



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

CONDOMINIUM PUBLIC REPORT

on

CARTER PROFESSIONAL CENTER
 Mamalahoa Highway
 Waimea, Hawaii

Registration No. 2190

Issued: January 19, 1993
 Expires: February 19, 1994

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of December 16, 19 92, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

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

And Supersedes all prior public reports

Must be read together with _____

This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

SPECIAL NOTES

Plans for the project have changed. The project is now scheduled to contain six (6) buildings to be designated A, B, C, D, E and F. Building F will not be constructed at the same time as the other buildings of the project, and the Developer has a reserved right to construct this building at any time prior to December 31, 2013 approximately within the area labeled as "Building "F" on the Condominium Map site plan.

Nothing herein shall be construed to obligate the Developer to construct Building "F". The Developer intends to presently create and allocate specific common interests to the apartments to be located within Building "F". In the event that Developer chooses not to exercise its reserved right to construct Building "F" prior to December 31, 2013, however, Developer shall forfeit and abandon its undivided percentage interest in and to the common elements of the project, at which time said interest shall be automatically vested in and allocated among the then physically-existing apartments of the project, and such physically-existing apartments' undivided interests in the common elements of the project shall be increased proportionately in accordance with the ratio that their respective interests bear to the total common interest attributable to all physically-existing apartments in the project, in order to absorb the common interest previously attributed to apartments in Building "F". If necessary, Developer shall quitclaim the common interests appurtenant to apartments in Building "F" to the owners of the physically-existing apartments to effect the reversion of common interests in the then-physically existing apartments.

The Developer further intends to sell the condominium apartments in fee simple and convey the apartments by apartment deed, and no longer intends to convey to prospective buyers a fee simple interest in an apartment together with an undivided interest in a ground lease by way of a condominium conveyance document.

NOTE that should the Developer decide not to construct Building F, the reallocation of the common interest attributed to Apartments in Building F to all other apartments will result in higher maintenance fees to each owner. An estimate is provided in Exhibit I-2 attached.

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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.

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.

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.

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 Ohana
 Mixed Residential and Commercial Agricultural
 Other _____
3. High Rise (5 stories or more) Low Rise
4. Single or Multiple Buildings
5. Apartment Description (See Exhibit G)

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
25 diff. types	37	---	about 520 to 1708 sf	---
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Apartments:	37			

**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)	80*
Guest Stalls	22
Unassigned Stalls	0
Extra Stalls Available for Purchase	0
Other: <u>Loading</u>	1
Handicapped	5
Total Parking Stalls	108

* All parking stalls are assigned to certain apartments as shown in Exhibits D and G. Parking stalls may be assigned to other apartments in the Project as sales occur.

7. Recreational amenities: None.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: BP Partners Phone: 885-4623
Name (Business)
220 S. King Street, Suite 1212
Business Address
Honolulu, Hawaii 96813

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

Ainamalu Properties, Inc.
Napikieha, Inc.
Environs Pacific Development, Inc.

Real Estate Broker: Environs Pacific, Inc. Phone: 885-4623
Name (Business)
P.O. Box 2045
Business Address
Kamuela, HI 96743

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211
Name (Business)
235 Queen Street, 1st Floor
Business Address
Honolulu, HI 96813

General Contractor: Keauhou Kona Resort Company Phone: 322-2708
Name (Business)
P.O. Box 5658
Business Address
Kailua-Kona, HI 96745

Condominium Managing Agent: Chaney, Brooks & Company Phone: 326-9469
Name (Business)
P.O. Box 670
Business Address
Kailua-Kona, HI 96745

Attorney for Developer: Dwyer Imanaka Schraff & Kudo Phone: 524-8000
Name (Business)
900 Fort Street, Suite 1800
Business Address
Honolulu, HI 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 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 - Document No. 92-204019
Book _____ Page _____
 Filed - Land Court - Document No. _____

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. 1783
 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 - Document No. 92-204020
Book _____ Page _____
 Filed - Land Court - Document No. _____

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	---	The Board of Directors may change the <u>House Rules</u> by appropriate vote.

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

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules

See Exhibit "A" attached hereto.

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: Mamalahoa Highway Tax Map Key: 6-5-003-044 (3)
Waimea, Hawaii (TMK)

Address TMK is expected to change because _____

Land Area: 2.2 square feet acre(s) Zoning: Commercial

Fee Owner: BP Partners
 Name
220 S. King Street, #1212 235 Queen Street
 Address
Honolulu, HI 96813 Honolulu, HI 96813

Sublessor: _____
 Name

 Address

C Buildings and Other Improvements:

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

2. Buildings: 6 Floors Per Building Two

Exhibit C contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other gypsum board and glass are also utilized throughout the respective buildings.

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determine <u>By Zoning</u>
<input checked="" type="checkbox"/> Commercial	<u>37 *</u>	<u>Commercial</u>	<input type="checkbox"/> Industrial	_____	_____
<input type="checkbox"/> Residential	_____	_____	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input checked="" type="checkbox"/> Other: <u>Any use permitted under applicable law and</u> <u>under the Declaration, By-Laws and House Rules.</u>					

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?

Yes No

*Subject to consolidation and/or subdivision as provided in the Declaration.

5. Special Use Restrictions:

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

No livestock, poultry, rabbits or other animals except tropical fish

Pets: may be kept in any part of the project.

Number of Occupants: _____
Use of the apartments is restricted to such use as may be permitted

Other: by applicable law, the Declaration, By-Laws and House Rules.

There are no special use restrictions.

6. Interior (fill in appropriate numbers): See Exhibit G for further information,

Elevators 2 Stairways 6 Trash Chutes --

<u>Apt.</u> <u>Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net</u> <u>Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
25 <u>diff. types</u>	<u>37</u>	<u>---</u>	about <u>520 to 1708 sf</u>	<u>---</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 37 (Subject to the creation of more apartments through subdivision of existing apartments or the reduction of the number of apartments through the consolidation of existing apartments.)

*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 boundaries of each apartment are the perimeter and party walls, windows, doors, floors and ceilings of each apartment. The Declaration sets forth in detail what is included in the apartment and what is not included, and buyers are urged to refer to the Declaration for particulars.

Permitted Alterations to Apartments:

Unless otherwise indicated by the provisions of the Declaration or By-Laws, an apartment owner may make additions, alterations or improvements within his apartment at his sole cost and expense; provided that any structural additions, alterations or improvements made within the apartment shall require the prior approval of the Board, in which case the Board shall notify all other owners within the same building at least thirty days prior to taking action.

7. Parking Stalls:

Total Parking Stalls: 108

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		80		22			108
Guest							
Unassigned							
Extra Available for Purchase							
Other: Loading		1					1
Handicap		5					5
Total							
Covered & Open	86		22				

Each apartment will have the exclusive use of at least --- 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 D contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute

Other: Courtyard Area

9. Present Condition of Improvements

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

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

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

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
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 E describes the common elements.

As follows:

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 F

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 G describes the common interests for each apartment.

As follows:

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

Exhibit H describes the encumbrances against the title contained in the title report dated September 14, 1992 and issued by Title Guaranty of Hawaii, Inc..

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
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F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

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

The initial managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

J. Status of Construction and Estimated Completion Date:

Construction has commenced as of August 1992 and is scheduled to be completed by May 15, 1993. There is no guaranty, however, that this schedule will be adhered to.

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:

Developer is obligated to construct Buildings A - E, but not F. However, should it so elect not to construct Building F, the common interest of the other apartments shall be increased. See page 2 herein for more details.

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

Escrow Agreement dated February 6, 1990

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

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

M. **Easements.** Among other easements and rights set forth in the Declaration, the apartments and common elements are subject to the following easements:

(1) Each apartment has an easement in the common elements for access and to provide utility services for and support, maintenance and repair of the apartment.

(2) The Association, acting through the Board of Directors, has the right to gain access to each apartment during reasonable hours to operate and maintain the property, and at any time for making emergency repairs necessary to prevent damage to the common elements or other apartments.

(3) The Developer and its agents have the right to conduct extensive sales activity on the property, including the use of model apartments, sales and management offices, until the closing of the sale of the last unsold apartment in the project.

(4) The Developer and people affiliated with the Developer have an easement over the property to complete improvements to and correct defects in the property.

(5) The Developer and people affiliated with the Developer have an easement to cause noise, dust and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of any apartment or other improvements on the property.

(6) The Developer or a particular apartment owner who owns two (2) or more adjacent apartments separated by a wall, floor or ceiling will have an easement over the common elements as may be necessary to effect the alteration or removal of an intervening wall, floor or ceiling, and will have the right to create and cause noise, dust and other nuisances as a result of any such work.

(7) The Developer or any apartment owner will have an easement over the common elements and through apartments as may be reasonably necessary to effect the subdivision of apartments or over the common elements to design, develop, construct or complete any interior space of the respective apartments and to connect the apartments to various utility installations of the property.

(8) In the case of encroachments of common elements upon any apartment, or in the case of encroachments of any apartment upon the common elements or any other apartments, a valid easement for such encroachment and maintenance thereof shall and does exist so long as such encroachment continues.

N. **Flood Hazard Zone.** The United States Army Corp. of Engineers ("Corp.") previously determined that the land which is the subject of the condominium property regime, or a portion thereof, is within a flood-hazard zone. Furthermore, said land, or a portion thereof, was previously designated as a flood-hazard zone on flood-hazard maps promulgated by the Federal Emergency Management Agency ("FEMA"). However, the Corp. has recently advised the Developer that said land, or any portion thereof, is no longer subject to said flood-hazard designation and is no longer designated as a flood-hazard zone on FEMA maps. Notwithstanding the foregoing, Purchasers should be aware that the Corp. has, at one time, determined that there is a risk of flooding on said land.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales 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 Deed Form

If these documents are not in final form, the buyer should ask to see the most recent draft.

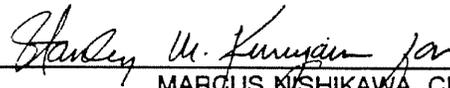
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is part of Registration No. 2190 filed with the Real Estate Commission on
February 21, 1990.

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MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration

EXHIBIT A

DEVELOPER'S RESERVED RIGHTS

Among other rights, the Developer will have the following reserved rights with respect to the property:

1. The Developer will have the right, without obtaining the approval of any party, to alter any floor plan of any apartment which it owns at any time and to cause a subdivision of any apartment which it owns to create two (2) or more apartments and/or to convert certain portions of any existing apartment to common element status provided that in each instance, the total common interest appurtenant to any newly created apartment(s) will be equal to the common interest which was appurtenant to the original apartment(s).

2. The Developer will also have the right to consolidate adjacent apartments which it owns at its expense provided that the structural integrity of the property is not affected, the finish of the common elements are restored and all construction activity necessary to any such alteration or removal is completed within four (4) months after commencement, subject to delays beyond the control of the Developer.

3. The Developer will also have the right to record such amendments as may be necessary to the Declaration and Condominium Map in order to properly effect, for legal purposes, any such alteration, subdivision or consolidation.

4. The Developer will also have the reserved right to and until December 31, 2013 to delete, relocate, realign, reserve and grant all easements and rights of ways over, under and on the common elements which may be necessary to desirable, including, but not limited to, easements and/or rights of ways for utilities, septic tanks, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, subject to certain conditions set forth in the Declaration.

5. The Developer will also have the reserved right to and until December 31, 2013, but shall not be obligated, to construct Building "F" of the Project.

6. The Developer also has the reserved right to and until December 31, 2002 (which date may be extended to the extent that Developer shall experience delays in development for reasons beyond the Developer's control only for the period of delay, and in no event beyond December 31, 2013) to effect such modifications to apartments and common elements in the project, and/or to execute, record and deliver any amendments to the project Declaration, Bylaws and Rules and Regulations promulgated thereunder as may be necessary or required to effect compliance by the project, the Association of Apartment Owners, or by the Developer,

with laws which apply to the project, including without limitation, the Americans with Disabilities Act, as amended, 42 U.S.C. §§12101 et seq., including any and all rules and regulations promulgated thereunder.

7. The Developer also has the reserved right to amend the Declaration (and, when applicable, the Condominium Map) without the consent or joinder of persons then owning the apartments to record "as-built" verified statement required by Section 514A-12, Hawaii Revised Statutes, (1) so long as such amendment is a verified statement of a registered architect or professional engineer certifying that the plans theretofore recorded fully and accurately depict the layout, location and dimensions of the apartments as built, or (2) as long as the plans being recorded simultaneously therewith involve only immaterial changes to the layout, location and dimensions of the apartments as built or any change in any apartment number.

8. The Developer shall also have the reserved right, to and until December 31, 2013, to install an elevator in Building "A" of the project and to modify any such apartments and common elements in Building "A" and/or to execute, record and deliver any amendments to the project Declaration, Condominium Map, Bylaws and Rules and Regulations promulgated thereunder, as may be necessary or required to effect such installation.

9. The Developer shall also have the reserved right, to and until December 31, 2013, to amend the Declaration in accordance with Chapter 514A of the Hawaii Revised Statutes, as amended, to reassign parking stalls and/or to designate certain parking stalls as common elements not appurtenant to particular apartments; provided that this right to reassign parking stalls or designate parking stalls as limited common elements shall not apply to or affect those parking stalls which are appurtenant to apartments which have been conveyed by the Developer to apartment owners other than the Developer.

Each and every party acquiring an interest in the project, or any apartment therein, by such acquisition, consents to the execution by the Developer of its reserved rights, and to the execution, delivery and, if required, recording of such documents as may be necessary to effect the changes or things contemplated by the same; and appoints the Developer and its assigns his attorney-in-fact with full power of substitution to execute, deliver and record such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved right and shall not be affected by disability of any such party; and which grant of such power shall be binding on any assign of or successor-in-interest upon any transfer of an apartment in the project or any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

EXHIBIT B

SUMMARY OF APARTMENT DEED

The following is a brief summary of some of the more salient provisions of the apartment deed. Purchasers are urged to read the entire document in order to gain a full understanding of the legal rights and obligations of the parties to that document. "Grantor" is the Developer, and the "Grantee" is the Purchaser.

1. Grantor reserves the right unto itself, its successors and assigns, to and until December 31, 2013, to delete, relocate, realign, reserve and grant all easements and rights of ways over, under and on the common elements necessary or desirable, including but not limited to, easements and/or rights of ways for utilities, septic tanks, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, provided that such easements and/or rights of way shall not be located on or within any existing structure of the property and shall not be exercised so as to unreasonably disturb, impair or interfere with the normal use and enjoyment of the property by the apartment owners. Grantee consents to any such granting and/or realignment of easements and/or rights of ways as provided hereinabove; agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect the same; and appoints Grantor and its assigns his attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties.

2. Grantee covenants and agrees, for the benefit of the owners from time to time of all other condominium apartments in said Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Declaration and the By-Laws, and all rules and regulations which may from time to time be duly promulgated pursuant thereto as any of the same exist or may hereafter be amended in accordance with law and does hereby accept and approve said Declaration and said By-Laws (and all rules and regulations duly promulgated pursuant thereto), and Grantee will indemnify and save harmless them and each of them for any failure so to observe and perform any such term, covenants, conditions and restrictions for so long as said Declaration and By-Laws (and all rules and regulations duly promulgated pursuant thereto) exist and are in effect.

3. Grantee consents to any alteration or improvement provided for by subsections 7.E.(1), 7.E.(2), 7.E.(3), 7.E.(4) and 7.E.(5) of the Declaration (pertaining to the alteration of partitions and floor plans, and the alteration and/or removal of party walls between apartments) and any construction activity necessary thereto, provided that the requirements of the foregoing subsections 7.E.(2), 7.E.(3) and 7.E.(4) are met and complied with. Grantee agrees to execute such documents and instruments and do such other things as may be necessary or convenient to effect any of the foregoing alterations and/or improvements and any amendment of the

Declaration and Condominium Map to reflect such alterations and/or improvements; and appoints Grantor and its assigns, and, in the case of subsections 7.E.(3) and 7.E.(4), the first apartment owner, his attorney-in-fact with full power of substitution to execute such documents and instruments and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of such party or parties.

4. Grantee covenants and agrees with Grantor, that upon any conveyance or mortgage by Grantee of the premises hereby conveyed, Grantee shall deliver a fully executed and recordable Special Power of Attorney substantially in the form attached to the deed as Exhibit "A" from the person, persons, entity, or entities to whom or to which such conveyance or mortgage by Grantee is made; and Grantee hereby further agrees to indemnify and hold Grantor harmless from any and all loss, costs and expenses incurred by Grantor as a result of the Power of Attorney not being delivered to Grantor upon any such conveyance or mortgage by Grantee.

5. Grantor reserves the right at any time and from time to time prior to December 31, 2013 to construct Building "F". Notwithstanding the foregoing, Grantee acknowledges and accepts that Grantor is under no obligation to construct Building "F".

6. Grantor reserves the right, to and until December 31, 2002 (which date may be extended to the extent that Grantor shall experience delays in development for reasons beyond the Grantor's control only for the period of delay, and in no event beyond December 31, 2013) to effect such modifications to apartments and common elements in the project, and/or to execute, record and deliver any amendments to the project Declaration, Bylaws and Rules and Regulations promulgated thereunder as may be necessary or required to effect compliance by the project, the Association of Apartment Owners, or by the Grantor, with laws which apply to the project, including without limitation, the Americans with Disabilities Act, as amended, 42 U.S.C. §§12101 et seq., including any and all rules and regulations promulgated thereunder. Each and every party acquiring an interest in the project, or any apartment therein, by such acquisition, consents to all such modifications and amendments, and to the execution, delivery and, if required, recordation of such documents as may be necessary to effect the same; agrees to execute, deliver and record such documents and do such other things as may be necessary or convenient to effect the same; and appoints the Grantor and its assigns his attorney-in-fact with full power of substitution to execute, deliver and record such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved right and shall not be affected by disability of any such party; and which grant of such power shall be binding upon any assign of or successor-in-interest upon any transfer of an apartment in the project or any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

7. Grantor reserves the right, to and until December 31, 2013, to install an elevator in Building "A" of the project and to modify any such apartments and common elements in Building "A" and/or to execute, record and deliver any amendments to the project Declaration, Condominium Map, Bylaws and Rules and Regulations promulgated thereunder, as may be necessary or required to effect such installation. Each and every party acquiring an interest in the project, or any apartment therein, by such acquisition, consents to all such modifications and amendments, and to the execution, delivery and, if required, recording of such documents as may be necessary to effect the same; agrees to execute, deliver and record such documents and do such other things as may be necessary or convenient to effect the same; and appoints the Grantor and its assigns his attorney-in-fact with full power of substitution to execute, deliver and record such documents and to do such things on his behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserve rights and shall not be affected by disability of any such party; and which grant of such power shall be binding on any assign of or successor-in-interest upon any transfer of an apartment in the project or any interest therein, whether by deed, mortgage, or any other instrument of conveyance.

8. Grantor shall also have the reserved right, to and until December 31, 2013, to amend the Declaration in accordance with Chapter 514A of the Hawaii Revised Statutes, as amended, to reassign parking stalls and/or to designate certain parking stalls as common elements not appurtenant to particular apartments; provided that this right to reassign parking stalls or designate parking stalls as limited common elements shall not apply to or affect those parking stalls which are appurtenant to apartments which have been conveyed by Grantor to apartment owners other than Grantor.

EXHIBIT C

DESCRIPTION OF BUILDINGS

The property shall contain six two-story buildings, each without a basement. The buildings are designated with letters "A," "B," "C," "D," "E," and "F" as depicted on the Condominium Map. The buildings are constructed principally of wood, concrete, gypsum board and glass.

Building "A" is located closest to Mamalahoa Highway and contains two stairways both of which provide access between the first and second floors, a covered walkway and an electrical room on the first floor.

Buildings "B," "C," "D" and "E" share a common roof and walkway system on the first and second floors, and surround an open-air landscaped courtyard. Two stairways, each at one end of the courtyard provide access between the first and second floors of each of the buildings. Buildings "C" and "D" are connected on the second floor.

Building "B" is located next to Building "A" on the east side of the courtyard and contains an elevator which services the first and second floors, and an elevator machine room on the first floor.

Building "C" is located on the north side of the courtyard.

Building "D" is located on the west side of the courtyard.

Building "E" is located on the south side of the courtyard and contains men's and women's restroom facilities on both the first and second floors of the building, an electrical room on the first floor, and a utility room on the second floor.

Building "F" is located to the west of Building "D" and contains walkways on the first and second floors, men's and women's restroom facilities on both the first and second floors of the building, an elevator which services the first and second floors, two stairways which provide access between the first and second floors, an elevator machine room on the first floor and an electrical room on the second floor. NOTE that Developer is not obligated to construct Building F (see page 2).

EXHIBIT D

PARKING ASSIGNMENTS

All parking stalls have been assigned to specific apartments in the project as follows: Parking stalls 1, 2, 107 and 108 have been assigned to Apartment A10; Parking stalls 3, 4, 97 and 98 have been assigned to Apartment A11; Parking stalls 99 and 100 have been assigned to Apartment A20; Parking stalls 101 and 102 have been assigned to Apartment A21; Parking stalls 30, 31, 32, 70, 71 and 72 have been assigned to Apartment D10; and Parking Stalls 5 - 29, 33 - 69, 73 - 96 and 103 - 106 have been assigned to Apartment E23. Parking may be designated by the Developer as unassigned, for loading, for handicapped use, or assigned to particular other apartments in the Project as sales occur.

EXHIBIT E

DESCRIPTION OF COMMON ELEMENTS

The common elements of the project consist of the following:

- (1) The land in fee simple;
- (2) All structural components, such as foundations, concrete sidewalks and curbs, girders, beams, supports, main walls, roofs and ceilings, floor slabs, unfinished perimeter, party and interior load-bearing walls and columns, if any, perimeter doors and door frames, windows and window frames;
- (3) All common spaces such as the landscaped courtyard area, gardens, planting or landscaped areas, trash enclosure areas, electrical, mechanical and utility rooms, restroom facilities located on the first and second floors of Buildings "B" and "F", stairways, walkways, all parking areas, driveways and access lanes;
- (4) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central appurtenant transmission facilities and installations over, under or across the property which serve more than one apartment for services such as power, light, gas, hot water, cold water, sewage, telephone, air conditioning, radio and television signal distribution, if any;
- (5) Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents, septic tanks, mechanical equipment pads, chases and other such installations and apparatus;
- (6) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT F

LIMITED COMMON ELEMENTS

Parking shall be assigned to specific apartments in the manner set forth in Exhibit "D" hereof. The Developer will have the exclusive right to reassign parking stalls and/or to designate certain parking stalls as common elements not appurtenant to particular apartments as the sales program proceeds; provided that this right to reassign parking stalls or to designate parking stalls as limited common elements shall not apply or affect those parking stalls which are appurtenant to apartments which have been conveyed by the Developer to apartment owners other than the Developer. In short, other than those apartments that have specific apartment assignments, purchase of an apartment does not necessarily mean that the purchaser will have the exclusive use of a parking stall.

Other than the parking stalls, there are no limited common elements in the Project.

EXHIBIT G

Type, Approximate Net Floor Area, Appurtenant Common Interest of Apartments and Parking Assignments

<u>Apartment</u>	<u>Types</u>	<u>Appx Net Floor Area*</u>	<u>Common Interest**</u>	<u>Parking Assmt. ***</u>
A10	A	1509.75	5.10326%	1, 2, 107, 108
A11	B	1708.00	5.77339%	3, 4, 97, 98
A20	C	1303.00	4.40441%	99, 100
A21	D	1250.00	4.22526%	101, 102
B10	E	836.56	2.82774%	N/A
B11	F	709.69	2.39890%	N/A
B20	G	955.19	3.22874%	N/A
B21	H	1045.17	3.53289%	N/A
C10	I	627.23	2.12017%	N/A
C11	J	580.73	1.96299%	N/A
C12	K	526.50	1.77968%	N/A
C13	K	526.50	1.77968%	N/A
C14	L	526.50	1.77968%	N/A
C20	I	627.23	2.12017%	N/A
C21	M	580.73	1.96299%	N/A
C22	K	526.50	1.77968%	N/A
C23	K	526.50	1.77968%	N/A
C24	N	924.25	3.12415%	N/A
D10	O	1816.00	6.13845%	30 - 32, 70 - 72
D20	P	1356.93	4.58670%	N/A
D21	Q	638.00	2.15657%	N/A
E10	R	810.00	2.73797%	N/A
E11	S	526.50	1.77967%	N/A

<u>Apartment</u>	<u>Types</u>	<u>Appx Net Floor Area*</u>	<u>Common Interest**</u>	<u>Parking Assmt. ***</u>
E12	S	526.50	1.77967%	N/A
E13	T	519.75	1.75686%	N/A
E20	R	810.00	2.73797%	N/A
E21	U	526.50	1.77968%	N/A
E22	S	526.50	1.77967%	N/A
E23	T	519.75	1.75686%	See *** below
F10	V	531.81	1.79762%	N/A
F11	V	531.81	1.79762%	N/A
F12	W	834.11	2.81946%	N/A
F13	X	899.85	3.04168%	N/A
F20	V	531.81	1.79762%	N/A
F21	V	531.81	1.79762%	N/A
F22	Y	956.50	3.23317%	N/A
F23	X	899.85	3.04168%	N/A
—		—————	—————	
37		29584.01	100%	

* The approximate net floor area of each apartment as set forth above is measured from the interior surface of the apartment perimeter walls and includes all of the walls and partitions within its perimeter walls, whether load-bearing or non-load bearing.

** The common interest for each apartment was calculated by dividing the approximate net interior floor area of the particular apartment by the total approximate net interior floor area for all apartments, carrying said division out to nine decimal places, rounding the seventh decimal place upwards in the event that the eighth and ninth decimal places equalled or exceeded .000000050 and by thereafter arbitrarily subtracting .00001% from the common interests for all Type S and V apartments in the project to enable the total common interests for all apartments to total 100%.

*** All parking stalls have been assigned to certain apartments in the manner indicated above. Parking stalls 5 - 29, 33 - 69, 73 - 96 and 103 - 106 have been assigned to Apartment E23. The designation "N/A" ("Not Assigned") shown above for certain apartments indicates the no parking stalls have been assigned to the particular apartment.

THE AREAS SHOWN ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE AREA OF ANY PARTICULAR APARTMENT.

EXHIBIT H

ENCUMBRANCES ON TITLE

1. -AS TO ONE OF THE PARCELS OF THE PROJECT:- Reservations, conditions and covenants contained in Land Patent Grant Number S-15,512.
2. -REAL PROPERTY TAXES as may be due and owing. Check with the County Tax Assessor for further information.

EXHIBIT I

ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS:

	<u>MONTHLY</u> X 12 MONTHS =	<u>YEARLY TOTAL</u>
UTILITIES AND SERVICES		
AIR CONDITIONING		
ELECTRICITY		
I X I COMMON ELEMENTS ONLY	860	10,320
I I COMMON ELEMENTS AND APARTMENTS		
GAS		
REFUSE COLLECTION	125	1,500
TELEPHONE	40	480
WATER AND SEWER	155	1,860
MAINTENANCE, REPAIRS AND SUPPLIES		
BUILDING	1,221	14,652
GROUNDS	1,050	12,600
MANAGEMENT		
MANAGEMENT FEE	1,839	22,068
PAYROLL AND PAYROLL TAXES		
OFFICE EXPENSES		
INSURANCE	1,000	12,000
RESERVES		
TAXES AND GOVERNMENT ASSESSMENTS	20	240
AUDIT FEES	74	888
OTHER		
LEGAL FEES	50	600
ADMINISTRATIVE EXPENSES	27	324
OTHER MISCELLANEOUS EXPENSES	250	3,000
TOTAL	6,711	80,532

I/WE CHANEY, BROOKS & COMPANY, AS MANAGING AGENTS FOR THE CONDOMINIUM PROJECT, HEREBY CERTIFY THAT THE ABOVE ESTIMATES OF INITIAL MAINTENANCE FEE ASSESSMENTS AND MAINTENANCE FEE DISBURSEMENTS WERE PREPARED IN ACCORDANCE WITH GENERALLY ACCEPTED ACCOUNTING PRINCIPLES.



DATE: 1/19/97

EXHIBIT I-1

ESTIMATED MAINTENANCE FEE SCHEDULE ON
 A MONTHLY AND ANNUALIZED BASIS
 ASSUMING BUILDING "F" IS BUILT

<u>Apartment Number</u>	<u>Budgeted Monthly Maintenance Fees</u>	<u>Budgeted Annual Maintenance Fees</u>
A10	342.48	4,109.76
A11	387.45	4,649.40
A20	295.58	3,546.96
A21	283.56	3,402.72
B10	189.77	2,277.24
B11	160.99	1,931.88
B20	216.68	2,600.16
B21	237.09	2,845.08
C10	142.28	1,707.36
C11	131.74	1,580.88
C12	119.43	1,433.16
C13	119.43	1,433.16
C14	119.43	1,433.16
C20	142.28	1,707.36
C21	131.74	1,580.88
C22	119.43	1,433.16
C23	119.43	1,433.16
C24	209.66	2,515.92

<u>Apartment Number</u>	<u>Budgeted Monthly Maintenance Fees</u>	<u>Budgeted Annual Maintenance Fees</u>
D10	411.95	4,943.40
D20	307.81	3,693.72
D21	144.73	1,736.76
E10	183.75	2,205.00
E11	119.43	1,433.16
E12	119.43	1,433.16
E13	117.90	1,414.80
E20	183.75	2,205.00
E21	119.43	1,433.16
E22	119.43	1,433.16
E23	117.90	1,414.80
F10	120.64	1,447.68
F11	120.64	1,447.68
F12	189.21	2,270.52
F13	204.13	2,449.56
F20	120.64	1,447.68
F21	120.64	1,447.68
F22	216.98	2,603.76
F23	<u>204.13</u>	<u>2,449.56</u>
Total:	6,710.97	80,531.64

NOTE: Notwithstanding the foregoing, the Developer can make no assurance regarding the estimated maintenance fees. The Developer advises that the costs and expenses of a condominium project are difficult to estimate initially and even if such fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. Other factors which may affect maintenance fees are uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, as well as Owner delinquencies. Finally, maintenance fees can vary depending upon services desired by Owners. The Owners should check the maintenance fee schedule to see what services are included.

EXHIBIT I-2

ESTIMATED MAINTENANCE FEE SCHEDULE ON
 A MONTHLY AND ANNUALIZED BASIS
 ASSUMING BUILDING "F" IS NOT BUILT

<u>Apartment Number</u>	<u>Budgeted Monthly Maintenance Fees</u>	<u>Budgeted Annual Maintenance Fees</u>
A10	424.53	5,094.36
A11	480.30	5,763.60
A20	366.39	4,396.68
A21	351.49	4,217.88
B10	235.23	2,822.76
B11	199.56	2,394.72
B20	268.59	3,223.08
B21	293.89	3,526.68
C10	176.37	2,116.44
C11	163.30	1,959.60
C12	148.05	1,776.60
C13	148.05	1,776.60
C14	148.05	1,776.60
C20	176.37	2,116.44
C21	163.30	1,959.60
C22	148.05	1,776.60
C23	148.05	1,776.60
C24	259.89	3,118.68

<u>Apartment Number</u>	<u>Budgeted Monthly Maintenance Fees</u>	<u>Budgeted Annual Maintenance Fees</u>
D10	510.64	6,127.68
D20	381.55	4,578.60
D21	179.40	2,152.80
E10	227.76	2,733.12
E11	148.05	1,776.60
E12	148.05	1,776.60
E13	146.15	1,753.80
E20	227.76	2,733.12
E21	148.05	1,776.60
E22	148.05	1,776.60
E23	<u>146.15</u>	<u>1,753.80</u>
Total:	6,711.07	80,532.84

NOTE:

Notwithstanding the foregoing, the Developer can make no assurance regarding the estimated maintenance fees. The Developer advises that the costs and expenses of a condominium project are difficult to estimate initially and even if such fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. Other factors which may affect maintenance fees are uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, as well as Owner delinquencies. Finally, maintenance fees can vary depending upon services desired by Owners. The Owners should check the maintenance fee schedule to see what services are included.

EXHIBIT J

SUMMARY OF SALES AGREEMENT

Among other provisions, the specimen Condominium Reservation Agreement, Deposit Receipt and Sales Agreement ("Sales Agreement") provides that:

(1) Sales Agreements executed prior to the issuance of a Final Public Report for the project shall constitute a "reservation" and not a "binding contract" for the purchase of an apartment. Accordingly, the reservation may be cancelled and terminated at any time at the option of either party (and purchaser shall receive a refund) until such time as the Purchaser and Seller execute a confirmation letter agreeing to render the Sales Agreement a binding contract. Therefore, the Purchaser should be aware that the execution of a Sales Agreement prior to the issuance of a Final Public Report does not necessarily mean that the Purchaser will be able to purchase the apartment reserved for the price stated or on the other terms stated in the Sales Agreement, or on any terms at all.

(2) The Seller makes no warranties, express or implied, with respect to the apartments, the property, the project, or consumer products or other things which may be installed or which are contained therein, including warranties of merchantability, habitability, workmanlike construction, or fitness for a particular use. The Seller does, however, agree to attempt to pass through to the Purchaser the benefit of the general contractor's warranties, if any.

(3) The Seller may cancel the Sales Agreement and hold the Purchaser in default if any material discrepancies are discovered between the financial information furnished by the Purchaser and the Purchaser's actual financial status. Seller may also cancel if the Purchaser's application or eligibility for a mortgage loan is rejected or not given unqualified approval within forty-five (45) days after application. If Purchaser proposes to pay the purchase price in cash and Seller, in its sole discretion, after reviewing the written evidence submitted to it by Purchaser, determines that Seller is not satisfied as to Purchaser's ability to make such cash payment, then Seller may cancel the Sales Agreement. Seller may also cancel the Sales Agreement if the Purchaser should die or dissolve (if the purchaser is a partnership or corporation).

(4) The Seller and its agent have no program at this time nor is any program planned or contemplated to offer a rental service of any kind to the owners of apartments in the project, either individually or in any form of pooling arrangement, or by a third-party designated or arranged for by Seller, nor have any representations been made by Seller or its agent as to the feasibility of renting the apartment, or otherwise generating income or deriving any other economic benefit from ownership of the apartment. Seller and its agent have made no representations (nor is anyone authorized to do so) contrary to this paragraph with respect to

either benefits to be derived from the rentals or other tax treatment of any Purchaser of an apartment, except as to the availability of income tax deductions for mortgage interest payments and real estate taxes.

(5) The Purchaser will pay all closing costs and the nonrefundable start-up fee for commencement of the operations of the project by the Managing Agent and the Association of Apartment Owners. Real property taxes, maintenance costs and other prorations shall be made, and risk of loss shall transfer from Seller to Purchaser on the scheduled Closing Date as defined in the specimen Sales Agreement. Purchaser shall execute all documents necessary for closing and deposit with escrow all funds other than proceeds of Purchaser's first mortgage loan within ten (10) days after written notice to pre-close is mailed or otherwise delivered to the Purchaser. Pre-closing may commence at any time after the effective date of the Sales Agreement.

It is incumbent upon Purchasers and prospective purchasers that they read with care the specimen Sales Agreement and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium apartments are placed in trust, as well as the retention and disbursement of funds.

EXHIBIT K

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement dated February 6, 1990 is made by the Developer and Title Guaranty Escrow Services, Inc. and sets forth certain understandings and agreements with respect to the handling of buyers' funds and the closing of sales. Specifically, the Escrow Agreement provides in part that:

(1) All payments made under the Condominium Reservation Agreement, Deposit Receipt and Sales Agreement ("Sales Agreement") will be deposited with the escrow agent, who will in turn deposit the funds in a trust fund with a bank, savings and loan or trust company authorized to do business in the State of Hawaii under an escrow arrangement. Any interest earned on such funds will be credited to the Developer. (Note that the Developer has certain obligations to pay interest on deposits to buyers under the Sales Agreement.)

(2) Except for refunds to buyers, no disbursement of buyers' funds will be made until the escrow agent has received a letter from the Developer, assuming that the buyers have signed the required Receipt and Notice of Right to Cancel or are deemed to have receipted for the public reports and to have waived their right to cancel, and further that no subsequent events occur which give buyers the right to rescind, that the Sales Agreement has been effective, and the requirements of Sections 514A-39, 514A-62 and 514A-63 of the Hawaii Revised Statutes (pertaining to the delivery of public reports and rescission rights) have been met.

(3) Each buyer is entitled to a return of his funds, and the escrow agent must pay such funds to the buyer if one of the following has occurred:

(a) The escrow agent receives a written request from the Developer to return to the buyer the buyer's funds then being held by the escrow agent; or

(b) The Developer notifies the escrow agent in writing of the Developer's exercise of the option to rescind the Sales Agreement; or

(c) The conditions provided for a refund under Section 514A-62 or under Section 514A-63 of the Hawaii Revised Statutes have been met, and written notice thereof has been provided to the Developer.

(4) If the buyer is in default under the Sales Agreement and fails to cure such default upon notice of same being given to the buyer, then, if the Developer certifies in writing to the escrow agent that (i) the Developer has elected to terminate the Sales Agreement and has notified the buyer, or (ii) the buyer is otherwise in default, then, the escrow agent shall, subject to the provisions relating to dispute and conflicting demands set forth in the Escrow Agreement, treat all funds of the buyer, less any cancellation fee, as the funds of the Developer.