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

BAYVIEW RIDGE

45-175 Lilipuna Road
Kaneohe, Oahu, Hawaii

Registration No. 2004

Issued: January 20, 1989
Expires: February 20, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 19, **19** 89 **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

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 on this project.

```
*******  SPECIAL ATTENTION: ********************
*                                               *
*  Issuance of this Preliminary Public          *
*  Report is neither an approval nor            *
*  disapproval that the developer or his        *
*  designated real estate broker has complied   *
*  with the provisions of Part VI, Sales to     *
*  Owner-Occupants in Chapter 514A, Hawaii      *
*  Revised Statues.                             *
*************************************************
```

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: Alteration of Project
EXHIBIT B: Apartment Plan
EXHIBIT C: Purposes/Use of Project
EXHIBIT D: Boundries of Each Apartment
EXHIBIT E: Permitted alterations to Apartments
EXHIBIT F: Common Elements
EXHIBIT G: Limited Common Elements
EXHIBIT H: Encumbrances Against Title/Type of Lien
EXHIBIT I: Description of Warranties
EXHIBIT J: Summary of Sales Contract
Exhibit K: Summary of Escrow Agreement

GENERAL INFORMATION ON CONDOMINIUMS

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

A FEE SIMPLE INTEREST IN THE 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/AR	7	3/2½	1511	122.5
B/BR	8	3/2½	1492	282
C/CR	10	3/2½	1495	346
D-1	3	3/2½	1669	--
D-2	2	3/2½	1849	--
E	1	4/2½	1754	168

Total Apartments: 31

*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)	62
Guest Stalls	9
Unassigned Stalls	
Extra Stalls Available for Purchase	
Other: _____	
Total Parking Stalls	71

7. Recreational amenities: Include a swimming pool, jacuzzi, entertaining pavillion, barbeque area.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer:

BAYVIEW RIDGE VENTURE
Name

Phone: 521-1045 (Business)

1001 Bishop Street, Suite 701 Pauahi Tower
Business Address

Honolulu, Hawaii 96813

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

B.P.R.C. Corp., W. Lawrence Clapp, President
B.R.I.T. Corp., Alexander Sutter, President
Mareka Kai Incorporated; Joseph Enright, President

Real Estate Sales Agent:

Locations Incorporated (David Vieira)
Name

Phone: 235-8700 (Business)

45-681 Kamehameha Highway
Business Address

Kaneohe, Hawaii 96744

Escrow:

Title Guaranty Escrow Services, Inc.
Name

Phone: 521-0211 (Business)

235 Queen Street
Business Address

Honolulu, Hawaii 96813

Managing Agent:

AR Corporation dba Certified Management
Name

Phone: 836-0911 (Business)

3179 Koapaka Street, 2nd floor
Business Address

Honolulu, Hawaii 96819

Attorney for Developer:

Melvin Y. Kaneshige
Name

Chun, Kerr, Dodd & Kaneshige, 1408 Amfac Bldg.
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:
[X] 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:

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

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:

SEE EXHIBIT A.

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

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: 45-175 Lilipuna Road
Kaneohe, Hawaii

Tax Map Key: 4-5-045-033(1)
(TMK)

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

Land Area: 5.374 [ ] square feet [x] acre(s)

Zoning: R-10

Fee Owner: Lilipuna Associates
name
1580 Makaloa Street, Suite 750
address
Honolulu, Hawaii 96814

Sublessor: _____
name
_____
address
_____

C. **Buildings and Other Improvements:**

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

2. Buildings: 32 Floors Per Building: 2 except for 1 floor pavillion

   [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	31	[ ] 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:

[x] Pets: See Exhibit C

[x] Number of Occupants: See Exhibit C

[x] Other: See Exhibit C

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 31

Elevators 0 Stairways 1 Trash Chutes 0

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
A/AR	7	3/2½	1511	122.5
B/BR	8	3/2½	1492	282
C/CR	10	3/2½	1495	346
D-1	3	3/2½	1669	--
D-2	2	3/2½	1849	--
E	1	4/2½	1754	168

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

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

Boundaries of Each Apartment:

See Exhibit D.

Permitted Alterations to Apartments:

See Exhibit E.

7. Parking Stalls:

Total Parking Stalls: 71

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	62	--	--	--	--	--	62
Guest	--	9	--	--	--	--	9
Unassigned	--	--	--	--	--	--	--
Extra Available for Purchase	--	--	--	--	--	--	--
Other:	--	--	--	--	--	--	--
Total Covered & Open	71		--		--		71

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

[ ] Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[x] Swimming pool

[x] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[ ] Other: Jacuzzi, barbeque area, pavillion, enterphone/entry gate, etc.

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

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

N/A

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

N/A

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		

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 Apartment, except Apartment Q, will have a 3.2258% common interest. Apartment Q will have a 3.226 common interest.

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 October 18, 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
See Exhibit H-1	

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:

[x] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[ ] other _____

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

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

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

Exhibit 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:

See Exhibit I.

2. Appliances:

See Exhibit I.

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

Construction is anticipated to commence on or about February, 1989 and is expected to be completed on or about October, 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 J contains a summary of the pertinent provisions of the sales contract.

[x] Escrow Agreement dated December 5, 1988

Exhibit K contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

1. BAYVIEW RIDGE will be developed as a Planned Development Housing Project. Pursuant to the City and County of Honolulu Land Use Ordinance, the Developer is required to construct a private park and the Association of Apartment Owners is obligated for the perpetual maintenance of the park, including all improvements constructed thereon.

2. A Declaration of Restrictive Conditions has been filed with the Registrar of the Land Court as a requirement of the City and County of Honolulu Department of Land Utilization. The declaration of restrictive conditions states that the Association of Apartment Owners shall be obligated for the perpetual repair and maintenance of the common elements, including without limitations, the landscaping, private drainage system and common areas of the project.

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 Declaration of Restrictive Conditions

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. 2004 filed with the Real Estate Commission on December 7, 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

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

Alteration of Project.

(a) Except as otherwise expressly set forth and reserved in this Declaration, restoration or replacement of the Project or of any building or other facility thereof which is a common element or construction of any additional building or structural alterations or additions to any structure which is a common element different in any substantial and material respect from the Condominium Map, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of not less than seventy-five percent (75%) of the apartment owners, and promptly upon completion of such restoration, replacement or construction 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. Any additions to or alterations of any apartment made within such apartment shall be permitted without the consent of the Board or any other apartment owner, except that if such additions or alterations would jeopardize the soundness or safety of the Project, reduce the value thereof, violate the uniform external appearance of the apartments, or impair any easement, then the prior consent of seventy-five percent (75%) of all apartment owners, together with the consent of all other apartment owners directly affected thereby, shall be first obtained.

(b) In addition, Developer shall have the right, at any time prior to the issuance of certificates of occupancy for all of the apartments in the Project and without the consent of apartment owners or purchasers of the apartments or their mortgagees or prospective mortgagees, if any, or any other person, to remove the neighboring access easement area (located within the Project as outlined on Sheet No. A of the Condominium Map adjacent to Residential lot CC) from this Declaration by amending this Declaration, the Condominium Map and any other condominium documents to reflect such removal and to thereafter convey said area free and clear of the Declaration and any other encumbrance related thereto as it shall see fit in its own sole discretion, and any such amendments may be executed solely by Developer, without the consent or joinder of any other persons.

(c) Developer shall have the right at any time prior to the issuance of a certificate of occupancy for each apartment, with the consent of the purchasers of such apartment and their prospective mortgagees, if any, but without the consent of any other person or persons, to alter an apartment if the common elements are not thereby affected.

(d) In the event that any change or alteration made in accordance with paragraph 17(c) requires any amendment to this Declaration or the Condominium Map, such amendment may be executed by the owner of such apartment, without requiring the consent or joinder of the owners of any other apartments or any other person or persons, other than any mortgagee of such apartment, and recorded in the Bureau of Conveyances of the State of Hawaii.

Amendment of Declaration. Except as otherwise provided therein or in the Act, this Declaration may be amended by a vote of the apartment owners of not less than seventy-five percent (75%) of the interests in the common elements effective only upon recording of an instrument setting forth such amendment and vote, duly executed by such owners or by the proper officers of the Association; provided, however, that at any time prior to the issuance of the Final Public Report by the Real Estate Commission of the State of Hawaii, Developer may amend this Declaration and the Bylaws in any manner. Notwithstanding the foregoing and notwithstanding the sale and conveyance of any of the apartments, this Declaration (including the Bylaws and when applicable, the Condominium Map) may be amended by Developer, (a) by filing the "as built" verified statement of a registered architect or professional engineer certifying that the plans theretofore filed, or being filed simultaneously with such statement, fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built; or (b) to effect any change or amendment required by an administrative agency of any county, state, territory, possession, or foreign country or other foreign jurisdiction or a mortgagee of the fee or leasehold interests in the Land as a condition precedent to marketing the Project or making a loan to finance the construction and/or the sales of the Project.

EXHIBIT B

APARTMENT PLAN

The project shall consist of 31 separate two-story buildings, with attached or detached garages and without basements, containing 31 residential apartments.

There are nine residential apartment types designated as Types A, AR, B, BR, C, CR, D-1, D-2 and E each of which includes 3 bedrooms, 2-1/2 baths, a living-dining room, a family room, a kitchen and a lanai (except for apartment type E which includes 4 bedrooms).

The apartments are identified by the letters "A" through "Z" and "AA through "EE", as shown on the Condominium Map. Each apartment includes a 2 car (regular size) covered garage as shown on the Condominium Map.

The plan for each apartment and their apartment numbers are as follows:

Apartment	Apt. Type	Net Living Area*	Lanai/Patio*	Garage*
A	AR	1511	122.5	377
B	AR	1511	122.5	377
C	A	1511	122.5	377
D	B	1492	282	377
E	C	1495	346	377
F	B	1492	282	377
G	CR	1495	346	377
H	CR	1495	346	377
I	BR	1492	282	377
J	CR	1495	346	377
K	CR	1495	346	377
L	AR	1511	122.5	377
M	D-1	1669	-	377
N	D-1	1669	-	377
O	D-1	1669	-	377
P	D-2	1849	400	377
Q	D-2	1849	400	377
R	A	1511	122.5	377
S	C	1495	346	377
T	B	1492	282	377
U	C	1495	346	377
V	B	1492	282	377
W	CR	1495	346	377
X	B	1607	282	377
Y	B	1492	282	377
Z	C	1495	346	377
AA	AR	1511	122.5	377
BB	A	1511	122.5	377
CC	BR	1492	282	377
DD	CR	1495	346	377
EE	E	1754	168	377

*Net Living Area of the enclosed portion of each apartment is measured from the interior surface of such apartment's perimeter walls. Areas of lanai/patio and garage, which are considered part of the apartment, are computed separate from the enclosed apartment area.

EXHIBIT C

PURPOSES/USE OF PROJECT

(a) With the exception of a mortgagee in possession of an apartment following a default under a mortgage encumbering an apartment in the Project, a foreclosure proceeding or other arrangement in lieu of foreclosure, the apartments shall at all times be occupied and used only for residential purposes by the respective owners thereof, their tenants, licensees, families, domestic servants and social guests, and for no other purpose. No apartment shall be used as 8 tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The apartments shall not be rented for transient or hotel purposes, which are defined as: (1) rental for any period less than thirty (30) days; or (2) any rental in which the occupants of the apartments are provided customary hotel services such as room service for food and beverages, maid service, laundry and linen or bellboy service. The apartments in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-share purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. The respective apartment owners shall have the absolute right to rent or lease such apartments subject to all provisions of the Act, this Declaration, and the Bylaws.

(b) The Owner of an apartment shall not use the same for any purpose which will injure the reputation of the Project. Except as provided in this Declaration, such owner shall not suffer anything to be done or be kept in, on, or around said apartment or elsewhere which will jeopardize the soundness of the property, or interfere with or unreasonably disturb the rights of other owners, or increase the premiums For fire insurance or any other form of insurance paid by the Association or other apartment owner(s), of which will reduce the value of any apartment(s), common element(s), or limited common element(s) appurtenant to the apartment(s) of other owner(s), or alter the appearance of the exterior of such owner's apartment so as not to conform to the exterior appearances of other apartments similar in type in the Project.

(c) The owner of an apartment shall not, except as

specifically permitted herein, without the prior written consent of the Board, make any alterations of or any additions to the exterior of the apartment (including awnings, jalousies or screens) or to any other portion or portions of the common elements unless otherwise specifically permitted herein or in the Bylaws.

(d) The owner of an apartment shall not lease less than his entire apartment. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of the Act, this Declaration, the Bylaws and the House Rules promulgated thereunder and that the failure by the lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing a copy of which shall be filed with the Association.

Use of Project.

(a) The apartments of the Project shall be used only for such purposes as stated in the Declaration;

(b) All common elements of the Project shall be used only for their respective purposes as designed;

(c) No apartment owner or occupant shall plant or cultivate or landscape the common elements or place, store or maintain in the halls, lobbies, stairways, walkways, grounds or other common elements of similar nature any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements or the front portion of the Residential Lots;

(d) Every apartment owner and occupant shall at all times keep his apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use oF the Project;

(e) No apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his apartment or the Project nor alter or remove any furniture, furnishings or equipment of the common elements

(f) All occupants shall avoid making noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other occupants;

(g) No garments, rugs or other objects shall be hung from the windows or facades of the Project or otherwise displayed in public view;

(h) No rugs or other objects shall be dusted or shaken from the windows or doors of any apartment or cleaned by beating or sweeping on any walkways, patios, entries or other

exterior part of the Project;

(i) No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Project outside of the disposal facilities provided for such purpose;

(j) No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project, except that dogs, cats and other household pets in reasonable number may be kept by the apartment owners and occupants in their respective apartments with the prior written approval by the Board but shall not be kept, bred or used therein for any commercial purpose nor allowed on any common elements except in transit when carried or on leash, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board of Directors or the managing agent.

(k) No apartment owner or occupant shall without the written approval of the Board of Directors install any wiring for electrical or telephone installations, machines or air conditioning units, or other equipment or appurtenances whatsoever on the exterior of any building of the Project or protruding through the walls, windows or roof thereof;

(l) No apartment owner or occupant shall erect, place or maintain any television or other antennas or solar energy systems or any other types of objects or equipment on any building visible from any point outside of his apartment;

(m) Nothing shall be allowed, done or kept in any apartments or common elements of the Project which would overload or impair the floors, walls, or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association; and

(n) Anything to the contrary notwithstanding, the Developer of the Project may engage in real estate sales activities in such apartments or on the premises of the Project for the purpose of selling such apartments.

(o) No improvements or movable personal property in excess of thirty inches in height above existing grade shall be constructed or permitted to exist within five (5) feet of any Residential Lot boundary line.

(p) No improvement shall be added above the roof line of an apartment as shown on the initial Condominium Map.

(q) No signs whatsoever, including, without limitation, commercial, political or similar signs, visible from neighboring property shall be erected or maintained upon or within any apartment or Residential Lot except:

(i) Such signs as may be required by legal proceedings;

(ii) Apartment identification signs of a combined total face area of one square foot or less for each apartment;

(iii) Not more than one "For Sale" or "For Rent" sign having a maximum face area of three square feet, such sign to refer only to the premises oh which it is situated.

(r) No house trailer, mobile home, tent or similar facility or structure shall be kept, placed or maintained upon or within any Residential Lot at any time.

(s) No boat or trailer or truck of more than one-ton capacity shall be kept, placed or maintained upon or within any Residential Lot in such a manner that such truck is visible from neighboring property.

(t) No trailer, vehicle or boat shall be constructed, or reconstructed or repaired upon or within any Residential Lot in such a manner that such construction, reconstruction or repair is visible from neighboring properties, nor shall any vehicle not in good operating condition be maintained upon or within any Residential Lot so as to be visible from any neighboring property, provided that nothing in this paragraph shall prevent an apartment owner from performing maintenance work or minor repairs on his own trailer, vehicle or boat in his garage.

(u) No open storage of furniture, fixtures, appliances and other goods and chattels not in active use will be permitted within a Residential Lot so as to be visible from neighboring property, and no outside clothes lines or other outside clothes drying or airing facilities shall be permitted when they are visible from neighboring property.

(v) No exterior fires whatsoever shall be permitted, except small barbecue and imu fires, and an apartment owner shall not permit any condition on or within his apartment which creates a fire hazard.

(w) An apartment owner shall not park his car on any portion of the Residential Lot visible from any adjacent property, except in a garage or on a paved driveway area, and boats, trailers or truck campers will not be kept within or on any Residential Lot except in a garage.

(x) No garage shall be used in a manner inconsistent to the use of same for other than the parking of vehicles and boats.

(y) Each apartment owner and occupant shall do what

is necessary to preserve and maintain the drainage patterns on his Residential Lot and adjoining Residential Lots.

I. OCCUPANCY

1. An apartment shall be used only for such purposes as designated in the Declaration.

2. An apartment owner shall be responsible for the conduct of his or her children at all times, ensuring that their behavior is neither offensive to any occupant of the Project nor damaging to any portion of the common elements.

3. Every apartment owner and occupant shall at all times keep his or her apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.

4. Occupancy is limited to not more than two persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, renter or lessee.

II. TEMPORARY OCCUPANCY

1. Owners shall be responsible for designating a local agent to represent their interest, particularly with respect to rental, if their residence is outside of Hawaii or if they will be absent from the apartment for more than 30 days. Such owners shall file their address, telephone number and that of their agent with the managing agent.

2. Subject to the terms of the apartment deed, apartment lease or condominium conveyance document and the Bylaws of the Association, an apartment owner, or his designated agent, may lease or rent his apartment or make it available for the use of friends or public, but the person or persons leasing, renting or living in the apartment shall abide by these House Rules, and the owner or designated agent as applicable shall assume the responsibility for the occupants' conduct. Owners or the designated agent must notify the managing agent of the names and length of anticipated occupancy of lessees, renters or guests.

3. An apartment owner or agent, as applicable, shall be responsible for the conduct of his lessee(s), renter(s), or guests(s) and shall, upon request of the Board of Directors or managing agent, immediately abate and remove, at his or her expense, any structure, thing or condition that may exist with regard to the occupancy of

his or her apartment by his or her lessee(s), renter(s) or guest(s) contrary to the provisions hereof. If the apartment owner or agent is unable to control the conduct of the lessee(s), renter(s) or guest(s), he shall, upon request of the Board of Directors or managing agent, immediately remove such lessee(s), renter(s) or guests(s) from the premises, without compensation for lost rentals or any other damage resulting therefrom.

4. The absentee owner, at his or her expense, shall have an agent, friend or maid conduct periodic inspections of his closed apartment, assuming responsibility for the contents thereof.

III. COMMON AREAS AND ENTRANCES

1. The sidewalks must not be obstructed or used for any purposes other than ingress and egress.

2. No shoes, go-aheads, laundry, dry cleaning or other items shall be allowed to remain in view at the front entrance of an apartment.

3. Only appropriate furniture and small plants shall be placed on lanais. Any items deemed unsightly by the Board of Directors or managing agent shall be removed, upon the request of the managing agent. Lanais are not to be used for the purpose of storage of articles of any kind.

4. Textile items, including towels, bathing apparel and clothing, brooms, mops, cartons, and other objects, shall not be placed in windows so as to be in view from outside the apartment or from any other apartment.

5. All garbage, rubbish and other trash shall be disposed of only in trash bags securely tied. Such trash bags shall be placed only in areas provided therefore and must be hidden from public view. Trash containing food shall be securely wrapped before being placed in a trash bag.

6. The throwing of firecrackers and the explosion of any fireworks anywhere in the Project is expressly prohibited.

7. Nothing shall be allowed, done or kept in any apartments or common elements of the Project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary insurance rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

8. Water shall not be left running an unreasonable length of time.

9. Damages to common elements shall be surveyed by the managing agent, and the costs of repair or replacement may be assessed by the Board against the persons responsible.

IV. PARKING AREAS

1. No cars may be parked or left unattended except in designated parking stalls. Parking is not permitted on the private roadway, common vehicle turnaround areas and common maneuvering areas for the guest parking stalls.

2. When workmen are performing work on an apartment, the owner shall advise them to park off the premises if all spaces are occupied.

3. Automobiles shall be centered in parking spaces so as to prevent crowding of adjacent spaces and blocking of passages.

4. Violators of parking regulations will be subject to having their cars towed away at their own expense. If the violator is a lessee, renter or guest of an owner, the owner or agent shall be held responsible for the payment of the towing charge.

5. Owners may wash, clean and polish cars only in areas designated by the Board of Directors. Owners shall clean the area thoroughly before leaving.

6. Extensive repairs of a motor vehicle, boat, surfboard, or other equipment shall not be permitted.

7. Bicycles are to be parked only in the bicycle racks if so provided.

V. NOISE

1. Each occupant is to avoid excessive noise of any type at any time and is to consider the welfare of other residents at all times.

2. Front doors and service doors are to be held (or retained) so as to avoid slamming due to the wind.

3. All radios, TV, hi fi, or musical instruments must be played at reduced volume after 10:00 p.m. and early in the morning.

4. It is required that noise due to departing guests, particularly at night, be kept at a minimum.

5. Excessive noise at any time should be reported to the

managing agent who will take appropriate action.

VI. MAINTENANCE

1. Common elements: Under the supervision of the Board, the maintenance of common elements is a responsibility of the managing agent; defects and deficiencies should be reported when and as observed.

2. Apartments: Maintenance of individually owned apartments, including lanais and all windows, doors (including hinges, locks and door closures, if any) is the responsibility of their respective owners and/or occupants.

VII. GENERAL PROVISIONS

1. Furniture placed in common areas, if any, is for use in those specific areas and must not be moved therefrom.

2. Maintenance personnel employed by the managing agent shall not be asked to do work within the area of any apartment or asked to leave the premises for any reason.

3. The managing agent is not required to give access to apartments without the written permission of the owner or agent.

4. Each apartment owner shall observe and perform these House Rules and ensure that his or her licensees and invitees also observe and perform the House Rules. Apartment owners shall be responsible for their guests' observance of all House Rules as set forth herein. In the event expenses are incurred due to violations of House Rules by guests or licensees, the owner shall be responsible for payment of same.

5. No open solicitation or canvassing will be allowed in the building at any time.

6. Extensions: The Board of Directors from time to time may post special safety or other rules governing the use of the private roadway or other common areas. The Board's posted rules shall be considered extensions of these House Rules.

EXHIBIT D

BOUNDARIES OF EACH APARTMENT

Each apartment shall include all walls, ceilings, floors, slabs, foundations, doors and door frames, window and window frames, supporting beams and fixtures, if any, and all ducts, pumps, pipes, conduits, wires and other utility lines running through such apartment which do not serve or are not utilized by any other apartment. Each apartment shall not be deemed to include any pipes, wires, conduits or other utility lines running over, under or through such apartment which are utilized by or which serve more than one apartment, the same being deemed common elements as hereinafter provided.

EXHIBIT E

PERMITTED ALTERATIONS TO APARTMENTS

The Owner of an apartment shall not use the same for any purpose which will injure the reputation of the Project. Except as provided in this Declaration, such owner shall not suffer anything to be done or be kept in, on, or around said apartment or elsewhere which will jeopardize the soundness of the property, or interfere with or unreasonably disturb the rights of other owners, or increase the premiums For fire insurance or any other form of insurance paid by the Association or other apartment owner(s), of which will reduce the value of any apartment(s), common element(s), or limited common element(s) appurtenant to the apartment(s) of other owner(s), or alter the appearance of the exterior of such owner's apartment so as not to conform to the exterior appearances of other apartments similar in type in the Project.

The owner of an apartment shall not, except as specifically permitted herein, without the prior written consent of the Board, make any alterations of or any additions to the exterior of the apartment (including awnings, jalousies or screens) or to any other portion or portions of the common elements unless otherwise specifically permitted herein or in the Bylaws.

Alteration of Project.

Except as otherwise expressly set forth and reserved in this Declaration, restoration or replacement of the Project or of any building or other facility thereof which is a common element or construction of any additional building or structural alterations or additions to any structure which is a common element different in any substantial and material respect from the Condominium Map, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of not less than seventy-five percent (75%) of the apartment owners, and promptly upon completion of such restoration, replacement or construction 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. Any additions to or alterations of any apartment made within such apartment shall be permitted without the consent of the Board or any other apartment owner, except that if such additions or alterations would jeopardize the soundness or safety of the Project, reduce the value thereof, violate the uniform external appearance of the apartments, or impair any easement, then the prior consent of seventy-five percent (75%) of all apartment owners, together with the consent of all other apartment owners directly affected thereby, shall be first obtained.

Developer shall have the right at any time

prior to the issuance of a certificate of occupancy for each apartment, with the consent of the purchasers of such apartment and their prospective mortgagees, if any, but without the consent of any other person or persons, to alter an apartment if the common elements are not thereby affected.

In the event that any change or alteration made in accordance with paragraph 17(c) requires any amendment to this Declaration or the Condominium Map, such amendment may be executed by the owner of such apartment, without requiring the consent or joinder of the owners of any other apartments or any other person or persons, other than any mortgagee of such apartment, and filed with the assistant registrar of the Land Court of the State of Hawaii.

EXHIBIT F

Common Elements.

One freehold estate is hereby designated in all common elements of the Project which include all portions of the Project, other than the apartments (except as herein specifically included), and all other common elements mentioned in the Act which are actually included in the Project, including specifically but not limited to:

(a) Said Land in fee simple.

(b) All retaining walls and fences shown on Sheet No. A of the Condominium Map, whether or not located on a Residential Lot (as described below);

(c) The private roadway located within the Project as outlined on Sheet No. A of the Condominium Map, the nine (9) uncovered regular-sized guest parking stalls located thereon, sidewalks, entry security gate, enterphone system, mailboxes, trash enclosure facilities and landscaping not located on limited common areas.

(d) The recreational center area and facilities (including but not limited to the swimming pool, jacuzzi, pavilion and barbecue area) located within the Project and shown on Sheet No. A of the Condominium Map.

(e) All sewer lines, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities and installations on, over, under and across the Project which serve more than one apartment for services such as but not limited to electricity, water, gas, sewer, telephone and radio and television and cable television signal distribution.

(f) The neighboring access easement area located within the Project as outlined on Sheet No. A of the Condominium Map adjacent to Residential lot CC; provided, however, that at any time prior to the issuance of certificates of occupancy for all of the apartments in the Project, Developer may, at its option and in its sole discretion, remove said area from this Declaration by amending this Declaration, the Condominium Map and any other condominium documents to reflect such removal and to thereafter convey said area free and clear of the Declaration and any other encumbrance related thereto as it shall see fit in its own sole discretion. Such removal and/or conveyance shall be made without the consent of any other person (including but not limited to any apartment owners or purchasers of the apartments or their mortgagees or prospective mortgagees, if any, or any other person or entity), and any such amendments may be executed solely by Developer, without the consent or joinder of any other persons.

(g) The booster pump station and navigation light located within the Project and shown on Sheet No. A of the Condominium Map.

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

(i) The limited common elements described in Exhibit G.

EXHIBIT G

Limited Common Elements.

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

(a) The various separate land areas ("Residential Lots") lettered "A" through "Z" and "AA" through "EE" as shown on Sheet No. A of the Condominium Map shall be appurtenant to and for the exclusive use of the apartment having the same letter. For example, Residential Lot A is appurtenant to and for the exclusive use of Apartment A.

(b) The driveway, if any, extending from the roadway within the Project or from a limited common driveway (as the case may be) to the garage of each apartment as outlined on Sheet No. A of the Condominium Map, shall be appurtenant to and for the exclusive use of that apartment.

(c) All landscaping located within each of the limited common yard areas around and appurtenant to each apartment.

(d) The limited common driveways extending from the roadway within the Project to the driveways located on Residential Lots D and E, S and T, and X, W and V respectively as outlined on Sheet No. A of the Condominium Map, shall be appurtenant to and for the exclusive use of those above mentioned apartments to which a limited common driveway is immediately adjacent to.

(e) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

EXHIBIT H

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes for the Fiscal Year July 1, 1988 - June 30, 1989. (see tax statement attached)

   Tax Key: 4-5-045-033 (1) Area assessed: 5.374 acres

   As the credits in the Office of the Tax Assessor have not been posted to date, it is possible that the first installment has been paid. If so, a receipt for the same should be produced.

2. -AS TO PARCEL FIRST (LOT 229):-

   (A) EASEMENT "11"

   SHOWN : on Map 166, as set forth by Land Court Order No. 64266, filed November 19, 1982

   (B) Easement of right of way in favor of Lot 228, over Lot 229, as granted by Land Court Order No. 64266, filed November 19, 1982.

3. -AS TO PARCEL SECOND (LOT 230):-

   (A) A setback line located over and across Lot 209, as shown on Map 90, as set forth by Land Court Order No. 21792, filed October 8, 1963.

   (B) EASEMENT "U" (10 feet wide)

   PURPOSE : Sewer
   SHOWN : on Map 90, as set forth by Land Court Order No. 21792, filed October 8, 1963

   (C) Easement of right of way in favor of Lots 228 and 229, over Lot 230, as granted by Land Court Order No. 64266, filed November 19, 1982

   (D) Reserving unto Lilipuna Associates the right to convey or dedicate said Lot 230 to the State of Hawaii or the City and County of Honolulu or other governmental authority for use as a public road, as set forth by Land Court Order No. 64266, filed November 19, 1982

EXHIBIT H-1

Type of lien: It is anticipated that the Developer will obtain a construction mortgage from GECC Financial Corporation, a Hawaii Corporation, (the "lender").

Effect on Buyer's interest if Developer defaults: All sales contracts will be subordinated to the lien and secured interests of the lender. In the event the Developer defaults under its agreements with the lender and the lender forecloses in its secured interests, the lender's interests will be superior to all Buyers' interests. However, in such an event, Buyers may be able to cancel or rescind their sale contracts under Hawaii Revised Statutes section 514A-62 or 63 and correspondingly obtain a refund (less any escrow cancellation fees and other costs) of their deposits.

EXHIBIT I

BAYVIEW RIDGE
Dated December 16, 1988

Name of Project:	Bayview Ridge 45-175 Lilipuna Road Kaneohe Hawaii
Developer:	Bayview Ridge Venture Suite 701, Pauahi Tower 1001 Bishop Street Honolulu, Hawaii 96813 Telephone: (808) 521-1045
Managing Agent:	Certified Management 3179 Koapaka Street, Second Floor Honolulu, Hawaii 96819 Telephone: (808) 836-0911
Annual Maintenance fees and Monthly Estimated Costs for Each Apartment:	See Attached.

Description of Warranties:

Paragraph 17 of the Sales Contract and Deposit Receipt states: The execution, delivery and recordation of Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given Seller by the general Contractor for the Project, including without limitation said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as that term is defined in the construction contract for the Project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any such warranties in asserting any claims based on such warranties. Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the Apartment. BUYER ACKNOWLEDGES THAT SELLER HAS MADE NO OTHER WARRANTIES, EXPRESS OR IMPLIED, INCLUDING WITHOUT LIMITATION ANY WARRANTIES OF Merchantability, FITNESS FOR A PARTICULAR PURPOSE, HABITABILITY OR WORKMANLIKE CONSTRUCTION WITH RESPECT TO THE APARTMENT, THE PROPERTY, ANY COMMON ELEMENT, LIMITED COMMON ELEMENT, OR ANYTHING INSTALLED THEREIN. At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's Apartment on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the Property, if any. Buyer agrees to accept

defects or damages to the Property, if any. Buyer agrees to accept possession of the Property despite the existence of such defects or damages to the Property regardless of extent, including without limitation any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the Property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter by the general contrActor or other warrantor. This guarantee shall survive the final closing. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorney's fees, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the Property upon request by Seller (unless the Apartment is uninhabitable) and if Buyer shall make any such refusal Buyer shall be deemed to be in default under this Agreement and Seller at its option shall be entitled to cancel this Agreement and keep all payments made hereunder as liquidated damages. Buyer hereby waives all rights of inspection and rights to Seller's cooperation and assistance with the general contractor or other warrantor if Buyer fails to inspect Buyer's Apartment on the date and time specified by Seller, and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations hereunder, including without limitation the making of Payments B and C and performance of Buyer's pre-closing and final closing obligations.

Residential Use: The project will contain thirty-one (31) residential apartments. The Declaration and Bylaws do not authorize any commercial, non-residential or hotel use in the project.

ASSOCIATION OF APARTMENT OWNERS OF BAYVIEW RIDGE

1989/90 PRELIMINARY ESTIMATED CASH OPERATING BUDGET

RECEIPTS:	MONTHLY	ANNUAL
MAINTENANCE FEES*	$ 3,440	$41,280
TOTAL OPERATING RECEIPTS		
DISBURSEMENTS:		
OFFICE & ADMIN EXPENSES	$ 35	$ 420
MANAGEMENT FEE	660	7,920
AUDIT & TAX PREPARATION	45	540
ENTERPHONE	65	780
ELECTRICITY (ROADWAY LIGHTING/PAVILION AMENITIES/BOOSTER PUMP)	250	3,000
WATER/SEWER (LANDSCAPE IRRIGATION/ POOL AND SPA)	75	900
REFUSE SERVICE (DUMPSTER 3 TIMES WEEKLY)	400	4,800
LANDSCAPE MAINTENANCE (COMMON AREA ONLY)	200	2,400
GENERAL MAINTENANCE	200	2,400
AMENITIES (PAVILION/POOL AND SPA)	400	4,800
MULTI-PERIL INSURANCE (FIRE, LIABILITY, ERRORS & OMMISIONS)	550	6,600
UMBRELLA LIABILITY	75	900
FIDELITY BONDING	50	600
EXCISE & INCOME TAX	10	120
TOTAL OPERATING DISBURSEMENTS	$3,015	$36,180
TRANSFER TO RESERVES:		
GENERAL OPERATING/CONTINGENCY	$ 100	$1,200
RESEAL ROADWAY	100	1,200
ENTERPHONE/GATEWAY/MAILBOXES	20	240
ROADWAY LIGHT FIXTURES	15	180
PAVILION ROOFING/PAINTING	25	300
POOL AND SPA PLASTER	100	1,200
POOL AND SPA FILTERS/PUMPS AND MOTORS	25	300
FENCING (CHAIN LINK AND WOODEN)	30	360
BOOSTER PUMP 15 HP	10	120
TOTAL TRANSFER TO RESERVES	$ 425	$ 5,100
TOTAL DISBURSEMENTS	$3,440	$41,280

ESTIMATE OF INITIAL MAINTENANCE FEES
3.2258% AND 3.226% $110.97 PER APT.

THE INITIAL PURCHASER OF EACH APARTMENT WILL BE ASSESSED A START UP FEE OF $250. THE FEE WILL BE APPLIED TOWARD MULTI-PERIL INSURANCE, POOL FURNITURE AND EQUIPMENT, FIRST MONTH'S OPERATING EXPENSES AND RESERVES. IN ADDITION, THE INITIAL PURCHASER WILL ALSO BE ASSESSED AN OWNERSHIP TRANSFER FEE OF $55 TO BE PAID TO THE MANAGING AGENT.

AS MANAGING AGENT FOR THE CONDOMINIUM PROJECT, I HEREBY CERTIFY THAT THE ABOVE ESTIMATES OF INITIAL MAINTENANCE FEE ASSESSMENTS AND MAINTENANCE FEE DISBURSEMENTS WERE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES AND CONVERTED TO A CASH BASIS. THE FIGURES CONTAINED HEREIN ARE ESTIMATES AND ARE NOT INTENDED TO BE NOR CONSTITUTE ANY REPRESENTAATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

AR CORPORATION dba
CERTIFIED MANAGEMENT

BY: Chuck Whalen
ITS PRESIDENT

Dec. 16, 1988
DATE

*MAINTENANCE FEE ASSESSMENTS DO NOT PROVIDE FOR EXPENSES RELATED TO THE ADMINISTRATION, OPERATION, OR THE MAINTENANCE, REPAIR, REPLACEMENT, AND RESTORATION OF LIMITED COMMON AREAS, SUCH AS RESIDENTIAL LOTS APPURTENANT TO EACH APARTMENT THAT WOULD INCLUDE LANDSCAPING, TREE TRIMMING, EXTERIOR BUILDING MAINTENANCE, AND DRIVEWAYS BETWEEN THE GARAGE AND ROADWAY, ETC., AS DEFINED IN THE DECLARATION OF CONDOMINIUM REGIME.

EXHIBIT J

SUMMARY OF SALES CONTRACT

The specimen sales contract provides in part: (1) that if a purchaser who requires mortgage loans has not secured a commitment therefore within 45 days after application for the same, developer may elect to terminate, at developer's option, the sales contract upon written notice to the purchaser and, upon such termination, all monies paid by the purchaser shall be refunded without interest, less the cost of any credit report, escrow cancellation fee, if any, and other costs actually incurred by developer, escrow agent or lending institution in processing such loan application; provided, however, that if developer ascertains that the purchaser has failed to qualify for the mortgage loan due to the failure to use his best efforts to obtain a mortgage loan in good faith or to do or perform all acts necessary to obtain such loan, then such failure shall constitute a default by the purchaser entitling developer to retain all sums paid as liquidated damages as provided in paragraph 19 of the sales contract; (2) that if a purchaser who shall not require financing and who has submitted an acceptable financial statement suffers a detrimental and material change in his financial condition and notifies developer of such change, developer shall have thirty (30) days to terminate the sales contract and cause to be refunded to purchaser the amounts already paid, without interest, less the cost of any credit report, escrow cancellation fees and other costs actually incurred in reviewing such financial statement; (3) prospective purchasers should be aware that developer's mortgage loans (interim, renewals and extensions) used for the construction of the project shall be and remain at all times a superior lien on the project, and purchasers intentionally waive and subordinate the priority of liens under the sales contract in favor of such mortgage loans and waive any claims which they may have against developer for breach of the sales contract in the event that said mortgage loans are foreclosed.

Additionally, the sales contract provides that the developer makes no warranties, express or implied, with respect to the apartments or any common element or anything installed therein. Developer shall assign to purchasers any and all warranties given to developer by the general contractor of the project together with any guarantees against faulty material or workmanship. Purchaser shall receive direct warranties given by dealers or manufacturers on appliances installed in apartments.

This is only a summary of selected portions of the sales contract. Purchasers are urged to carefully review <u>all</u> provisions of the sales contract prior to signing it.

EXHIBIT K

SUMMARY OF ESCROW AGREEMENT

A copy of the escrow agreement has been submitted as part of the registration. The escrow agreement dated December 5, 1988 identifies Title Guaranty Services, Inc., as the escrow agent.

Among other provisions, the executed escrow agreement provides that a purchaser under a sales contract, upon written request, shall be entitled to a refund of all monies deposited with escrow, less a cancellation fee imposed by the escrow agent, if any one of the following shall have occurred: (a) developer has requested escrow in writing to return to purchaser the funds of such purchaser then held by escrow; or (b) purchaser has cancelled his sales contract under H.R.S. SS514A-62 or 63.

This is only a summary of selected portions of the escrow agreement. Purchasers are urged to carefully review all provisions of the escrow agreement prior to signing a sales contract.