



**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

IOLANI PALMS  
512 Iolani Avenue  
Honolulu, Hawaii

Registration No. 1976

Issued: November 10, 1988  
Expires: December 10, 1989

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of October 17, 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.  
  - 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                       Not Required -- disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

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

No prior reports have been issued by the Commission.

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## GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

### Operation of the Condominium Project

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

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

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



I. PEOPLE CONNECTED WITH THE PROJECT

Developer: SNX LAND ENTERPRISES, a Hawaii Phone: 524-0666  
Name Joint Venturer  
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, USA, 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  
and Starts International, Inc. PHONE: 926-8856  
2250 Kalakaua Avenue, #515  
Honolulu, Hawaii 96815

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

Managing Agent: To be elected by Association of Owners 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 22241 Page 309  
 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:

Proposed  
 Recorded – Bureau of Conveyance Condo Map No. 1150  
 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 22241 Page 371  
 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 "B"

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: 512 Iolani Avenue Tax Map Key: 2-2-4:023  
Honolulu, Hawaii (TMK)

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 23,549  square feet  acre(s) Zoning: A-2

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

Sublessor: \_\_\_\_\_  
name  
\_\_\_\_\_  
address  
\_\_\_\_\_

**C. Buildings and Other Improvements:**

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

2. Buildings: 1 Floors Per Building: 6

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other Steel, Glass

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>31</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other:	_____		_____

5. Special Use Restrictions:

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

- No pets or animals, except domestic, non-dangerous, cats, dogs, fish and caged birds under certain conditions. (Refer to House Rules for types of pets allowed, conditions under which allowed, basis for disallowance.)
- Pets: \_\_\_\_\_
- Number of Occupants: \_\_\_\_\_
- Other: \_\_\_\_\_
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 31  
 Elevators 1 Stairways 2 Trash Chutes 1

<u>Apt. Type</u>	<u>Qty</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai/Patio</u>
<u>REFER TO EXHIBIT "A"</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>

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

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

Boundaries of Each Apartment:

Refer to Exhibit "C"

Permitted Alterations to Apartments:

Alterations to apartments are permitted under certain conditions; refer to the Declaration of Horizontal Property Regime (Declaration of Condominium Property Regime) for this project for details.

7. Parking Stalls:

Total Parking Stalls: 66

	<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>4</u>	<u>        </u>	<u>32</u>	<u>1</u>	<u>26</u>	<u>1</u>	<u>64</u>
Guest Unassigned	<u>        </u>	<u>2</u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>        </u>	<u>2</u>
Extra Available for Purchase	<u>        </u>						
Other:	<u>        </u>						
Total Covered & Open	<u>6</u>	<u>        </u>	<u>33</u>	<u>        </u>	<u>27</u>	<u>        </u>	<u>        </u>

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 E 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

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: Picnic Area/Park

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

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

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

10. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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.

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

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.

Exhibit  F  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 G describes the encumbrances against the title contained in the title report dated Aug. 15, 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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	None- Seller of property to Developer obligated to release

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 Association to appoint the managing agent.

**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   H   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 checked="" 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 "K"

2. Appliances:

Refer to Exhibit "K"

J. Status of Construction and Estimated Completion Date:

Clearing and grading commenced April 5, 1988. Estimated completion date is May 30, 1989.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed with the Real Estate Commission:

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated April 8, 1988

Exhibit "J" 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.

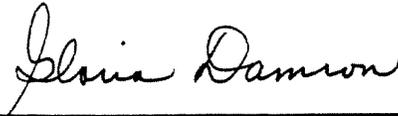
This Public Report is a part of Registration No. 1976 filed with the Real Estate Commission on September 19, 1988.

**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 and County of Honolulu  
Planning Department, City and County of Honolulu  
Federal Housing Administration  
Escrow Agent

EXHIBIT "A"

APARTMENT DESCRIPTION

<u>Number</u>	<u>Type</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Lanai**</u>
201	A	3/2.5	1,120 s.f.	-0-
202	B	3/2	1,080 s.f.	52 s.f.
203	C	2/2	910 s.f.	66 s.f.
204	D	2/2	908 s.f.	-0-
205	E	2/2	927 s.f.	66 s.f.
206	F	3/2	1,035 s.f.	50 s.f.
207	G	2/2	905	-0-
301	A	3/2.5	1,120 s.f.	-0-
302	B	3/2	1,080 s.f.	52 s.f.
303	C	2/2	910 s.f.	66 s.f.
304	D	2/2	908 s.f.	-0-
305	E	2/2	927 s.f.	66 s.f.
306	F	3/2	1,035 s.f.	50 s.f.
307	G	2/2	905	-0-
401	A	3/2.5	1,120 s.f.	-0-
402	B	3/2	1,080 s.f.	52 s.f.
403	C	2/2	910 s.f.	66 s.f.
404	D	2/2	908 s.f.	-0-
405	E	2/2	927 s.f.	66 s.f.
406	F	3/2	1,035 s.f.	50 s.f.
407	G	2/2	905	-0-
501	A	3/2.5	1,120 s.f.	-0-
502	B	3/2	1,080 s.f.	52 s.f.
503	C	2/2	910 s.f.	66 s.f.
504	D	2/2	908 s.f.	-0-
505	E	2/2	927 s.f.	66 s.f.
506	F	3/2	1,035 s.f.	50 s.f.
507	G	2/2	905	-0-
PH-1	H	3/2.5	1,120 s.f.	-0-
PH-2	I	3/2	1,260 s.f.	326 s.f.
PH-3	J	3/3	1,470 s.f.	291 s.f.

Total Apartments: 31

\*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. For those apartments with a lanai, if any, the areas set forth above excludes the lanai.

\*\*The square footages attributable to the lanais of those units which include a lanai are excluded in the calculation of the common interest appurtenant to the units. (Refer to Exhibit "F", "Common Interests".)

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.

EXHIBIT "B"

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

The developer and the fee owner have 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 and the fee owner decide are 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 and the fee owner have 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; and (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 the project have been conveyed to purchasers.

EXHIBIT "C"

BOUNDARIES OF EACH APARTMENT (UNIT).

Each Unit consists of that portion of the building containing the Unit which lies within the boundaries of the Unit as shown on said Condominium Map, exclusive of any stairways, interior or exterior loadbearing walls and pillars, and 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. The Unit shall be considered to include any door, window, or other closure therein, and the boundary shall be the unfinished surface of the walls on the side of the Unit, to the effect that the Unit shall include the paint, enamel, stain, wallpaper, or other finishings on such surface. The respective Units shall not be deemed to include the unfinished surfaces of the perimeter or party walls and interior load-bearing walls, the floors and ceilings surrounding each Unit or any pipes, wires, conduits or other utility or service lines, spaces or equipment running through such Unit, which are utilized for or serve more than one Unit or the common elements, the same being deemed common elements. Each Unit shall be deemed to include all the walls and partitions that are not load-bearing within its perimeter or party walls, and all fixtures originally installed therein. The horizontal boundaries of each Unit shall be the unfinished surface of the top of the concrete floor and the unfinished surface of the bottom of the concrete ceiling. 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. And, for those Units that contain a lanai, the Unit shall be deemed to include the lanai and lanai railings, provided that the boundary of the lanai shall be the unfinished surface of the walls, floor and ceiling on the side of the lanai, to the effect that the lanai shall include the paint, enamel, stain, tile, carpet, or other finishings on such surface, but shall not be deemed to include the unfinished surfaces of the perimeter or party walls (full or partial height) and interior load-bearing walls, the floors and ceiling surrounding each lanai, or any pipes, wires, conduits or other utility or service lines, spaces or equipment running through the lanai which are utilized for or serve more than one Unit or the common elements, the same being deemed common elements.

EXHIBIT "D"

COMMON ELEMENTS

A. The land submitted to the condominium property regime;

B. The foundations, pillars, columns, girders, beams, supports, main walls, load-bearing walls and pillars, roof and floors;

C. The corridors, hallways, walkways, driveways, stairs and stairways, ramps, parking stalls, loading areas, parking areas and guest parking stalls nos. 62 and 63;

D. Foyer and lobby, entrances and exits to the building, walkways and sidewalks on or adjacent to the Project;

E. Electrical equipment and electrical room, elevator equipment and elevator equipment room, all of which serve the building as a whole;

F. Lines, pipes, ducts, wires, vents, equipment, fixtures and appurtenant installations for services such as electricity, light, water, sewage, and like utilities which serve the building as a whole;

G. Landscaped areas, exterior gate or door, intercom, mailboxes, trash enclosure and chutes and appurtenant equipment, pool and pool area, pavilion and pavilion area; and

H. The roof and appurtenant installations; and

I. All other parts of the Property existing for the common use or necessary to the existence, maintenance, or safety of the building or the Project.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

A. Each Unit shall have appurtenant thereto the exclusive right to use, occupy and enjoy one or more Parking Stall(s). The Parking Stalls which are limited common elements and the respective Units to which they are appurtenant are as follows:

<u>Parking Stall No.</u>	<u>Apt. No.</u>	<u>Parking Stall No.</u>	<u>Apt. No.</u>
1	PH-02	34	202
2	PH-02	35	202
3	PH-03	36	405
4	PH-03	37	405
5	402	38	407
6	402	39	407
7	406	40	302
8	406	41	302
9	307	42	304
10	307	43	304
11	204	44	303
12	204	45	303
13	305	46	301
14	305	47	301
15	PH-01	48	501
16	205	49	501
17	205	50	502
18	206	51	502
19	206	52	506
20	201	53	506
21	201	54	503
22	401	55	503
23	401	56	504
24	306	57	504
25	306	58	505
26	207	59	505
27	207	60	507
28	203	61	507
29	203	62	Guest Stall
30	403	63	Guest Stall
31	403	64	PH-02
32	404	65	PH-03
33	404	66	PH-01

B. Each Unit shall have appurtenant thereto the exclusive right to use the mailbox assigned to said Unit.

EXHIBIT "F"

COMMON INTERESTS

<u>UNIT NUMBER</u>	<u>APPROXIMATE AREA</u>	<u>PERCENTAGE OF UNDIVIDED INTEREST IN COMMON ELEMENTS</u>
201	1,120 square feet	3.6%
202	1,080 square feet	3.4%
203	910 square feet	2.9%
204	908 square feet	2.9%
205	927 square feet	2.9%
206	1,035 square feet	3.3%
207	905 square feet	2.9%
301	1,120 square feet	3.6%
302	1,080 square feet	3.4%
303	910 square feet	2.9%
304	908 square feet	2.9%
305	927 square feet	2.9%
306	1,035 square feet	3.3%
307	905 square feet	2.9%
401	1,120 square feet	3.6%
402	1,080 square feet	3.4%
403	910 square feet	2.9%
404	908 square feet	2.9%
405	927 square feet	2.9%
406	1,035 square feet	3.3%
407	905 square feet	2.9%
501	1,120 square feet	3.6%
502	1,080 square feet	3.4%
503	910 square feet	2.9%
504	908 square feet	2.9%
505	927 square feet	2.9%
506	1,035 square feet	3.3%
507	905 square feet	2.9%
PH-1	1,120 square feet	3.6%
PH-2	1,260 square feet	4.1%
PH-3	1,470 square feet	4.7%
		<u>100.00%</u>

For purposes of voting on all matters requiring action by the owners and for purposes of allocation of common expenses, the above percentages shall govern.

The method or formula used in computing the percentage of common interest was to derive a fraction, the numerator of which was the square footage for each Unit (excluding any square footage attributable to the lanai if the Unit includes a lanai), the denominator of which was the aggregate square footage for all Units (excluding the square footages attributable to the lanais of those Units which include lanais). (The foregoing was arbitrarily rounded to the nearest tenth of a percent to cause the total percentage to equal 100%).

EXHIBIT "G"

ENCUMBRANCES ON TITLE

1. Reservation of all mineral and metallic mines to the State of Hawaii.

2. Mortgage dated Jan. 28, 1986, made by Glenn C. Lemon, married, as Mortgagor, and Irmagard Kop Davis de Silva, unmarried, as Mortgagee, recorded in the Bureau of Conveyances of the State of Hawaii at Liber 19350, Page 557.

3. Civil No. 88-420, Glenn C. A. Lemon, et al, Trustees of the Eva V. Magoon Trust vs. Irmagard Kop Davis de Silva. Complaint filed Feb. 11, 1988, that the foregoing mortgage was never executed or assented to by the Plaintiffs, that said mortgage is invalid and has wrongfully slandered the title of the trust's property. Motion for Summary Judgment filed Apr. 4, 1988. Pending.

4. Declaration of Horizontal Property Regime of Iolani Palms dated July 29, 1988, recorded at Liber 22241, Page 309, Bylaws recorded at Liber 22241, Page 371, and Condominium Map No. 1150 recorded at the Bureau of Conveyances of the State of Hawaii.

5. For Real Property Taxes that are due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.

**EXHIBIT II**

**ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

**Estimate of Initial Maintenance Fees:**

<u>Apartment</u>	<u>Monthly Fee</u>	<u>x</u>	<u>12 months</u>	<u>=</u>	<u>Yearly Total</u>
201	168	x	12		\$ 2,016
202	161	x	12		1,932
203	135	x	12		1,620
204	135	x	12		1,620
205	135	x	12		1,620
206	154	x	12		1,848
207	135	x	12		1,620
301	168	x	12		2,016
302	161	x	12		1,932
303	135	x	12		1,620
304	135	x	12		1,620
305	135	x	12		1,620
306	154	x	12		1,848
307	135	x	12		1,620
401	168	x	12		2,016
402	161	x	12		1,932
403	135	x	12		1,620
404	135	x	12		1,620
405	135	x	12		1,620
406	154	x	12		1,848
407	135	x	12		1,620
501	168	x	12		2,016
502	161	x	12		1,932
503	135	x	12		1,620
504	135	x	12		1,620
505	135	x	12		1,620
506	154	x	12		1,848
507	135	x	12		1,620
PH-1	167	x	12		2,004
PH-2	191	x	12		2,292
PH-3	219	x	12		2,628

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**TOTAL                    \$4,669                    x   12                    \$56,028**

[ ] Revised on \_\_\_\_\_

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

EXHIBIT "I"

SUMMARY OF SALES CONTRACT

CONDOMINIUM DEPOSIT RECEIPT AND 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, and contains other information on the 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, final or supplemental public report, as the case may be, 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 that moneys will be handled by escrow and that the Purchaser has inspected and approves of the escrow arrangement. This section also establishes that the Purchaser approves of the disbursements of Purchaser's funds from escrow for construction and other purposes in connection with the project.

3. 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.

4. 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 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.

5. 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.

6. 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.

7. This section specifies the parties responsible for payment of closing, escrow and conveyance expenses.

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

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

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

11. 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.

12. 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.

13. 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.

14. This section establishes the manner in which effective notice may be given to Seller or Purchaser.

15. This section provides that the Seller will endeavor to assign (to the extent assignable) any contractor's or appliance manufacturers' warranties to the Buyer but that the Seller does not make any warranties of its own and contains a disclaimer of warranty by the Seller. This section also provides that, if Seller provides an inspection checklist to Buyer, Buyer must list all claimed defects in or damage to the apartment or contents, and that Buyer waives any claim for any defect or damage if Buyer fails to complete the inspection checklist, and that Buyer waives any claim for any defect or damage not listed on the inspection checklist.

16. 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.

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

18. 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.

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

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

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

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

23. 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.

24. and 25. These sections make certain disclosures as to the fact that certain affiliates of Seller are real estate agents or brokers in the State of Hawaii.

26. This section says that the Buyer is not relying on the model unit which may be shown to the Buyer.

27. This section says that the Buyer is responsible for any financing which the Buyer may need.

28. This section says that Hawaii law and jurisdiction applies to the transaction and to the Buyer.

29. This section advises the Buyer that a Declaration of Restrictive Covenants (Private Park) is required by the City and County and will be recorded affecting the project.

EXHIBIT "J"

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 and related 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 "K"

WARRANTIES AND DISCLAIMER OF WARRANTIES

The construction contract which the Developer has with the contractor for the Project contains in the "General Conditions of the Contract for Construction" the following provisions regarding warranties which the contractor makes to the Developer:

"3.5.1. The Contractor warrants to the Owner and the Architect that all materials and equipment furnished under the Contract will be of good quality and new unless otherwise required or permitted by the Contract Documents, that the work will be free from defects not inherent in the quality required or permitted, and that the Work will conform with the requirements of the Contract Documents. Work not conforming to these requirements including substitutions not properly approved and authorized, may be considered defective. The Contractor's warranty excludes remedy for damage or defect caused by abuse, modification not executed by the Contractor, improper or insufficient maintenance, improper operation, or normal wear and tear under normal usage. If required by the Architect, the Contractor shall furnish satisfactory evidence as to the kind and quality of materials and equipment."

"12.2.2. If, within one year after the Date of Substantial Completion of the Work or designated portion thereof or after the date for commencement of warranties established under Subparagraph 9.9.1, or by items of an applicable special warranty required by the Contract Documents, any of the Work is found to be not in accordance with the requirements of the Contract Documents, the Contractor shall correct it promptly after receipt of written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This period of one year shall be extended with respect to portions of Work first performed after Substantial Completion by the period of time between Substantial Completion and the actual performance of the Work. This obligation under this Subparagraph 12.2.2 shall survive acceptance of the Work under the Contract and termination of the Contract. The Owner shall give such notice promptly after discovery of the condition."

The Developer (who is identified in the construction contract as the Owner) shall endeavor to assign to purchasers of units in the project the benefit of the foregoing warranties of the contractor, to the extent assignable.

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 specified time(s) from the date of purchase

or installation. The limited warranties are 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 endeavor to assign what right and interest it has in the limited manufacturers' warranties described above to the buyer(s) of each respective Unit in the Project, to the extent assignable.

NOTICE: Developer does not adopt the contractor's or appliance manufacturers' warranties and Developer is not acting as warrantor or co-warrantor. Except to assign (to the extent assignable) the benefit of the contractor's and appliance manufacturers' warranty as set forth above, THE DEVELOPER ITSELF MAKES NO WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, DOES NOT UNDERTAKE, MAKE OR GIVE ANY OF THE CONTRACTOR'S OR APPLIANCE MANUFACTURERS' WARRANTIES, AND EXPRESSLY DISCLAIMS ALL WARRANTIES OF WORKMANSHIP, MATERIALS OR OTHERWISE, INCLUDING, WITHOUT LIMITATION, WARRANTIES OF MERCHANTABILITY AND FITNESS FOR ANY PARTICULAR USE.