



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 1010 Richards Street - P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on
 KOOLAU I AND KOOLAU II
 54-081 and 54-081A Hauula Homestead Road
 Hauula, Oahu, Hawaii

Registration No. 2054

Issued: June 23, 1989
 Expires: July 23, 1990

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 5, 1989, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
(yellow)
- FINAL:** The developer has legally created a condominium and has filed complete information with the Commission.
(white)
- No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
-
- SUPPLEMENTARY:** Updates information contained in the
(pink)
- Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

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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 "Condominium 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 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

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

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

2. Residential Commercial
 Mixed Residential and Commercial
 Other _____

3. High Rise (5 stories or more) Low Rise

4. Single or Multiple Buildings

5. Apartment Description

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>Unit A</u>	<u>1</u>	<u>3/2</u>	<u>1092 + 520 Carport</u>	<u>234</u>
<u>Unit B</u>	<u>1</u>	<u>3/2</u>	<u>1299 + 440 covered garage</u>	<u>126</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>4 (2/Unit)</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>4 (2/Unit)</u>

7. Recreational amenities:

None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Gail Kosiorek and John Gestrich
Name
c/o Cooperative Realty
Business Address
55-510 Kam Highway, Laie, Hawaii 96762

Phone: 293-9278
(Business)

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

Real Estate Sales Agent: Cooperative Realty
Name
55-510 Kam Highway
Business Address
Laie, Hawaii 96792

Phone: 293-9278
(Business)

Escrow: Island Title Corporation
Name
315 Uluniu Street, Suite 202
Business Address
Kailua, Oahu, Hawaii 96734

Phone: 261-7993
(Business)

Managing Agent: None
Name
Business Address

Phone: _____
(Business)

Attorney for Developer: Anson O. Rego
Name
85-833 Farrington Highway
Business Address
Waianae, Hawaii 96792

**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 Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. **Declaration of Condominium 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 23020 Page 327
 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. 1196
 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 23020 Page 366
 Filed - Land Court - Document Number _____

Amendment date(s) and recording/filing information:

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.

- 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 common interest which 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> </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:

The developer, at this time, has no plans to change the Declaration, Condominium Map, By-Laws, or House Rules.

B. Underlying Land:

Address: 54-081 and 54-081A Hauula Homestead Rd Tax Map Key: 5-4-8-41
Hauula, Hawaii 96717 (TMK)

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

Land Area: 15,089 [X] square feet [] acre(s) Zoning: R-5

Fee Owner: Gail Kosiorek & John Gestrich
Name

55-510 Kam Highway
Address

Laie, Hawaii 96762

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: 2 Floors Per Building 1

[] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[] Concrete [] Hollow Tile [X] Wood

[] Other _____

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
[] Commercial	_____	[] Industrial	_____
[X] Residential	<u>2</u>	[] Agricultural	_____
[] Timeshare/Hotel	_____	[] Recreational	_____
[] Other:	_____		_____

5. Special Use Restrictions:

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

Pets _____

Number of Occupants: Not more than allowed by law or ordinance.

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 2

Elevators none

Stairways none

Trash Chutes none

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>Unit A</u>	<u>1</u>	<u>3/2</u>	<u>1092 + 520 Carport</u>	<u>234</u>
<u>Unit B</u>	<u>1</u>	<u>3/2</u>	<u>1299 + 440 covered garage</u>	<u>126</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 the floor area may have been used.

Boundaries of Each Apartment:

The outside surfaces of the exterior walls and roof and the bottom surfaces of the footings and foundations of each dwelling.

Permitted Alterations to Apartments:
See attached Exhibit "A"

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		4					
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open		4					

Each apartment will have the exclusive use of at least two (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.

- | | |
|--|---------------------------------------|
| <input type="checkbox"/> Swimming pool | <input type="checkbox"/> Storage Area |
| <input type="checkbox"/> Recreation Area | <input type="checkbox"/> Laundry Area |
| <input type="checkbox"/> Tennis Court | <input type="checkbox"/> Trash Chute |

Other: _____

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

With regards to Units A & B, the present condition of all structural components and mechanical and electrical installation material to the use and enjoyment of the condominium appears to be good.

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

There is compliance with Building Code and Municipal Regulations

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 B 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 C

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.

as follows:

Each unit shall have appurtenant thereto an undivided 50% interest in all common elements of the Project (herein called the "common interest"), and the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting on all matters requiring action by the Dwelling Lot owners.

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

Exhibit D describes the encumbrances against the title contained in the title report dated April 4, 1989 .

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	Buyer's interest may be terminated by Mortgagee, but buyer shall be entitled to return of his deposit.

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

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

The initial managing agent for this condominium is:

[] not affiliated with the Developer.

[X] the Developer or the Developer's affiliate.

[] other _____

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

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

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

Exhibit G contains a schedule of maintenance fees and maintenance fee disbursements.

At this time no maintenance fees are contemplated.

H. **Utility Charges for Apartments:**

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

- | | |
|---|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |
| <input type="checkbox"/> Not applicable | |

See attached disclosure abstract Exhibit H.

I. **Construction Warranties:**

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

1. **Building and Other Improvements:**

The purchaser understands that Unit A & B were constructed in 1988. The Seller is selling Unit A & B together with the appliances and other personal property in "as is" condition. The Seller is giving no warranties to Purchaser with respect to the construction, material or workmanship of Unit A & B. The Seller is transferring the appliances and the electrical and plumbing fixtures in normal working condition consistent with their age. The Purchaser's Apartment Deed shall constitute the Purchaser's acceptance of the Apartment and the condition thereof including the personal property therein.

2. **Appliances:**

Purchaser shall have the direct benefit of any manufacturer's or dealer's warranties covering the furnishings and appliances in the Apartments.

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

Unit A was completed in 1988.
Unit B was completed in 1988.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

L. **Sales Documents Filed With the Real Estate Commission:**

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated September 20, 1988

Exhibit F contains a summary of the pertinent provisions of the escrow contract.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Any reference to "Dwelling Lot" in this report and any project documents do not refer to legally subdivided lots but limited common elements which, when combined, constitute one legally subdivided lot.

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 Condominium 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. 2054 filed with the Real Estate Commission on
April 18, 1989

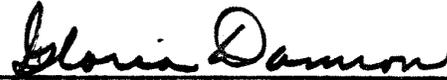
Reproduction of Report. When reproduced, this report must be on:

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.



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"

PERMITTED ALTERATIONS TO APARTMENTS. Paragraph 21A of the Declaration states:

"Notwithstanding anything to the contrary contained in this Declaration,

(1) Each unit owner has the right, at his sole option, at any time, without the consent of anyone other than the holders of all liens affecting his unit, to improve, renovate, remodel, make additions to, remove, replace, or restore the improvements to or in his unit.

(2) The foregoing is referred to collectively as "changes" and is subject to the following conditions:

(a) All building plans for any such changes must be prepared by a licensed architect or professional engineer and conform with the building codes, zoning laws, and other applicable City and County ordinances;

(b) The value of the unit after such changes shall not be less than the value before such changes;

(c) No change to any unit may result in the total square footage on the ground floor of a unit in excess of the amount allowed under the applicable City and County ordinances, code, rules, and regulations;

(d) No change may reduce the distance between improvements placed on each unit to less than required under the applicable City and County ordinances, code, rules, and regulations;

(e) All changes shall be at the expense of the unit owner making the change and shall be expeditiously done in a manner that will not unreasonably interfere with the other owners' use of their units;

(f) During the entire course of construction, the unit owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall

be named as an additional insured and evidence of such insurance shall be deposited with the Association's managing agent;

(g) The unit owner making the change shall post a completion bond or such other bond, and in such amounts, as may be required by his mortgagee(s). The Association shall be named as an additional beneficiary and evidence of such bond shall be deposited with the Association's managing agent;

(h) Prior to the commencement of construction, and as a condition thereto, the unit owner making such change shall give reasonable assurance to the Association of the owner's financial ability to complete and to pay for the change;

(i) If the Declaration is amended to accommodate any reconstruction or rebuilding, then the common interest appurtenant to each unit shall not be changed, except as provided in Paragraph 12 of this Declaration;

(j) The owner of the changed unit shall have the right to utilize, relocate, and realign existing, and/or to develop additional, central, and appurtenant installations for services to the unit affected by such change for electricity, sewer, and other utilities and services, and when applicable, to add, delete, relocate, realign, designate, and grant easements and rights-of-way over, under, and on the common elements as necessary or desirable in connection therewith; PROVIDED, that the same shall not cause any interruption in the service of such utilities to any other part of the Project;

(k) The owner of any changed unit shall have the right and duty without the consent or joinder of any other person to amend and shall be required to amend this Declaration and the Condominium Map to accomplish any changes. If required by the Act, then promptly upon completion of the changes, the owner of the changed unit shall duly record any amendment to this Declaration with the Bureau of Conveyances of the State of Hawaii, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing unit owners and all future apartment owners and their mortgagees, by accepting an interest in a unit, shall be deemed to have given to all other unit owners a power of attorney to execute an

amendment to the Declaration solely for the purpose of describing the changes to any unit in the Declaration so that each unit owner shall hereafter have a power of attorney from all the other unit owners to execute such amendment to the Declaration. This power of attorney shall be deemed coupled with each other's interest in his unit (including his common interest) and shall be irrevocable;

(1) Each and every conveyance, lease, and mortgage or other lien made or created on any apartment and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a unit shall reserve to all unit owners the rights set forth in this paragraph."

EXHIBIT "B"

COMMON ELEMENTS. Paragraph 8 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

1. The land in fee simple;
2. All yards, grounds and planting areas, and landscaping;
3. The driveway, access areas, parking pad and garages which are limited common elements to the units;
4. All electrical and mechanical equipment and wiring and other central and appurtenant installations for services, including power, lights, and water;
5. All other parts of the Project existing for the common use where necessary to the existence, maintenance, and salary of the Project.

EXHIBIT "C"

LIMITED COMMON ELEMENTS. Paragraph 9 of the Declaration designates:

Certain parts of the common elements called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of each unit, and each unit shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement, and improvement, shall be borne entirely by the unit to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

(a) The sit of each unit consisting of the land beneath and immediately adjacent thereto, as shown as delineated on said Condominium Map, including without limitation, any private area, shall be deemed a limited common element for the sole and exclusive use of the unit to which it is appurtenant.

(b) The parking garages and carport adjacent to each of the respective units as shown on the Condominium Map.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Easement 1, 12 feet wide, for drainage purposes, being more particularly described as follows:

Beginning at the Southeasterly corner of this Easement on the Northerly side of Hauula Homestead Road, being the same point of beginning as the above described Lot A-4 and running by azimuths measured clockwise from true South:

- | | | |
|----|----------|--|
| 1. | 76° 26' | 12.01 feet along the Northerly side of Hauula Homestead Road; |
| 2. | 168° 19' | 62.49 feet along remainder of Land Commission Award 8313, Apana 3 to Kamoiliili; |
| 3. | 190° 52' | 31.73 feet along remainder of Land Commission Award 8313, Apana 3 to Kamoiliili; |
| 4. | 203° 36' | 36.01 feet along remainders of Land Commission Award 8313, Apana 3 to Kamoiliili and Grant 5322 to Bertha M. Aubrey; |
| 5. | 206° 10' | 78.58 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| 6. | 215° 50' | 38.32 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| 7. | 222° 34' | 26.40 feet along remainder of Grant 5322 to Bertha M. Aubrey; |

- | | | | |
|-----|------|---------|---|
| 8. | 221° | 34' | 22.94 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| | | | Thence along Government Land (along 40-Ft. Railroad Right-of-Way), on a curve to the right with a radius of 1,473.55 feet, the chord azimuth and distance being: |
| 9. | 324° | 21' 10" | 12.30 feet, thence; |
| 10. | 41° | 34' | 20.32 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| 11. | 42° | 34' | 25.80 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| 12. | 35° | 50' | 36.60 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| 13. | 26° | 10' | 77.30 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| 14. | 23° | 36' | 34.40 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| 15. | 10° | 52' | 28.00 feet along remainder of Grant 5322 to Bertha M. Aubrey; |
| 16. | 348° | 19' | 59.70 feet along remainder of Grant 5322 to Bertha M. Aubrey to the point of beginning and containing an area of 3,475 square feet, more or less, as per survey dated June 12, 1980, of Jerry S. Nakagawa, Registered Professional Land Surveyor. |

4. Condominium Map No. 1196, filed in the Bureau of Conveyances, State of Hawaii.
5. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions and easements set forth in the Declaration of Horizontal Property Regime dated February 4, 1989, recorded April 3, 1989, in the Bureau of Conveyances, State of Hawaii, in Book 23020, Page 327.
6. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of Koolau I and Koolau II, dated February 4, 1989, recorded April 3, 1989, in the Bureau of Conveyances, State of Hawaii, in Book 23020, Page 366.
7. Mortgage dated December 1, 1988, recorded December 13, 1988, in the Bureau of Conveyances, State of Hawaii, in Book 22652, Page 473, to secure the repayment of \$200,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,
Mortgagor: Gail A Kosiorek, unmarried, and John Gestrich, husband of Linda Gestrich.
Mortgagee: GECC Financial Corporation, a Hawaii corporation.

EXHIBIT "E"

SUMMARY OF SALES CONTRACT

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(1) That the apartment will be subject to the various Condominium Property Regime documents which the purchaser should examine.

(2) The Purchaser has the right to cancel the Sales Contract under the following conditions:

a. At any time within thirty (3) days following the date the Final Public Report is delivered to Purchaser. If Purchaser so cancels, Purchaser will be entitled to receive refund of any deposits, less any escrow cancellation fees and other costs up to \$250.00. If the Purchaser does not act within the thirty (3) day period, or if the Apartment is conveyed to the Purchaser, Purchaser will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel.

b. The Purchaser may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Purchaser's Apartment.

c. Purchaser fails to qualify for permanent financing.

3. No Present Transfer and Subordination to Construction Loan. The Sales Contract may be subject to existing loans and any security interest obtained by Lender is prior and senior to any rights arising under the Sales Contract. Seller may assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Sales Contract, then the Purchaser is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the Seller under the Sales Contract.

4. That the purchaser must close the purchase at a certain date and pay closing costs in addition to the purchaser price.

The Sales Contract contains various other provisions with which Purchaser should become acquainted.

EXHIBIT "F"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Island Title Corporation.

1. All deposits will be paid to Escrow. A copy of each sales Contract and all payments made to purchase an apartment shall be turned over to the Escrow Agent.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunto by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his rights to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25.00 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 5 of the Escrow Agreement until all of the following have occurred:

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

(b) purchaser's Conveyance Document has been recorded or filed for records.

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has cancelled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "G"

ESTIMATED MAINTENANCE (OPERATING EXPENSES)

54-081 and 54-081A Hauula Homestead Road

January 1989 to December 31, 1989
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance and		
*Water/Sewer and Electricity:	\$	0.00
**Fire/Liability Insurance:	\$	0.00
Management Fee:	\$	0.00
Miscellaneous:	\$	0.00
TOTAL ANNUAL EXPENSES	\$	0.00

Estimated Monthly Expenses

\$ 0.00 - 12 months): \$ 0.00

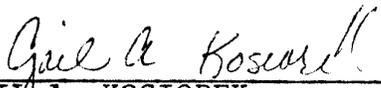
Estimated Monthly Maintenance Fee for Each Apartment:

Estimated Monthly Expenses:	\$	0.00
TOTAL MONTHLY MAINTENANCE FEE FOR EACH APARTMENT	\$	0.00

Note: * All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

** It is contemplated that each apartment owner will purchase and maintain his own homeowners insurance policy which will include fire and liability coverage and that the Association of apartment Owners will be named as an additional insured for general liability, but without any cost to the Association.

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.



GAIL A. KOSIOREK

"Developer"

EXHIBIT "H"

DISCLOSURE ABSTRACT

The Developer is not making any warranties relating to the materials and workmanship of Units A and B and to the construction, materials, or workmanship of Units A and B. The Developer is selling Units A and B together with appliances and other personal property in "as is" condition. The Developer is transferring the appliances and electrical and plumbing fixtures in a normal working condition consistent with their age. The Purchasers, as a form of Deed shall constitute the Purchaser's acceptance of the Apartment thereof including the personal property therein.