
Business Address: _____
Phone: _____ (Business)

Attorney for Developer: Furutani, Komatsubara & Char
Name: 220 South King Street, Suite 600
Business Address: Honolulu, HI 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 _____
 Filed — Land Court — Document Number 1485849

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. _____
 Filed — Land Court Condo Map No. 637

Amendment date(s) and recording/filing information:

First Amendment to Declaration of Horizontal Property Regime of 1393 Nanialii Street, dated August 10, 1987, recorded on August 12, 1987 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii: as Document No. 1486980.

- 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 _____
 Filed — Land Court — Document Number 1485850

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

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:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>100%</u>
Bylaws	65%	<u>100%</u>
House Rules	—	<u>100%</u>

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

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

Developer reserves the right to amend the Declaration and Condominium Map as may be necessary in order to construct the second increment (Home Number Two), substantially as shown on the Condominium Map.

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

B. Underlying Land:

Address: 1393 Nanialii Street Tax Map Key: 4-2-34-158
Kailua, HI 96734 (TMK) · _____

Address TMK is expected to change because _____

Land Area: 15,897 [xx] square feet acre(s) Zoning: R7.5

Douglas Kiyoshi Okabayashi, Barbara Keiko
Fee Owner: Muramoto Obakayashi & Brian Eiji Okabayashi
name
1393 Nanialii Street
address
Kailua, HI 96734

Sublessor: _____
name

address

C. Buildings and Other Improvements:

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

2. Buildings: 1 Floors Per Building: 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>1</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 project include but are not limited to:

Pets: dogs, cats and other household pets in reasonable number.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 1

Elevators none Stairways 1 Trash Chutes none

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>1</u>	<u>1</u>	<u>3/2-1/2</u>	<u>1,824</u>	<u>92</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:

See Exhibit "A"

Permitted Alterations to Apartments:

See Exhibit "B"

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

N/A -- Home Number One constructed 1983

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

None pursuant to Verified Statement of Building Superintendent dated June 19, 1987

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

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

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

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

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

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

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

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

Exhibit C describes the common elements.

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

There are no limited common elements in this project.

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

described in Exhibit D

as follows:

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

Exhibit E describes the common interests for each apartment.

as follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated June 15, 1987, issued by First American Title Insurance Co.

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Pioneer Federal Savings Bank Mortgage	Foreclosure
Central Pacific Bank Mortgage	Foreclosure
First Interstate Bank of Hawaii Mortgage	Foreclosure

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.

[] the Developer or the Developer's affiliate.

[x] other project is self-managed

J. Status of Construction and Estimated Completion Date:

Unit One was constructed in 1983.

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:

Developer or developer's successor or nominee intends to construct an additional increment consisting of Home Number Two. The additional increment will become part of the project upon its completion by merger or amendment of the Declaration, at the developer's option.

The size and location of the proposed Home Number Two shall be substantially as shown on the Condominium Map, noted as Lot Z. The proposed development must be completed prior to December 31, 1987, and sale of Home Number Two would require registration with the Real Estate Commission.

Developer shall bear its pro-rata share of real property taxes and other incidental carrying cost for the area reserved 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

[] Specimen Sales Contract

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

[] Escrow Agreement dated July 16, 1987

Exhibit I 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.

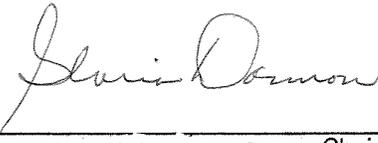
This Public Report is a part of Registration No. 1869 filed with the Real Estate Commission on July 17, 1987.

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

yellow paper stock 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 & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT A

BOUNDARIES OF APARTMENTS: The Project is divided into the following separate freehold estates:

1. Homes. One (1) separate and distinct freehold estate bounded by and including the decorated or finished surfaces of the exterior of the perimeter walls, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the dwellings in the project, which dwellings are designated on the Condominium Map as "Home Number One" and "Home Number Two", and are sometimes referred to herein collectively as the "Homes". The term "Home" as used herein shall have the same meaning as the term "Apartment" in the Horizontal Property Act, as the same may be amended from time to time.

(a) Home Number One contains two floors in which there is one (1) family room, one (1) laundry room, one-half (1/2) bath, a storage closet and a two-car garage on the first floor; and three (3) bedrooms and one (1) living room, one (1) kitchen, two (2) baths and a patio on the second floor. Home Number One contains a net living area of approximately 92 square feet. The garage contains two full-size parking spaces with an area of approximately 480 square feet. Home Number One is constructed primarily of tile walls on a concrete slab.

(b) Home Number Two is to be constructed as a future increment.

(c) Each Home shall also include all pipes, wires, conduits, and other utility and service lines contained wholly within such Home and which are utilized exclusively by and serve only such Home.

EXHIBIT B

PERMITTED ALTERATIONS TO APARTMENTS: No work shall be done by any owner of a Home or any other person which could jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement or hereditament, nor may any owner of a Home or any other person add any material structure or excavate any additional basement or cellar, without in every such case first obtaining the unanimous consent of the owners of all of the other Homes. All other additions to or alterations of any Home or its appurtenant limited Common Elements by the owner of such Home shall be permitted without restriction, provided that the owner making such additions or alterations shall comply strictly with all applicable laws, ordinances, and regulations of any governmental entity, and shall also obtain all necessary permits, at such owner's sole expense.

EXHIBIT C

COMMON ELEMENTS: The Common Elements shall consist of the Land and all portions of the Project except the Homes and shall also include, without limitation, all pipes, wires, conduits, and other utility and service lines which are utilized for or serve more than one Home. Also included are any and all other apparatus and installation 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 D

LIMITED COMMON ELEMENTS: Certain parts of the Common Elements are set aside and reserved for the exclusive use of each Home and shall constitute "limited Common Elements" appurtenant thereto. Each Home shall have an exclusive easement for the use of the limited Common Elements appurtenant thereto, except as otherwise provided. The cost of maintenance, repair, and upkeep of each limited Common Element shall be assessed to the owner of the Home or Homes to which such limited Common Element is appurtenant. The limited Common Elements shall be appurtenant to each of the Homes as follows:

(a) That certain 7,948 square feet, more or less, of the real property of the Project which includes the real property upon which Home Number One is situated, as is more particularly shown on the Condominium File Plan, shall constitute a Limited Common Element appurtenant to and for the exclusive use of Home Number One.

(b) That certain 7,949 square feet, more or less, of real property which includes the real property upon which Home Number Two is to be situated, as is more particularly shown on the Condominium File Plan shall, upon the later of the issuance of a certificate of completion of construction for Home Number Two or the conveyance of that Home to a third party by the Fee Owner, constitute a Limited Common Element appurtenant to and for the exclusive use of Home Number Two.

(c) One mailbox shall be appurtenant to and for the exclusive use of each Home, as shall be designated thereupon.

(d) All pipes, wires, conduits, and other utility and service lines not contained within a Home but used exclusively by and servicing only such Home, shall be appurtenant to and for the exclusive use of that Home.

EXHIBIT E

INTEREST TO BE CONVEYED TO PURCHASERS: Until the later of the issuance of a certificate of completion of construction for Home Number Two or the conveyance of that Home to a third party by the Fee Owner, Home Number One shall have appurtenant thereto a one hundred percent (100%) interest in the Common Elements (hereinafter called the "Common Interest") for all purposes, including voting. Thereafter, each Home shall have appurtenant thereto a fifty percent (50%) undivided interest in the Common Elements (hereinafter called the "Common Interest") for all purposes, including voting.

EXHIBIT F

ENCUMBRANCES AGAINST TITLE:

The Title Insurance Commitment issued by First American Title Insurance Company, dated June 15, 1987, reflects the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Easement "63" (10 feet wide) for storm drain purposes along Lots 756-D, E, and F, as shown on Maps 141 and 185, as set forth by Land Court Order No. 30991, filed December 3, 1969.
3. Easement "167" (6 feet wide) for electrical purposes along Lot 756-F, as shown on Map 185, as set forth by Land Court Order No. 64826, Filed January 27, 1983.
4. Grant in favor of Hawaiian Electric Company, Inc., dated March 7, 1983, filed as Land Court Document No. 1159963, granting a perpetual right and easement to build, etc. for utility purposes over, under, upon, across and through Easement "167" within Lot 756-F; consent by instrument filed as Document No. 1159964.
5. Mortgage dated October 24, 1983 as Document No. 1198585 in favor of Pioneer Federal Savings Bank secured in the amount of \$92,000.00 and any amounts and/or obligations secured thereby.
6. Consumer Loan Mortgage, Security Agreement and Financing Statement dated April 5, 1984 as Document No. 1229050 in favor of Central Pacific Bank secured in the amount of \$30,000.00 and any amounts and/or obligations secured thereby.
7. Mortgage dated October 24, 1983 as Document No. 1198585 in favor of Pioneer Federal Savings Bank secured in the amount of \$92,000.00 and any amounts and/or obligations secured thereby.
8. Consumer Loan Mortgage, Security Agreement and Financing Statement dated April 5, 1984 as Document No. 1229050 in favor of Central Pacific Bank secured in the amount of \$30,000.00 and any amounts and/or obligations secured thereby.

EXHIBIT G

ESTIMATE 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>
1	\$65.00	\$780.00

[] Revised on _____

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

Estimate of Maintenance Fee Disbursements:

Monthly Fee x 12 months = Yearly Total

Utilities
and Services

Air Conditioning	N/A
Electricity	
[] common elements only	N/A
[] common elements and apartments	N/A
Gas	N/A
Refuse Collection	N/A
Telephone	N/A
Water and Sewer	N/A

Maintenance, Repairs and
Supplies

Building	N/A
Grounds	N/A

Management

Management Fee	N/A
Payroll and Payroll Taxes	N/A
Office Expenses	N/A

Insurance	\$40.00	\$480.00
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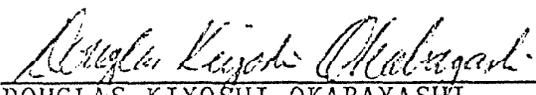
Reserves	\$25.00	\$300.00
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Taxes and Government Assessments	N/A	N/A
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Other

TOTAL	\$65.00	\$780.00
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I DOUGLAS KIYOSHI OKABAYASHI, as managing agent 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.


DOUGLAS KIYOSHI OKABAYASHI

Date: JULY 16, 1987

EXHIBIT H

SUMMARY OF SALES CONTRACT: The long form specimen Sales Contract contains, among other things, the following provisions:

1. NO INTEREST ON DEPOSITS. Any and all interest received by the Developer and/or the Escrow Agent on the purchaser's payments shall become the sole property of the Developer, pursuant to the provisions of Sections 402-8 and 449-16.5 of the Hawaii Revised Statutes.

2. WARRANTIES. DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE HOMES, COMMON ELEMENTS, APPLIANCES, FURNISHINGS, OR ANYTHING INSTALLED IN OR UPON THE HOMES OR PROJECT OR USED IN CONNECTION WITH THE HOMES OR THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO WARRANTIES OR MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION, OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

3. TIME IS OF THE ESSENCE. Time is of the essence with regard to each of the terms of the Sales Contract, and if Buyer shall default in any payment when due, or fail to perform any other obligation required of the Buyer thereunder, Seller may notify Buyer in writing of such default and if such default shall not be cured within five (5) days after receipt of such notice, Seller may, at Seller's option, terminate the Sales Contract by written notice to Buyer. In such event, all sums paid by Buyer thereunder shall belong absolutely to Seller as liquidated damages, or at Seller's option, Seller may pursue any other remedies in law or in equity for specific performance, damages, or otherwise, and all costs, including reasonable attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

4. MODIFICATION OF DOCUMENTS. Seller reserves the right to modify the Declaration, the By-Laws, and the Deed as may be required by law, by any title insurance company, or by any institutional mortgagee, provided that no such modification shall:

- (a) increase Buyer's share of Common Expenses;
- (b) increase the cost of the Home;
- (c) require substantial physical change of the Home;
- (d) reduce the obligation of Seller for Common Expenses on the other home; or
- (e) substantially impair or modify any of Seller's obligations to Buyer.

Seller further reserves the right to make minor changes to the Home or to the other home and to the Common Elements. However, except as provided in the Declaration, no changes shall be made which affect the physical location or design of the Home, change the number of homes in the Project, or substantially change its exterior appearance.

EXHIBIT I

SUMMARY OF ESCROW AGREEMENT: An escrow agreement (hereinafter called the "Escrow Agreement") detailing the manner in which purchasers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is First American Title Insurance Company, a Hawaii corporation. The escrow agreement, among other things, contains the following provisions:

Sales Contracts. Seller will have each purchaser sign a Reservation Agreement, Deposit Receipt, and Sales Contract (the "Sales Contract").

All Deposits Will be Paid to Escrow.

(a) Payments. Seller will turn over the purchasers' initial deposits to Escrow. All other payments to be made by the purchasers are required to be paid to Escrow. This includes any loan payments from purchasers' lenders.

(b) Collection Notices. Seller will notify Escrow when a payment is due under the Sales Contracts. Escrow shall then give written notice to the purchasers and call for such payments to be made to Escrow.

What Will Happen to Purchasers' Deposits. Escrow will accept purchasers' deposits and payments and will hold them or pay them out according to this Escrow Agreement.

a. Deposit in Trust Fund. Escrow will deposit all of the money from the purchasers in a special savings account (the "Trust Fund") with a federally insured Hawaii bank (the "Bank"). The Trust Fund will pay interest at the passbook rate. As stated in the Sales Contracts the Seller will get all of the interest paid on the Trust Fund. Escrow will make the deposits into the Trust Fund at least once each week. If Seller tells Escrow to make a deposit more than once in a calendar week, Seller will pay Escrow a reasonable service charge of Twenty-Five Dollars (\$25.00) for each additional deposit made during that week. Seller shall have the right to find out the status of the Trust Fund directly from the Bank. Escrow will not be responsible and will not have any liability for any loss of funds not caused by Escrow during the time such funds are deposited in the Bank.

b. When a Purchaser's Funds May be Removed from the Trust Fund. A purchaser's funds may be taken out of the Trust Fund but only after the following have happened:

i. the Real Estate Commission has issued a final public report (the "Final Report") on the Project, and

ii. the purchaser has received a copy of the Final Report and given the Seller a receipt for it, and

iii. two full working days have gone by since Seller notifies Escrow that he has received the receipt, and

iv. Seller notifies Escrow in writing that all of the requirements of Sections 514A-39, 514A-63, and 514A-65, Hawaii Revised Statutes then applicable to the Project have been satisfied, and

v. Seller notifies Escrow in writing that the Sales Contract has become a binding sales contract and that the Purchaser's rights of cancellation have lapsed or have become void.

c. Payment of Purchaser's Funds to Seller. Purchaser's funds in the Trust Fund, as well as any payments made at closing as described in the Sales Contract, shall be paid to Seller when purchaser's funds in the Trust Fund, as well as any payments made at closing as described in the Sales Contract, shall be paid to Seller when purchaser's Deed has been filed in the Land Court of the State of Hawaii (the "Land Court").

d. Seller's Funds. Seller's funds may be released from escrow and disbursed without any of the above limitations.

Refunds to Purchasers.

a. When Refunds Will be Made. The Sales Contract explains when purchasers may obtain refunds. Escrow agrees to make the refunds promptly if Seller tells Escrow in writing that a refund should be made according to the Sales Contract. No refund is to be made at a purchaser's request unless Escrow receives written approval from the Seller.

b. Interest. Refunds to purchasers will be made without any interest.

c. Deduction of Cancellation Fees. Under the Sales Contracts there are times when Escrow is to deduct cancellation fees from the refund amount. Escrow will deduct

the cancellation fees from the refund unless Seller instructs Escrow not to do so. The words "cancellation fees" mean Escrow's cancellation fees which are defined in Paragraph 11.b of the Escrow Agreement and any cancellation fees of the lender from whom the purchaser has arranged a loan to buy the condominium unit.

d. Notice of Refunds. Escrow shall give each purchaser entitled to a refund notice of the refund by registered mail. It will be addressed to such purchaser at the address shown on his or her Sales Contract. If a purchaser gives Escrow another address, then Escrow will send the notice to that address.

Purchaser's Default. Seller will notify Escrow in writing that a purchaser has defaulted and that Seller has cancelled that purchaser's Sales Contract. Escrow will then notify that purchaser by registered mail that the Seller has cancelled the Sales Contract because of the default. After ten (10) days following the Purchaser's receipt of such notice, Escrow will then treat the purchaser's funds, less Escrow's cancellation fees, as belonging to the Seller.