



**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

NUUANU PALMS (PHASE I)
50 Bates Street
Honolulu, Hawaii

Registration No. 1874

Issued: July 27, 1988
Expires: August 27, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 15, 1988 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.

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.

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.

1. The project has been "phased". The original plans for the project (as disclosed on the Preliminary Public Report) consisted of eight (8) Units. The project has been changed to consist of two phases, Phase I consisting of four (4) Units (covered by this Final Public Report) and Phase II tentatively planned to consist of four (4) Units (not covered by this Final Public Report and as to which additional public report(s) will be required). Accordingly, the developer has reserved the right to build additional Units, common elements and limited common elements, to add them to this project, and to merge the phases into one project, with appropriate reallocation of common interests and voting. These matters are covered in more detail in the Declaration of Horizontal Property Regime for this project, at Paragraph 29-30, and in this Final Public Report on Page 17.

2. There have been additional common elements added to the project since the issuance of the Preliminary Public Report. These include a private park, a swimming pool and guest parking stalls. These are shown in the condominium map for the project and are described in this Final Public Report on Page 12.

3. In addition to the reservation of rights to grant easements and other things which are set forth at Exhibit "A" of the Preliminary Public Report, the developer has reserved the additional rights to a sewer easement and an electrical (and appurtenant use) easement affecting the project, and the right to grant those easements to other persons and entities, which reservations of rights are summarized at Exhibit "A" of this Final Public Report.

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*****
*
*           SPECIAL ATTENTION :
*
*   The developer has disclosed
*   that he has reserved future
*   development rights to construct a
*   second phase on the condominium
*   project which will consist of four
*   (4) additional Units. Prospective
*   purchases are cautioned to review
*   carefully all documents regarding
*   this condominium project for
*   further information with regards
*   to the foregoing.
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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.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: SNX LAND ENTERPRISES, a Hawaii Phone: 524-0666
Name Joint Venture
222 South Vineyard Street, PH-3
Business Address
Honolulu, Hawaii 96813
(Business)

Names of officers or general partners of developers who are corporations or partnerships:
Joint Venturers: Starts Development, U.S.A., Inc. and
Nuuanu Development Corp.

Real Estate Sales Agent: Meridian Properties, Inc. Phone: 524-0666
Name (Business)
222 South Vineyard Street, PH-3
Business Address
Honolulu, Hawaii 96813

Escrow: Guardian Escrow Services, Inc. Phone: 538-6991
Name (Business)
Suite 2090, 737 Bishop Street
Business Address
Honolulu, Hawaii 96813

Managing Agent: NONE Phone:
Name (Business)
Business Address

Attorney for Developer: George Okamura
Name
Suite 2700, 737 Bishop Street
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 21873 Page 61
 Filed – Land Court – Document Number _____

Amendment date(s) and recording/filing information:

Refer to Exhibit "L"

- 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. 1124
 Filed – Land Court Condo Map No. _____

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 21873 Page 117
 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. 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>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>—0—</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:

Refer to Exhibit "A"

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: 50 Bates Street Tax Map Key: 1-7-012:002
Honolulu, Hawaii (TMK)

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

Land Area: 32,400 [X] square feet [] acre(s) Zoning: R-5

Fee Owner: STARTS INTERNATIONAL, INC.
name
Suite 515, 2250 Kalakaua Avenue
address
Honolulu, Hawaii 96815

Sublessor: _____
name

address

C. Buildings and Other Improvements:

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

2. Buildings: 4 Floors Per Building: 2

[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [X] Hollow Tile [X] Wood

[] Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[X] Residential	<u>4</u>	[] Agricultural	_____
[] Timeshare/Hotel	_____	[] Recreational	_____
[] 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:

Only Cats, Dogs, and other household pets permitted, except
 Pets: limited to one (1) per Unit and subject to compliance with House Rules.

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 4

Elevators _____ Stairways _____ Trash Chutes _____

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>A</u>	<u>2</u>	<u>3/2-1/2</u>	<u>1,830</u>	<u>70</u>
<u>C</u>	<u>2</u>	<u>3/2-1/2</u>	<u>1,900</u>	<u>60</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:

Refer to Exhibit "B"

Permitted Alterations to Apartments:

Alterations to Apartments are permitted under certain conditions; refer to the Declaration of Horizontal Property Regime for this Project for details.

7. Parking Stalls:

Total Parking Stalls: 10

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>Each Unit has one covered garage designed to accomodate two passenger vehicles (equivalent of two regular size parking stalls).</u>						
Guest				<u>2</u>			
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open							

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.

- Commercial parking garage permitted in condominium project.
- Exhibit 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
- Other: Private Park
- Storage Area
- Laundry Area
- Trash Chute

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. This is a cluster project under the Ordinances of the City and County of Honolulu.
 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 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:

[X] described in Exhibit E

[] 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.

[X] Exhibit "J" 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 January 20, 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.

] 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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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.

] 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 G 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:

- | | |
|---|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input checked="" type="checkbox"/> Other <u>Common area electricity (lights, gate and intercom).</u> | |

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:

Refer to Exhibit "C"

2. Appliances:

Refer to Exhibit "C"

J. Status of Construction and Estimated Completion Date:

The Project is currently under construction with estimated completion date of August 31, 1988.

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:

Refer to Exhibit "K"

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 28, 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. 1874 filed with the Real Estate Commission on August 12, 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"

DEVELOPER RESERVATIONS OF RIGHTS TO CHANGE SALES CONTRACT,
DECLARATION, BYLAWS, CONDOMINIUM MAP AND HOUSE RULES

The developer has reserved the right to make any changes to the Sales Contract, Declaration, Bylaws, Condominium Map and/or House Rules for the project, and any other document affecting this Project, as may be required by law, any title insurance company, or as developer decides is necessary, all without the consent or approval or joinder of or by any purchaser, provided that the changes do not substantially impair the prospective use and enjoyment of the Unit, materially alter the arrangement of the rooms or reduce the useable space within the Unit, render unenforceable the purchaser's mortgage loan commitment, increase purchaser's share of common expenses or reduce the obligations of the seller for common expenses of unsold Units. The developer has also reserved the right to do the following, without the consent or approval or joinder of or by any purchaser: (a) to record or file an amendment of the Declaration pursuant to the provisions of Hawaii Revised Statutes 514A, as amended, by attaching to said amendment a verified statement of a registered architect or professional engineer certifying that the plans theretofore filed or recorded or being filed or recorded simultaneously therewith fully and accurately depict the layout, location, Unit numbers and dimensions of the Units, as-built; (b) to grant, convey, modify, transfer, cancel, relocate and otherwise deal with any and all utility or other easements under, over and through the project, including the common elements and limited common elements, until all Units in Phase I and Phase II of the project have been conveyed to purchasers; (c) to grant, convey, modify, transfer, cancel, relocate and otherwise deal with the sewer easement shown on Exhibit "A" attached to the Declaration, to any person or entity the developer deems appropriate; and (d) to amend the Declaration (including, without limitation, the reallocation of common interests), to allow the construction, addition and merger of Phase II of the project with Phase I of the project.

EXHIBIT "B"

BOUNDARIES OF UNITS

Each Unit consists of the Unit as shown on said Condominium Map, including any stairways, interior partitions and walls, interior fixtures, equipment, pipes, conduits, wires, ducts, vents and lines, located within the Unit, but excluding any existing and future fixtures, pipes, wires, conduits, ducts, vents and other service and utility lines, spaces or equipment (if any) which are utilized for or serve more than one Unit or the common areas. The Unit shall be considered to include any door, window, or other closure therein, and the boundary shall be the unfinished surface of the perimeter walls on the side of the Unit, to the effect that the Unit shall include the wallpaper, paint, enamel, stain or other finishings on such surface. The respective Units shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party (common) walls, exterior or party (common) load-bearing walls, the floors and roof surrounding each Unit, and all fixtures, pipes, wires, conduits or other utility or service lines, spaces or equipment located in or running through such Unit which are utilized for or serve more than one Unit, or the pillars, footings, foundations or slab on which the Unit is situated, the same being deemed common elements as hereinafter provided. Each Unit shall be deemed to include all the walls and partitions, whether or not load-bearing, within its perimeter walls, and all fixtures originally installed therein. The horizontal boundaries of each Unit shall be the unfinished surface of the top of the concrete or wooden floor and the unfinished surface of the bottom (interior) of the roof of the Unit. Where a Unit consists in whole or in part of unenclosed space, the boundary defining such space is the boundary as shown on said Condominium Map.

EXHIBIT "C"

WARRANTIES; DISCLAIMER OF WARRANTIES

The construction contract between the Developer and the contractor for this project, Dan Serrao Builders, provides that the contractor warrants the project to be free of defects in materials and workmanship for a period of one-year from the date of substantial completion, as defined in the construction contract. The limited warranty is made by the contractor in favor of the Developer. A copy of the construction contract is available for inspection at the office of the Developer.

The appliances installed in the units in the project carry limited warranties from the manufacturers of the respective appliances that the appliances are free of defects in materials and workmanship for one year from date of purchase. The limited warranty is made by each manufacturer in favor of the Developer. The limited warranty materials with respect to each appliance are available for inspection at the office of the Developer.

The Developer will assign what right and interest it has in the limited warranties described above to the buyer(s) of each respective unit in the project. Buyer expressly acknowledges and agrees that the Developer does not adopt the contractor's or the manufacturers' limited warranties, and that the Developer is not acting as warrantor or co-warrantor, but merely undertakes to assign such right and interest it has in the limited warranties (to the extent assignable) to the buyer(s). Therefore, DEVELOPER ITSELF MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO

THE CONDOMINIUM UNIT, CONSUMER PRODUCTS, APPLIANCES OR FIXTURES, THE PROJECT, OR ANYTHING INSTALLED THEREIN, INCLUDING, BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION, DESIGN OR FITNESS FOR A PARTICULAR PURPOSE.

At Developer's option, an inspection program may be instituted and, if so, buyer(s) will be required to inspect the unit and, upon completion of such inspection, to sign an inspection sheet to be furnished by Developer which shall list all defects or damages, if any. Buyer(s) will be deemed to have waived all rights of inspection and correction of defects or damages if buyer(s) fail(s) to inspect the unit on a reasonable date and time specified by Developer.

EXHIBIT "D"

COMMON ELEMENTS

All portions of the Project (including limited common elements) other than the Units, including, without limitation, the following:

- A. The land submitted to the horizontal property regime;
- B. The floors, roofs and perimeter walls or party (common) wall(s) surrounding each Unit;
- C. The pillars, foundations, concrete slabs, and/or footings supporting each Unit;
- D. The walkways, driveways, roadways, and guest parking area(s);
- E. Common entrances and exits to the Project and sidewalks on or adjacent to the Project;
- F. Common lines, pipes, ducts, wires, vents, equipment, fixtures and appurtenant installations for services such as power, light, hot and cold water, sewage, and like utilities, which serve more than one Unit or the common elements;
- G. Yards and lots, garages, exterior gate, private entry to the Unit (if any), Property perimeter wall(s), planters, intercom, mailboxes, landscaping, private park, pool and pool area, trash enclosure; and
- H. All other parts of the Property existing for the common use or necessary to the existence, maintenance, or safety of the buildings or the Project.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

Certain parts of the common elements, called the "limited common elements", are designated, reserved, and set aside for the exclusive use of certain Units, and such Units shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

A. Each Unit shall have appurtenant thereto the exclusive right to use, occupy and enjoy the yard or lot, herein "Lot", bearing the same number or designation as said Unit, as shown on said Condominium Map, and the structure surrounding said Unit (including the pillars, foundation, slab or footings on which the Unit is situated, the roof, floors, and perimeter or party (common) walls surrounding the Unit, including the paint, enamel, stain or other finishings on the exterior surface thereof), private entry, lanai or balcony and railings, if any, attached to each Unit, and all lines, pipes, wires, ducts, vents, equipment, fixtures and appurtenant installations for utilities serving said Unit and located within the boundaries of the Lot assigned to said Unit, and together with all walkways, driveways, landscaping, walls, and all other structures and improvements (other than the Unit) located within the boundaries of the Lot assigned to said Unit, including, without limitation, the garage and mailbox assigned to said Unit, and for any Units that are "duplex" Units (i.e., two (2) Units divided by a common or party wall), the common wall dividing the Units shall be a limited common element the exclusive right to the use and enjoyment of which shall be appurtenant to the Units located on either side of such common wall.

EXHIBIT "F"

LIST OF ENCUMBRANCES

1. Title to minerals and metallic mines reserved to the State of Hawaii.
2. For real property taxes that may be due and owing, reference is made to the Office of the Finance Director, City and County of Honolulu.
3. GRANT OF EASEMENT
In Favor Of: City and County of Honolulu
Dated : January 28, 1976
Recorded in the Bureau of Conveyances in Book 11303,
Page 113.
Granting an easement to construct, reconstruct, install, maintain, operate, repair and remove a drainage structure, etc., through, under and across the following described "easement area":

PARCEL 1 - of BATES STREET DRAIN: Being portions of R. P. 1 to Robert Boyd on L.C. Aw. 2 to Robert Kilday and Deed: Territory of Hawaii to Alfred Willis, dated October 7, 1903 and recorded in Liber 253, Page 100. Situate at Pualoalo, Nuuanu Valley, Honolulu, Oahu, Hawaii, and more particularly described as follows:

Beginning at the West corner of this parcel of land, being also the South corner of Lot 10 (Map 4) of Land Court Application 380, on the Northeast side of Bates Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 3,882.40 feet North and 1,036.60 feet West, as shown on Division of Land Survey and Acquisition Parcel Map File No. 12-8-3-111, thence running by azimuths measured clockwise from true South:

- | | | | | |
|----|------|-----|-------|---|
| 1. | 233° | 14' | 14.51 | feet along Lot 10 (Map 4) of Land Court Application 380; |
| 2. | 322° | 21' | 50.00 | feet along remainder of R. P. 1 to Robert Boyd on L. C. Aw. 2 to Robert Kilday; |

- | | | | |
|----|----------|-------|---|
| 3. | 52° 21' | 11.77 | feet along same and along remainder of Deed: Territory of Hawaii to Alfred Willis, dated October 7, 1903 and recorded in Liber 253, Page 100; |
| 4. | 139° 14' | 50.30 | feet along the Northeast side of Bates Street to the point of beginning and containing an area of 658 square feet. |

4. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Horizontal Property Regime of Nuuanu Palms (Phase I) dated March 23, 1988, recorded in the Bureau of Conveyances in Book 21873, Page 61 (By-Laws thereto adopted March 25, 1988, recorded in the Bureau of Conveyances in Book 21873, Page 117), Condominium Map No. 1124; any instrument creating the estate or interest herein set forth; and in any other allied instrument referred to in any of the instrument aforesaid. First Amendment of the Declaration of Horizontal Property Regime of Nuuanu Palms (Phase I) was dated June 2, 1988 was filed in the Bureau of Conveyances on June 8, 1988 in Book 22010, Page 398. The Second Amendment of the Declaration of Horizontal Property Regime dated June 16, 1988 was filed in the Bureau of Conveyances on July 16, 1988 in Book 22112, Page 607. The Third Amendment of the Declaration of Horizontal Property 2Regime dated July 11, 1988 was filed in the Bureau of Conveyances on July 11, 1988 in Book 22126, Page 522.

5. Declarations of Conditions, Covenants and Restrictions
Dated : April 25, 1988
Recorded in the Bureau of Conveyances in Book 21880, Page 752.
6. Declaration of Restrictive Covenants (Private Park)
Dated : March 1, 1988
Recorded in the Bureau of Conveyances in Book 21880, Page 752.

EXHIBIT "F"

EXHIBIT "G"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees: Phase I

Unit Type	<u>Common Interest</u>	<u>Monthly Fee x 12 Months</u>	=	<u>Yearly Total</u>
A	24.53%	\$143.50		\$1,722.00
C	25.47%	\$149.00		\$1,788.00

Estimate of Initial Maintenance Fees: Phases I and II

Unit Type	<u>Common Interest</u>	<u>Monthly Fee x 12 Months</u>	=	<u>Yearly Total</u>
A	12.60%	\$73.71		\$884.52
B	12.60%	\$73.71		\$884.52
C	13.09%	\$76.58		\$918.96
D	11.71%	\$68.50		\$822.00

[x] Revised on Feb. 3, 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

Electricity

common elements only

\$120 x 12

\$1,440

common elements
and apartments

Gas

Refuse Collection

Telephone

Water and Sewer

Maintenance, Repairs and Supplies

Building

Grounds - Common

150 x 12

1,800

Pool

140 x 12

1,680

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance - Road

50 x 12

600

Pool-Liability Only

125 x 12

1,500

Reserves

Taxes and Government Assessments

Audit Fees

Other

TOTAL

585 x 12

\$7,020

I/We, SNX LAND ENTERPRISES, as Developer
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.

Date: 2-24-88

EXHIBIT "H"

SUMMARY OF SALES CONTRACT

SALES CONTRACT

A. The terms "Seller", "Purchaser", "Unit", "Project", "Closing Date", and "Escrow" are defined in this section of the Sales Contract.

B. The price and terms of the Sales Contract are specified in this section.

C. This section of the Sales Contract specifies that Purchaser shall pay the Total Purchase Price in accordance with a schedule established in the Sales Contract, and that Purchaser shall pay other costs, for various items and services, as specified in the Sales Contract, in connection with the purchase.

D. This section of the Sales Contract establishes the type of tenancy that title will be taken by Purchaser.

E. This section of the Sales Contract establishes that Seller and Purchaser agree that the additional terms, conditions, and agreements which are attached to the Sales Contract are incorporated into the Contract.

F. This section of the Sales Contract establishes that Purchaser acknowledges the receipt, reading, and understanding of the preliminary public report for the Project, issued by the Hawaii Real Estate Commission.

ADDITIONAL TERMS, CONDITIONS, AND AGREEMENTS

1. This section specifies that all interest earned from any deposits made by Purchaser under this Contract shall be credited to, and belong to, Seller.

2. This section establishes procedures and deadlines for action by Purchaser where Purchaser is applying for mortgage financing of the Unit.

3. This section establishes procedures and deadlines for action by Purchaser where Purchaser is purchasing the Unit by cash.

4. This section establishes certain policies for disbursement of escrow funds, and Purchaser's agreement that he has inspected and approves of the terms and conditions of the Escrow Agreement.

5. This section provides that if Seller elects to preclose, Purchaser will sign all necessary documents, but that Purchaser will have no duties, obligations, or interest in the Unit until Seller gives Purchaser possession of the Unit.

6. This section establishes that Purchaser has inspected and accepts the plans and specifications for the Project, and other documents, and that Purchaser has read and understands the Public Report for this Project. Additionally, this section establishes that Purchaser agrees that the sale is subject to all of the Contract documents, and that Purchaser agrees to observe and perform all of the terms and conditions of those and other documents and materials.

This section establishes that Purchaser is aware that some of the Units in the Project are located in a Flood Hazard Area and may be subject to flooding and flood damage, and that the Project and the Units are being built by virtue of a variance to the City ordinance. This section also notifies Purchaser that the City requires that when a Unit built subject to such a variance is conveyed to a subsequent purchaser, that the subsequent purchaser be notified that the Unit is in a Flood Zone. This section also notifies Purchaser that restrictive covenants which state this requirement shall be placed in the deed.

This section establishes that Seller reserves the right to make minor changes that may improve the Project, and it specifies the limitations of such changes.

This section establishes that the maintenance budget contained in the Developer's Disclosure Abstract is only an estimate, that Purchaser acknowledges such, that no representation or warranty of accuracy is made, and that Purchaser specifically authorizes and agrees to increases in those amounts.

This section authorizes Seller to make changes to the documents and Project, as may be required by law, by unforeseen circumstances, any title insurance company, mortgage lender or governmental agency, and provides the limitations of any such modifications.

7. This section establishes that Seller is the owner of the Unit and any other property interest covered by the Contract until such time that risk of loss passes to Purchaser.

8. This section establishes that time is of the essence in this Contract, and specifies procedures, deadlines for action by Purchaser, and remedies available to Seller.

9. This section specifies the parties responsible for payment of certain conveyance expenses.

EXHIBIT "H"

10. This section establishes that Seller may employ the first managing agent of the Project, in accordance with State law.

11. This section specifies that Seller shall designate the Closing Date, and notification of Purchaser for closing.

12. This section specifies the provisions of possession, occupancy and release of the Unit keys to Purchaser.

13. This section establishes that Seller may exercise all powers of the Association of Owners, the Board of Directors, and officers of the Association of Owners, until the election of the Board and officers.

14. If a Final Public Report has not been issued by the Real Estate Commission at the time that this Contract is signed by Purchaser, this section establishes that Purchaser shall have the option to terminate this Contract as is allowed by State law, and establishes the procedures and rights of the parties.

This section also establishes procedures and actions available to Seller, where a Purchaser fails to give written approval to any changes in the Project within specified deadlines.

15. This section establishes that until the Unit Deed in favor of Purchaser is recorded, all of the rights of Purchaser under the Contract are and shall be junior to any mortgages and other contracts for construction of the Project.

17. This section establishes that Seller will assign such rights it may have in contractor's or manufacturer's warranties to Purchasers but does not undertake any warranties itself. This section also establishes an inspection program requiring Purchasers to inspect and list all defects in the Unit. If a Purchaser fails to inspect the Unit, the defects are deemed to be waived.

18. This section provides that the Total Purchase Price may be increased by Seller, and establishes the terms and procedures by which the Contract shall be amended or cancelled.

19. This section provides that the Declaration for the Project contains reservations of certain rights and certain other conditions to which Purchaser consents.

20. This section provides that the Contract constitutes the entire agreement between Purchaser and Seller, that all prior representations are not valid, and that no modification of the Contract shall be valid unless approved in writing by Purchaser and Seller.

EXHIBIT "H"

21. This section provides that Purchaser agrees to pay reasonable attorney's fees and costs incurred by Seller to enforce the Contract.

22. This section provides that Purchaser's interests under the Contract are not assignable except through survivorship or inheritance.

23. This section establishes that the terms and conditions of the Contract are severable.

24. This section provides general definitions and provisions of the Contract.

25. This section provides that if completion of the Project is determined by Seller not to be feasible for certain reasons, Seller may elect not to complete the Project. This section also establishes the procedures and rights of parties in this situation.

28. This section describes the rights reserved to the developer to build and merge Phase II of this project with Phase I, gives the developer a power-of-attorney for those purposes and gives the Seller and the developer certain claims and rights against the Purchaser if Purchaser fails to sign documents required of Purchaser.

EXHIBIT "H"

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

The parties to the Escrow Agreement are Guardian Escrow Services, Inc., ("Escrow"), and SNX Land Enterprises ("Seller").

1. This section of the Escrow Agreement specifies that all monies received by Seller from Purchasers shall promptly be transmitted to escrow.

2. This section of the Escrow Agreement specifies that all monies received by Escrow shall be deposited into a special account at a financial institution in Honolulu, and that interest paid thereon shall be credited to Seller.

3. This section of the Escrow Agreement provides that upon notice from Seller, Escrow shall give notice to Purchasers that payments are due.

4. This section of the Escrow Agreement establishes the procedures and policies for disbursements of escrow funds for construction costs, and for disbursement of the balance of funds.

5. This section of the Escrow Agreement specifies that disbursement of escrow funds for construction costs shall not be made until a Final Public Report has been issued, and each Purchaser has read and receipted for the Final Public Report, and until Seller's attorney has issued a written opinion to Escrow.

6. This section of the Escrow Agreement establishes the conditions and procedures for refunds to be made to Purchasers.

7. This section of the Escrow Agreement provides that upon notification by Seller that Purchaser is in default and that Seller has terminated the Sales Contract, Escrow shall notify Purchaser, and that Escrow shall be entitled to specified cancellation fees.

8. This section specifies the parties responsible for payment of certain conveyance expenses.

9. This section specifies that Escrow shall provide semimonthly status reports if requested by Seller.

10. This section specifies that Escrow shall arrange for and supervise the signing of all documents related to the condominium project.

11. This section specifies that Escrow shall be relieved from liability for a variety of specified actions, and establishes procedures to resolve disputes which may arise.

12. This section establishes compensation to Escrow for its services.

13. This section provides general definitions and terms of the Escrow Agreement.

14. This section establishes grounds for termination of the Escrow Agreement.

15. This section establishes that if there is any conflict between the terms of the Escrow Agreement and State law, State law shall control.

EXHIBIT "I"

EXHIBIT "J"

COMMON INTEREST ALLOCATIONS

NUUANU PALMS (PHASE I):

<u>Model</u>	<u>Percentage Common Interest</u>		<u>Number In Project</u>	<u>Total Percentage Of Common Interest</u>
A	24.53%	x	2	49.06%
C	25.47%	x	<u>2</u>	<u>50.94%</u>
			4	<u>100.00%</u>

As nearly as possible, the percentage of common interest for each Unit is determined by calculating a fraction, the numerator of which is the interior floor area of the particular Unit and the denominator of which is the aggregate interior floor area of all of the Units.

NUUANU PALM (PHASES I AND II) - APPROXIMATE SCHEDULE OF COMMON INTERESTS UPON COMPLETION, ADDITION AND MERGER OF PHASES I AND II:

<u>Model</u>	<u>Estimated Common Interest Percentage Per Unit</u>	<u>No. Of Units</u>	<u>Estimated Total Common Interests</u>
A	12.67%	2	25.34%
B	10.92%	2	21.84%
C	13.16%	2	26.32%
D	13.33%	1	13.33%
D1	13.17%	<u>1</u>	<u>13.17%</u>
		8	100.00%

The above percentages have been rounded to the nearest one-hundredth of a percent to allow the total percentage to aggregate 100.00%.

EXHIBIT "K"

DEVELOPER RESERVATION OF RIGHTS TO
ADD TO, MERGE AND PHASE THE PROJECT

The developer has reserved the right and option to develop, in addition to this project, one additional phase or increment of Nuuanu Palms and to merge the projects after they have been completed into a single overall project to consist of approximately eight (8) Units, to be known as Nuuanu Palms. At the time of merger, the common interest initially assigned to each Unit in the projects will be recalculated pursuant to the formula set forth in Paragraph 30 of the respective Declarations. Upon merger of the increments or phases, the merged increments or phases will become one condominium project and will be governed by one Declaration and By-Laws, at which time all Unit owners in the increments or phases will be entitled to use (and be responsible for the upkeep and maintenance of) all of the common elements of the other increments or phases, including, without limitation, the private park, pool, driveways, walkways and other common areas. In addition, the developer has reserved the option and right to administratively merge all of the increments or phases of the Nuuanu Palms project for the purposes of administration and use only. This administrative merger would NOT affect the percentage common interests of the owners in their respective increments or phases. The developer plans to administratively merge the increments only if a legal merger is not accomplished. The Units in each increment or phase shall be substantially similar in design and construction (except that Phase II of this project is presently designed to be of duplex type dwellings instead of free-standing types contained in Phase I of this project), and the additional increment or phase will not contain particular facilities or amenities which could substantially increase the upkeep or maintenance of the entire project. Nuuanu Palms (Phase I) is the first increment of a proposed two (2) increment project.

EXHIBIT "L"

First Amendment of the Declaration of Horizontal Property Regime of Nuuanu Palms (Phase I) was dated June 2, 1988 was filed in the Bureau of Conveyances on June 8, 1988 in Book 22010, Page 398.

The Second Amendment of the Declaration of Horizontal Property Regime dated June 16, 1988 was filed in the Bureau of Conveyances on July 6, 1988 in Book 22112, Page 607.

The Third Amendment of the Declaration of Horizontal Property Regime dated July 11, 1988 was filed in the Bureau of Conveyances on July 11, 1988 in Book 22126, Page 522.