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

KULIOUOU VALLEY VISTAS - UNIT II
Kaeleloi Place and Papahehi Place
Honolulu, Hawaii

Registration No. 1961

Issued: September 29, 1988
Expires: October 29, 1989

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 13, 19 88 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

X 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.
[ ] *Supersedes all prior public reports*
[ ] Must be read together with _____

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

And [ ] Supersedes all prior public reports
[ ] Must be read together with _____
[ ] *This report reactivates the* _____ public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

FORM: RECO-30 286/986-350W, 150Y, 50P, 1186-400W

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.

SPECIAL ATTENTION

The developer has disclosed the following:

(1) Certain of the structures are non-conforming and those Units which are designated as the "accessory ohana" Units may have restrictions on making future renovations on those Units.

(2) The land areas (the "Unit Lots") situated beneath and adjacent to each pair of Units within a subdivided parcel (lot) are designated as limited common elements and do not represent legally subdivided lots.

The prospective buyer is cautioned to carefully review all documents for further information with regard to the foregoing.

TABLE OF CONTENTS

page

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

I. PEOPLE CONNECTED WITH THE PROJECT 6

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

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

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

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE 18

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

EXHIBIT A: Developer's Right to Amend the Project
EXHIBIT B: Description of Project and Units
EXHIBIT C: Boundaries of Each Apartment
EXHIBIT D: Permitted Alterations to Apartments
EXHIBIT E: Parking
EXHIBIT F: Description of Common Elements
EXHIBIT G: Description of Limited Common Elements
EXHIBIT H: List of Encumbrances
EXHIBIT I: Estimates of Maintenance Fees and Disbursements
EXHIBIT J: Summary of Sales Contract
EXHIBIT K: Summary of Escrow Agreement
EXHIBIT L: Description of Nonconforming Structures

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 an individual apartment and an undivided interest in the common elements of the project.

Type of Project:

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

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
A	1	3/2	1330	180
B	3	3/2	1330	180
C	3	3/2	1390	180
D	4	3/2	1330	180
E	1	3/2	1230	120
F	2	3/2	1290	260
G	1	3/2	1390	170
H	1	3/2	1390	170
I	1	3/2	1320	185
J	1	3/2	1320	160
K	4	3/2	1880	200
L	1	3/2	1495	40
M	1	3/2	1495	160

Total Apartments: 24

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

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

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	48
Guest Stalls	0
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: _____	0
Total Parking Stalls	48

Note: Parking for each Unit will be provided by way of a garage or carport attached to each Unit as designated on the Condominium Map. There will be no guest parking stalls.

7. Recreational amenities: N/A

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Prometheus Development, Inc — **Phone:** 521-4265 (Business)

Name

Suite 3105, 1188 Bishop Street

Business Address

Honolulu, Hawaii

96813

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

Kikuo Yanagi — President & Treasurer

Joan Yanagi — Vice President & Secretary

Real Estate Sales Agent: Valley Associates, Inc. — **Phone:** 521-4265 (Business)

Name

Suite 3105, 1188 Bishop Street

Business Address

Honolulu, Hawaii 96813

Escrow: Long & Melone Escrow, Ltd. — **Phone:** 531-3189 (Business)

Name

Suite 501, 333 Queen Street

Business Address

Honolulu, Hawaii 96813

Managing Agent: None — **Phone:** (Business)

Name

Business Address

Attorney for Developer: Goodsill Anderson Quinn & Stifel
Atten: Leighton J. H. S. Yuen

Name

1600 Bancorp Tower, 130 Merchant 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:

[X] Proposed
[ ] Recorded – Bureau of Conveyances – Book _____ Page _____
[ ] Filed – Land Court – Document Number _____

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:

[X] Proposed
[ ] Recorded – Bureau of Conveyance Condo Map No. _____
[ ] 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:

[X] Proposed
[ ] Recorded – Bureau of Conveyances – Book _____ Page _____
[ ] 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

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

E. Changes to Condominium Documents

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

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

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

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

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

The Developer has reserved the right to amend the Declaration and the Condominium Map to change the configuration of, alter the number of rooms of, change the size of or change the location of any Unit in the Project which has not been sold and recorded and to make other changes in the Project. The Developer has also reserved the right to add additional increments to the Project and to merge those phases into the original Project.

See Exhibit A attached hereto.

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Exhibit _____ contains further explanations.

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

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

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

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

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

Exhibit _____ contains further explanations.

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

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

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

[ ] Other:

For Subleaseholds:

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

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

B. Underlying Land:

Address: Various addresses on Kaeleloi Place and Papahehi Place, Kuliouou, Honolulu, Hawaii

Tax Map Key (TMK): 3-8-18-1, 3, 8, 16, 17, 23, 24, 25, 26, 27, 30, 31

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

Land Area: 135,803 [X] square feet [ ] acre(s)

Zoning: R-4

Fee Owner: Prometheus Development, Inc.
name
Suite 3105, 1188 Bishop Street
address
Honolulu, Hawaii 96813

Sublessor: Not Applicable
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: 24 Floors Per Building: 1 & 2

[X] Exhibit B contains further explanations.

3. Principal Construction Material:

[ ] Concrete [ ] Hollow Tile [X] Wood

[ ] Other _____

4. Permitted Uses:

	No. of Apts.		No. of Apts.
[ ] Commercial		[ ] Industrial	
[X] Residential	24	[ ] 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:

[ ] Pets: N/A

[ ] Number of Occupants: N/A

[ ] Other: _____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 24

Elevators -0- Stairways -0- Trash Chutes -0-

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

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

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

Boundaries of Each Apartment:

Each apartment will consist of the building containing the Unit as shown on the Condominium Map. Each apartment will have appurtenant to it as a limited common element a Unit Lot as defined in the Declaration of Condominium Property Regime. See Exhibit C.

Permitted Alterations to Apartments:

Subject to the obtaining of any consents and approvals required by the City and County of Honolulu Building Department, the City and County of Honolulu Department of Land Utilization, and any other governmental agencies and authority, each owner shall have the right to alter his Unit and the limited common elements appurtenant to his Unit in accordance with the provisions of the Declaration of Condominium Property Regime. See Exhibit D.

Units 1A, 3A, 8A, 16A, 17A, 23A, 24A, 25A, 26A and 27A have been designated accessory ohana units under the Land Use Ordinance of the City and County of Honolulu, and may be subject to restrictions on future renovations. See Exhibit L.

7. Parking Stalls:

Total Parking Stalls: 48

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	48						48
Guest	See Note						0
Unassigned	See Note						0
Extra Available for Purchase	See Note						0
Other:	See Note						0
Total Covered & Open	See Note						

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.

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

NOTE: Parking for each unit will be provided by way of a garage or carport attached to each unit designated on the Condominium Map. There will be no guest parking stall.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[X] Other: There are no recreational or common facilities.

9. Present Condition of Improvements N/A
(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

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

10. Conformance to Present Zoning Code

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

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

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

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

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures		X*	
Lot	X		

*See Exhibit L for further explanation.

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 F 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 G

[ ] 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 describes the common interests for each apartment.

[X] as follows:

Each unit shall have appurtenant thereto an undivided one-twenty fourth (1/24) fractional common interest in all common elements of the Project, subject to the provisions of Paragraph 18 of the Declaration, which provides for the dilution of the undivided interests upon the merger of additional increments in the Project. The said fractional common interest are based on the number of Units in the Project and is not based on the relative square footages of the Units or the size of lots. The common interests determine each owner's share of the Project common expenses, provided that the cost of maintaining the limited common elements shall be borne by the owner of the Unit to which the limited common element is appurtenant.

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

Exhibit H describes the encumbrances against the title contained in the title report dated July 21, 1988.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgage in favor of Hawaii National Bank	Buyer's interest may be terminated in which event Buyer will receive refund of deposit

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

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

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[X] other Although the Association has the right to employ a managing agent, the Developer does not intend to appoint a managing agent at this time.

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 I contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

[ ] Electricity [ ] Television Cable

[ ] Gas [ ] Water & Sewer

[ ] Other _____

I. Construction Warranties:

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

1. Building and Other Improvements: The contractor for construction of the buildings and other improvements will warrant against faulty construction of the buildings and improvements covered by the construction contract for a period of one year, commencing from the date of substantial completion of the buildings and improvements covered by the construction contract.

No other warranties of any type or covering any other portion of the Project exists, will exist or will be given.

2. Appliances: Warranties for the following appliances to be installed in each unit are issued by the respective manufacturer of each appliance: cooktop/range, disposal, dishwasher and water heater.

These warranties are made by the manufacturer of these appliances, not the Developer, and the Developer will only undertake to assign the benefits of such warranties. The Developer makes no warranties as its own with respect to these appliances.

J. Status of Construction and Estimated Completion Date:

None of the units have been constructed.

The Developer estimates that all units in the Project will be completed on or by January 31, 1989 .

K. Project Phases:

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

~~Summary of Developer's Present Plans for Future Development:~~

However, at present the Developer has no present plans and does not intend to add any additional phases to this condominium.

L. Sales Documents Filed with the Real Estate Commission:

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated June 28, 1988

Exhibit K 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. Not Applicable.
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. 1961 filed with the Real Estate Commission on July 28, 1988.

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

[X] 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 and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

EXHIBIT A

Developer's Right to Amend the Project

Paragraph 18 of the Declaration of Condominium Property Regime provides as follows:

18. Amendment of Project; Additional Project Phases.

A. Notwithstanding any other provision in this Declaration to the contrary, prior to (a) the time that all Units in the Project have been sold and recorded and (b) the recording of the "as built" verified statement for all of the Units (with plans, if applicable) required by Section 514A-12 of said Condominium Property Act (but in no event later than December 31, 1992), the Developer shall have the right to make alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any Unit Owner, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Unit (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any Unit Owner, or which make minor changes in any Unit in the Project or the common elements which do not affect the physical location, design or size of any Unit which has been sold and recorded; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration duly recorded in the Bureau of Conveyances on the Land Court of the State of Hawaii. As used herein the term "sold and recorded" shall mean and refer to the sale of Units in the Project and the recording in the Bureau of Conveyances of the State of Hawaii and/or the filing in the Office of the Assistant Registrar of the Land Court of the State of Hawaii of conveyance documents (the "Unit Conveyances") transferring interests in the Units from the Developer to parties not signatory to this Declaration.

B. Notwithstanding any other provision contained herein to the contrary, the Developer, its successors

and assigns, is and are free to add additional increments, additions, and phases to the Project and to merge those increments, additions and phases as a part of the Project, and any amendment to the Declaration, Certificate of Merger, or other document or instrument which is made to implement such additions, or merger provisions shall require the vote or written consent of only the Developer, or its successors or assigns, and none (i.e., zero percent) of the Unit Owners. From and after the implementation of such additions or merger provisions the following consequences shall be of effect:

(i) The common elements of each of the original Project ("Unit II") and the merged or additional increments, additions or phases ("Unit III") will be the common elements of Unit II and Unit III as merged (the "Merged Project");

(ii) Each Unit in the Merged Project shall have an undivided interest in the common elements and in all common profits and expenses of the Merged Project equal to a fraction of such common elements and common profits and expenses, the numerator of which is one (1) and the denominator of which is the total number of Units in the Merged Project; and

(iii) Each Unit Owner of the Merged Project shall become a member of the Association.

EXHIBIT B

Description of Project and Units

Paragraphs 3 and 4 of the Declaration of Condominium Property Regime provides:

3. Description of Project. The Project shall consist of the buildings and improvements constructed on the Property as shown on the Condominium Map.

The Project will consist of twenty-four (24) freestanding single family residential buildings. Each building will contain one (1) single family residential apartment (hereinafter called a "Unit"), consisting of one (1) or two (2) stories or levels and no basement, constructed principally of wooden walls, roofs and upper floors (if any), wood or concrete slabs on the ground floor, wooden balconies (if any), stairs and decking (if any), gypsum board, and allied building materials. Each Unit will have attached or appurtenant to it a covered garage, as shown on the Condominium Map.

Utilities, including water, electricity, and/or gas, will be separately metered for each Unit. The Units may be separately sold, conveyed, mortgaged, encumbered, leased, rented, used, and occupied, as allowed by law, except that garages, and other limited common elements must at all times remain appurtenant to the Unit to which they are attached.

4. Description of Units. The Project is hereby divided into the following separate freehold estates.

Twenty-four (24) separate freehold estates are hereby established in the spaces within and including the exterior surfaces of the perimeter walls, foundations and roofs of each of the twenty-four (24) Units of the Project, all as shown on the aforesaid Condominium Map.

The twenty-four (24) apartments in the Project are identified by Unit Number and Unit Type on the Condominium Map and are located in the Project as shown on the Condominium Map. There are thirteen (13) types of Units in the Project: One (1) Unit designated as Unit Type "A", three (3) Units designated as

Unit Type "B", three (3) Units designated as Unit Type "C", four (4) Units designated as Unit Type "D", one (1) Unit designated as Unit Type "E", two (2) Units designated as Unit Type "F", one (1) Unit designed as Unit Type "G", one (1) Unit designated as Unit Type "H", one (1) Unit designated as Unit Type "I", one (1) Unit designated as Unit Type "J", four (4) Units designated as Unit Type "K", one (1) Unit designated as Unit Type "L", and one (1) Unit designated as Unit Type "M". The floor plans of each of the Units are as shown on the Condominium Map. Subject to the provisions of Section 17 of this Declaration, each of the Units is described as set forth below. The floor areas of the Units described below are computed as net living area, measured from the interior surfaces of the perimeter walls of the respective Units, and do not follow the designation of the limits of the Units (the legally designated areas of the Units), which is described in Section 6 below. The floor areas of the garages and lanais described below are measured from the interior surfaces of the perimeter walls, or to the edge of the slab or other flooring as appropriate.

Unit Type "A". Unit Type "A" consists of one (1) floor, containing a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, a garage and a lanai. Unit Type "A", excluding the garage and the lanai, contains a net living area of approximately 1,330 net square feet. The garage contains approximately 420 square feet, and the lanai contains approximately 180 square feet.

Unit Type "B". Unit Type "B" consists of one (1) floor, containing a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, a garage, and a lanai. Unit Type "B", excluding the garage and the lanai, contains a net living area of approximately 1,330 net square feet. The garage contains approximately 420 square feet, and the lanai contains approximately 180 square feet.

Unit Type "C". Unit Type "C" consists of two (2) floors. On the first (ground) floor is a garage. The second floor contains a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, and a lanai. Unit Type "C", excluding the garage and the lanai, contains a net living area of approximately 1,390 net square

feet. The garage contains approximately 420 square feet, and the lanai contains approximately 180 square feet.

Unit Type "D". Unit Type "D" consists of two (2) floors. On the first (ground) floor is a garage. The second floor contains a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry room, and a lanai. Unit Type "D", excluding the garage and the lanai, contains a net living area of approximately 1,330 net square feet. The garage contains approximately 400 square feet, and the lanai contains approximately 180 square feet.

Unit Type "E". Unit Type "E" consists of two (2) floors, on the first (ground) floor is a garage. The second floor contains a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, and a lanai. Unit Type "E", excluding the garage and the lanai, contains a net living area of approximately 1,230 net square feet. The garage contains approximately 420 square feet, and the lanai contains approximately 120 square feet.

Unit Type "F". Unit Type "F" consists of two (2) floors. On the first (ground) floor is a garage. The second floor contains a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, and a lanai. Unit Type "F", excluding the garage and the lanai, contains a net living area of approximately 1,290 net square feet. The garage contains approximately 420 square feet, and the lanai contains approximately 260 square feet.

Unit Type "G". Unit Type "G" consists of two (2) floors. On the first (ground) floor is a garage. The second floor contains a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, and a lanai. Unit Type "G", excluding the garage and the lanai, contains a net living area of approximately 1,390 net square feet. The garage contains approximately 420 square feet, and the lanai contains approximately 170 square feet.

Unit Type "H". Unit Type "H" consists of two (2) floors. On the first (ground) floor is a garage. The

second floor contains a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, and a lanai. Unit Type "H", excluding the garage and the lanai, contains a net living area of approximately 1,390 net square feet. The garage contains approximately 420 square feet, and the lanai contains approximately 170 square feet.

Unit Type "I". Unit Type "I" consists of one (1) floor, containing a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a laundry area, a garage, and a lanai. Unit Type "I", excluding the garage and the lanai, contains a net living area of approximately 1,320 net square feet. The garage contains approximately 410 square feet, and the lanai contains approximately 185 square feet.

Unit Type "J". Unit Type "J" consists of two (2) floors. On the first (ground) floor are a living/dining room, a kitchen, closets, two (2) bedrooms, one (1) bathroom, a laundry area, a garage, and a lanai. On the second floor are one (1) bedroom, one (1) bathroom, and closets. Unit Type "J", excluding the garage and the lanai, contains a net living area of approximately 1,320 net square feet. The garage contains approximately 400 square feet, and the lanai contains approximately 160 square feet.

Unit Type "K". Unit Type "K" consists of two (2) floors. On the first (ground) floor are a living/dining room, a kitchen, closets, one (1) bedroom, one (1) bathroom, a family room, a laundry area, a garage, and a lanai. On the second floor are two (2) bedrooms, two (2) bathrooms, and closets. Unit Type "K", excluding the garage and the lanai, contains a net living area of approximately 1,880 net square feet. The garage contains approximately 410 square feet, and the lanai contains approximately 200 square feet.

Unit Type "L". Unit Type "L" consists of two (2) floors. On the first (ground) floor is a garage. The second floor contains a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, and a lanai. Unit Type "L", excluding the garage and the lanai, contains a net living area of approximately 1,495 net square feet. The garage contains approximately 620 square

feet, and the lanai contains approximately 40 square feet.

Unit Type "M". Unit Type "M" consists of two (2) floors. On the first (ground) floor is a garage. The second floor contains a living/dining room, a kitchen, closets, three (3) bedrooms, two (2) bathrooms, a family room, a laundry area, and a lanai. Unit Type "M", excluding the garage and the lanai, contains a net living area of approximately 1,495 net square feet. The garage contains approximately 420 square feet, and the lanai contains approximately 160 square feet.

The Units in the Project are located as shown on the Condominium Map, are numbered as shown on the Condominium Map as follows, and are of the type designated as follows:

Unit Number	Unit Type	Unit Number	Unit Type
1	I	24	G
1A	A	24A	D
3	J	25	D
3A	B	25A	D
8	B	26	L
8A	B	26A	M
16	F	27	E
16A	F	27A	D
17	C	30	K
17A	C	30A	K
23	H	31	K
23A	C	31A	K

Each of the Units has access to a driveway leading to a public access way, and a yard area adjacent to the Unit, all of which are limited common elements, the exclusive use of which are reserved to the respective Units to which they are appurtenant as herein set forth.

EXHIBIT C

Boundaries of Each Apartment

Paragraph 6 of the Declaration of Condominium Property Regime provides:

> 6. Boundaries. Each Unit consists of the building containing the Unit as shown on said Condominium Map, exclusive of any existing and future pipes, wires, conduits, ducts, vents and other service and utility lines, spaces or equipment which are utilized for or serve more than one Unit or the common areas. Without limiting the generality of the foregoing, each Unit shall be considered to include any door, window, or other closure therein, the footings or slab on which it is constructed, supporting pillars, the exterior walls and roof, all interior walls (whether or not loadbearing), ceilings and partitions, and the finished surfaces thereof, and all fixtures installed therein, in addition to the appurtenant lanai (if applicable), and the appurtenant garage. 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.

In addition, each Unit will have appurtenant to it Limited Common Elements, which will include a portion of legally subdivided lot upon which the Unit is located. Paragraph 8 of the Declaration of Condominium Property Regime provides:

> 8. Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements", are hereby 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. All or a portion of the legally subdivided lot upon which each Unit is situated, as shown on the Condominium Map (the "Unit Lot"), shall be appurtenant to and for the exclusive use of such Unit, together with all improvements located thereon, including, without limitation, the yards, sidewalks, walkways, driveways, retaining walls (if any), the mailbox, and all electricity, water, gas, television, telephone,

sewer and other utility or service lines, ducts, pipes, wires, conduits, spaces or equipment located on such Unit Lot or serving only the Unit located thereon; provided that (1) the concrete driveway located on Unit Lots 23, 23A, 24 and 24A shall be appurtenant to and for the exclusive use of Units 23, 23A, 24 and 24A jointly; (2) that the concrete driveway located on Unit Lots 27 and 27A shall be appurtenant to and for the exclusive use of Units 26, 27 and 27A jointly; and (3) the concrete driveway located on Unit Lots 30, 30A, 31, and 31A shall be appurtenant to and for the exclusive use of Units 30, 30A, 31, and 31A jointly.

EXHIBIT D

Permitted Alterations to Apartments

Paragraph 17 of the Declaration of Condominium Property Regime provides:

> 17. Additions or Alterations to Project. Except as otherwise provided herein, restoration, rebuilding or repair of the Project or of any building or other structure thereof, or construction of any additional building or other structure, or structural alteration or addition to any building or other structure, different in any material respect from said Condominium Map, shall be undertaken by the Association or any Unit Owner only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the Unit Owners and accompanied by the written consent of the holders of all mortgages on any of the affected Units, if such consent is required, and in accordance with complete plans and specifications therefor first approved in writing by the Board of Directors and promptly upon completion of such restoration, rebuilding, repair, construction, alteration or addition the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any provision of this Declaration to the contrary, the Owner of any Unit shall have the absolute right to alter, amend, modify, restore, rebuild or repair, at any time, and from time to time, said Unit and all limited common elements appurtenant to such Unit, and the plans of said Unit and said limited common elements, pursuant to an amendment of this Declaration, such amendment to be executed solely by the Owner of the Unit (the percentage common interest appurtenant to such Unit being the required percentage vote to approve thereof), and one (1) officer of the Association, without any vote of the Association, provided that such amendment shall be effective only upon the recording thereof in the Bureau of Conveyances of the State of Hawaii or the Land Court of the State of Hawaii. The execution of said amendment by the said one (1) officer of the Association shall be a purely ministerial act,

which said officer shall do if the alteration, amendment or modification conforms with law and the following requirements are met: (A) Such amendment shall set forth the number or designation of the Unit involved and the description thereof as so altered, amended or modified, in accordance with Hawaii Revised Statutes Chapter 514A; (B) Such amendment shall include a complete set of floor plans of such Unit as so altered, amended or modified, certified "as built" by a registered architect or professional engineer; (C) Such amendment shall include the consent thereto by the holder of such recorded mortgage(s), if any, affecting such Unit, if such mortgage(s) require the holder's consent; (D) Such alteration, amendment or modification of the Unit may increase or decrease the size of the Unit, or may in any other manner modify the Unit, provided that alteration, amendment or modification does not extend or place any portion of such Unit outside the limits of the Unit Lot upon which the Unit is built as designated on said Condominium Map, and provided that such Unit, as so altered, amended or modified, conforms with all laws, rules and regulations of any governmental authority having jurisdiction thereof.

EXHIBIT E

Parking

Parking for each Unit will be provided by way of a two-car garage or carport attached to each Unit as designated on the Condominium map.

The Developer has not provided any guest parking stalls or areas.

Paragraph 5 of the Declaration provides:

> 5. Description of Garages. Each Unit has appurtenant to it a garage (covered and enclosed on three sides) which has immediate access to the driveway appurtenant to such Unit. The garages are each approximately 400 square feet for Unit types "D" and "J", 410 square feet for Unit types "I" and "K", 420 square feet for Unit types "A", "B", "C", "E", "F", "G", "H", and "M", and 620 square feet for Unit Type "L". There are no "guest parking" stalls or areas.

EXHIBIT F

Description of Common Elements

The common elements will include the limited common elements as described in Exhibit G, and all other portions of the land and improvements, other than the Units, including, but not limited to, the following: the land in fee simple; all yards, all driveways, all walkways and sidewalks, retaining walls (if any); all central and appurtenant installations for common services, including, electricity, water, gas, television, telephone, sewer and trash removal or disposal; one (1) mailbox per Unit; and all other elements and facilities reasonably and rationally in common use or necessary to the existence, upkeep and safety of the Project, including all easements (if any).

EXHIBIT G

Description of Limited Common Elements

Paragraph 8 of the Declaration of Condominium Property Regime describes the limited common elements as follows:

> 8. Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements", are hereby 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. All or a portion of the legally subdivided lot upon which each Unit is situated, as shown on the Condominium Map (the "Unit Lot"), shall be appurtenant to and for the exclusive use of such Unit, together with all improvements located thereon, including, without limitation, the yards, sidewalks, walkways, driveways, retaining walls (if any), the mailbox, and all electricity, water, gas, television, telephone, sewer and other utility or service lines, ducts, pipes, wires, conduits, spaces or equipment located on such Unit Lot or serving only the Unit located thereon; provided that (1) the concrete driveway located on Unit Lots 23, 23A, 24 and 24A shall be appurtenant to and for the exclusive use of Units 23, 23A, 24 and 24A jointly; (2) that the concrete driveway located on Unit Lots 27 and 27A shall be appurtenant to and for the exclusive use of Units 26, 27 and 27A jointly; and (3) the concrete driveway located on Unit Lots 30, 30A, 31, and 31A shall be appurtenant to and for the exclusive use of Units 30, 30A, 31, and 31A jointly.

Note: The "Unit Lot" within the legally subdivided lot does not represent further subdivision.

EXHIBIT H

List of Encumbrances

The condominium property is subject to the following encumbrances.

a. Various easements designated on the Land Court Maps and File Plans will be reserved to the Developer, together with the right to grant easements to other as follows:

(1) as to Lot 808 (underlying Unit Lots 3 and 3A), Easements 16, 22, 23, 34 and the free flowage of water within Kuliouou Stream as shown on Map 204, filed with Land Court Application 578 (amended).

(2) as to Lot 813 (underlying Unit Lots 8 and 8A), Easement 34 as shown on Map 204, filed with Land Court Application 578 (amended).

(3) as to Lot 821 (underlying Unit Lots 16 and 16A), Easements 19 and 26 as shown on Map 204, filed with Land Court Application 578 (amended).

(4) as to Lot 822 (underlying Unit Lots 17 and 17A), Easement 19 as shown on Map 204, filed with Land Court Application 578 (amended).

(5) as to Lot 829 (underlying Unit Lots 24 and 24A), Easement 18 as shown on Map 204, filed with Land Court Application 578 (amended).

(6) as to Lot 831 (underlying Unit Lots 26 and 26A), Easement 33 as shown on Map 204, filed with Land Court Application 578 (amended).

(7) as to Lot 832 (underlying Unit Lots 27 and 27A), Easement 33 as shown on Map 204, filed with Land Court Application 578 (amended).

(8) as to Lot 835 (underlying Unit Lots 30 and 30A), Easement 17 as shown on Map 204, filed with Land Court Application 578 (amended).

(9) as to Lot 836 (underlying Unit Lots 31 and 31A), Easements 17, 32 and 35 as shown on Map 204, filed with Land Court Application 578 (amended).

(10) as to Lot 1-A (underlying Unit Lots 1 and 1A), Easement D-4 as shown on File Plan 1703.

(11) as to Lot 3-A (underlying Unit Lots 3 and 3A), Easement D-7 for drainage purposes, as shown on the Map of Controlpoint Surveying and Engineering, Inc., dated August 4, 1986.

b. As to Lots 1-A and 3-A (underlying Unit Lots 1, 1A, 3 and 3A), Restrictive Conditions and Covenants contained in Land Patent Grant No. S-15,528.

c. Mortgage and three Additional Security Mortgages in favor of Hawaii National Bank, dated August 14, 1986, December 10, 1987, December 10, 1987 and April 14, 1988, which will be released prior to the conveyance of any particular Unit.

EXHIBIT I

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months =	Yearly Total
1	30		360
1A	30		360
3	30		360
3A	30		360
8	30		360
8A	30		360
16	30		360
16A	30		360
17	30		360
17A	30		360
23	30		360
23A	30		360
24	30		360
24A	30		360
25	30		360
25A	30		360
26	30		360
26A	30		360
27	30		360
27A	30		360
30	30		360
30A	30		360
31	30		360
31A	30		360

[ ] Revised on June 18, 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	N/A	
Electricity	N/A	
[ ] 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		$8,640 ±
Reserves	N/A	
Taxes and Government Assessments	N/A	
Other	N/A	
TOTAL		$8,640

I/We, Kikuo Yanagi, as ~~managing~~ Developer agents for the condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

PROMETHEUS DEVELOPMENT, INC.

BY: Kikuo Yanagi
Its

Date: 7/19/88

EXHIBIT J

Summary of Sales Contract

The sales contract contains the price, description and location of the Unit and other terms and conditions under which a Purchaser will agree to buy a Unit in the Project. Among other things, the sales contract provides:

(a) Interest on any deposit will belong to the Purchaser.

(b) What a Purchaser must do to satisfy the Seller that the Purchaser will be able to close the transaction.

(c) That the Purchaser's money will be held in escrow under the terms and conditions of the escrow agreement.

(d) That the Seller may elect to preclose by having all documents necessary for closing executed prior to closing.

(e) What the Seller may do if the Purchaser fails to make any payment or perform any obligation.

(f) How the expenses incurred in connection with the sale are to be allocated between Purchaser and Seller.

(g) When the Purchaser may take possession of the Unit.

(h) That Purchaser's rights under the contract are subordinate to any loans to finance the cost of construction.

(i) What Purchaser's rights are if the sales price is increased.

(j) Seller may make certain changes to the Project as required by law, by unforseen circumstances, by any title insurance company, by any mortgage lender or by any governmental agency.

The sales contract contains various other provisions with which the Purchaser should become acquainted.

EXHIBIT K

Summary of Escrow Agreement

The escrow agreement sets up an arrangement under which the deposits which a Purchaser makes under a sales contract will be held by a neutral party (Escrow"). Under the escrow agreement these things will or may happen:

(a) Escrow will collect; (1) all payments due pursuant to the sales contract, (2) all sums received by the Seller, and (3) any other sums from any other source in connection with the condominium Project or any condominium Unit.

(b) Escrow will hold all monies received pursuant to the sales contract.

(c) Escrow will coordinate the closing of the purchase of condominium Units, up to and including recordation and disbursement. Escrow will provide such services as customary in the community in connection with transactions of this type.

(d) The escrow agreement says under what conditions refund will be made to a Purchaser.

(e) The escrow agreement says what will happen to a Purchaser's funds upon default under the sales contract.

(f) Escrow will disburse funds from the escrow fund, from time to time, to pay for construction costs.

(g) The escrow agreements says under what conditions funds will be disbursed to Seller.

The escrow agreement contains various other provisions and establishes certain charges with which the Purchaser should become acquainted.

EXHIBIT L

Description of Nonconforming Structures

The general plans and specifications for the Units in the Project have been approved by the City and County of Honolulu Department of Land Utilization and Building Department. At the time the general plans and specifications were approved, the Land Use Ordinance of the City and County of Honolulu allowed two dwelling units to be built upon single subdivided lots bearing R-7.5 residential zoning. Each of the Units in the Project is located together with one other Unit on a R-7.5 residential lot.

On April 28, 1988, the Land Use Ordinance was amended to provide that R-7.5 residential lots could be improved with only a principal single family dwelling and an accessory "ohana" dwelling with a maximum floor area of 700 square feet. The Department of Land Utilization has indicated that this amendment would be enforced against any subdivided R-7.5 residential lot less than 15000 square feet in size. Because the lots upon which Units 1 and 1A, 3 and 3A, 8 and 8A, 16 and 16A, 17 and 17A, 23 and 23A, 24 and 24A, 25 and 25A, 26 and 26A, and 27 and 27A are to be constructed are less than 15000 square feet in size, and because Units 1A, 3A, 8A, 16A, 17A, 23A, 24A, 25A, 26A and 27A have been designated as accessory ohana dwellings, the plans for those Units do not comply with the current provisions of the Land Use Ordinance. Nevertheless, because the general plans for the Project were approved before the amendment to the Land Use Ordinance became effective, all Units will be constructed as described in this Condominium Public Report. However, there is no guaranty that future renovations to any of Units 1A, 3A, 8A, 16A, 17A, 23A, 24A, 25A, 26A or 27A will be approved by the City and County.