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

## HALE LA'I LA'I

2821/2841 Peter Street
Honolulu, Hawaii 96816

Registration No. 2503

Issued: SEPTEMBER 12, 1991
Expires: OCTOBER 12, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of September 6, 19 91 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

X **PRELIMINARY:** *(yellow)* — The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.

____ **FINAL:** *(white)* — The developer has legally created a condominium and has filed complete information with the Commission.

[ ] 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 [X] 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.

[ x] No prior reports have been issued by the Commission.

[ ] Changes made are as follows:

SPECIAL ATTENTION:

1. Warranties. The Developer makes no warranties, expressed or implied, with respect to the apartment, the Property or consumer products or other things installed or contained in the apartment, the Property or the project including, but not limited to, warranties of merchantability, habitability, workmanlike construction or fitness for a particular use. (See Exhibit G)

2. Sales Contract Provides for Possible Price Increase. The purchase price may be increased due to unexpected events such as delays due to governmental actions or strike or labor disturbance, but the Buyer is given fifteen (15) days to affirm the price increase or terminate the Sales Contract and receive a refund of all sums paid toward the purchase price.

3. Apartment Definition. The words "apartment", "residence" or "condominium apartment", except where the context definitely prescribes another interpretation, are used interchangeably herein and shall have the same meaning as "apartment" in Chapter 514A, Hawaii Revised Statutes.

4. Modification of Residence. The owner of a residence shall have the right to decide upon the appearance of the exterior of his residence. For example, the color of the exterior of a residence is determined by the owner; and the exterior may be modified or changed so long as the owner complies with the Declaration.

5. Not Sale of Lots. Prospective purchasers should understand that the Public Report covers the sale of condominium apartments and not the sale of subdivided lots. Developer does not plan to subdivide the limited common elements appurtenant to the two apartments.

The prospective purchaser is cautioned to carefully review the documents with regard to the information on the foregoing.

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Managing Agent
Attorney for Developer

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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:

[ X ] 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. [ X ] New Building(s) [ ] Conversion
   [ ] Both New Building(s) and Conversion

2. [ X ] Residential [ ] Commercial [ ] Ohana
   [ ] Mixed Residential and Commercial [ ] Agricultural
   [ ] Other _____

3. [ ] High Rise (5 stories or more) [ X ] Low Rise

4. [ ] Single or [ x ] Multiple Buildings

5. Apartment Description

| Apt. Type | Quantity | BR/Bath | Net Living Area (sf)* | Lanai/Patio (sf) |
|---|---|---|---|---|
| A | 1 | 4/2-1/2 | 2384 | 1521 |
| B | 1 | 4/2-1/2 | 2384 | 1521 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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:

| | Number of Stalls |
|---|---|
| | Residence A - 2 stalls |
| Assigned Stalls (Individual Units) | Residence B - 2 stalls |
| Guest Stalls | |
| Unassigned Stalls | |
| Extra Stalls Available for Purchase | |
| Other: _____ | |
| Total Parking Stalls | 4 |

7. Recreational amenities:

None.

## I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Albert C. Kobayashi, Inc.
Name
94-535 Ukee Street
Business Address
Waipahu, Hawaii 96797
Phone: 671-6460 (Business)

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

| | |
|---|---|
| Bert A. Kobayashi, President | James H. Kobayashi, Exec. Vice President |
| Ronald H. Kobayashi, Sec/Treas. | Russell Young, Vice President |
| Walter Hosokawa, Vice President | Naruo Nishimura, Vice President |
| Guy A. E. Nago, Vice President | |

Real Estate Broker: Devereux/Ackerson & Associates, Inc.
Name
2819 Kaonawai Place, C-2
Business Address
Honolulu, Hawaii 96822
Phone: 988-6922 (Business)

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

General Contractor: Albert C. Kobayashi, Inc.
Name
94-535 Ukee Street
Business Address
Waipahu, Hawaii 96797
Phone: 671-6460 (Business)

Condominium Managing Agent: Self-managed by Association of
Name
Apartment Owners
Business Address
Phone: (Business)

Attorney for Developer: Tanaka & Kawata, Attorneys At Law
A Law Corporation
Name
Suite 1100, Pacific Tower, 1001 Bishop Street
Business Address
Honolulu, Hawaii 96813
Phone: 523-7581 (Business)

## 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
[x] Recorded - Bureau of Conveyances - Document No. 91-104500
Book _____ Page _____
[x] 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
[x] Recorded - Bureau of Conveyance Condo Map No. 1536
[ ] 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
[x] Recorded - Bureau of Conveyances - Document No. 91-104501
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 [X] 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:

| | Minimum Set by Law | This Condominium |
|---|---|---|
| Declaration (and Condo Map) | 75% | 75% |
| Bylaws | 65% | 65% |
| House Rules | --- | Majority vote of Board of Directors. |

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.

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

Developer reserves the right to amend the Declaration (including any Exhibits attached to the Declaration), the By-Laws and Condominium Map in any manner for any apartment which has not yet been conveyed. Developer also reserves the right to file the "as-built" certificate required by Section 514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer.

See also Exhibit H for other Developer's easements and reservations.

## III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[x] Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.

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

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

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

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

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

[ ] Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

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

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

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

[ ] Other:

For Subleaseholds:

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

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

B. **Underlying Land:**

Address: 2821/2841 Peter Street
Honolulu, Hawaii 96816

Tax Map Key: (1) 3-4-32: 58
(TMK)

[ ] Address [ x] TMK is expected to change because of condominium status.

Land Area: 33,412 [ x] square feet [ ] acre(s) Zoning: R-5

Fee Owner: Albert C. Kobayashi, Inc.
Name
94-535 Ukee Street
Address
Waipahu, Hawaii 96797

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 2

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other glass, gypsum board

4. Permitted Uses by Zoning:

| | No. of Apts. | Use Determined By Zoning | | No. of Apts. | Use Determined By Zoning |
|---|---|---|---|---|---|
| [ ] Commercial | | | [ ] Industrial | | |
| [ X] Residential | 2 | Yes | [ ] Agricultural | | |
| [ ] Timeshare/Hotel | | | [ ] Recreational | | |
| [ X ] Other: Developer reserves the right to conduct extensive sales activities on the project, and has other special rights. See Exhibit H. | | | | | |

Is/Are this/these use(s) specifically permitted by the project's declaration or bylaws?
[ X ] Yes [ ] No

5. Special Use Restrictions:

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

[ X ] Pets: Reasonable number of dogs and cats are allowed subject to maximum number as established by Board.

[ X ] Number of Occupants: as permitted by the City and County of Honolulu

[ X ] Other: The residences shall be used for single-family residential purposes except as permitted by law, ordinance or rule or regulation.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators none Stairways 2 Trash Chutes 0

| Apt. Type | Quantity | BR/Bath | Net Living Area (sf)* | Lanai/Patio (sf) |
|---|---|---|---|---|
| A | 1 | 4/2-1/2 | 2384 | 1521 |
| B | 1 | 4/2-1/2 | 2384 | 1521 |
| | | | | |
| | | | | |
| | | | | |
| | | | | |

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.*

Boundaries of Each Apartment:

The respective apartments shall be deemed to include the perimeter walls, all doors, door frames, windows and window frames, the floor, ceiling and roof of each residence and any outside stairs and landings, and if any, lanai, terrace and/or balcony, the air space over any uncovered staircase, lanai, terrace and/or balcony, any pipes, wires, conduits or other utility or service lines which serve only such residence; except that any pipe, wire, conduit, road, drain or other utility or service line that serves more than one residence is a common element and not part of an apartment.

Permitted Alterations to Apartments:

Additions, alterations, repairs or improvements solely within or without an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner with the approval of the agencies or departments of the State of Hawaii, the City and County of Honolulu and by the holders of liens affecting the apartment (if the lien holders require such approval). For more details see Exhibit D.

7. Parking Stalls:

Total Parking Stalls: 4

| | Regular | | Compact | | Tandem | | |
|---|---|---|---|---|---|---|---|
| | covered | open | covered | open | covered | open | TOTAL |
| | Residence A | | | | | | |
| Assigned (for individual units) | 2 | | | | | | 4 |
| | Residence B | | | | | | |
| | 2 | | | | | | |
| 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:

[x] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[ ] Other: _____

_____

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

N/A

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

N/A

10. Conformance to Present Zoning Code

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

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

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

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

| | Conforming | Non-Conforming | Illegal |
|---|---|---|---|
| Uses | x | | |
| Structures | x | | |
| Lot | x | | |

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. **Common Elements, Limited Common Elements, Common Interest:**

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

   [x] Exhibit C 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.

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

      [x] described in Exhibit D

      [ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

   [ ] Exhibit _____ describes the common interests for each apartment.

   [x] As follows:

   Residence A - 50%
   Residence B - 50%

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

Exhibit E describes the encumbrances against the title contained in the title report dated June 14, 1991 and issued by Title Guaranty of Hawaii, Incorporated

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.

[x] 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.

| Type of Lien | Effect on Buyer's Interest If Developer Defaults |
|---|---|

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

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

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

[x] self-managed by the Association of Apartment Owners.

[ ] 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 F contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

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

[ ] Not applicable

[X] Electricity (common elements only - pump house)

[ ] Gas

[ ] Other _____

[ ] Television Cable

[X] Water & Sewer

I. **Construction Warranties:**

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

1. Building and Other Improvements:

See Exhibit G.

2. Appliances:

See Exhibit G.

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

Construction commenced on December 17, 1990. It is anticipated that construction of the houses will be completed around September 30, 1991.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

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

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

[ ] Notice to Owner Occupants

[x] Specimen Sales Contract

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

[x] Escrow Agreement dated July 22, 1991

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

[ ] Other _____

## IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Water Pressure. Because of the elevation of the property, the water pressure from the public water system available to the property is lower than the normal water pressure. As a condition to being provided with water service from the public water system, the Board of Water Supply required the Developer to execute an Agreement which, in summary, provides that the Developer agrees 1) to accept the available water service and lower than normal water pressure; 2) to install a receiving tank, including pipeline, valves, meters and other connections and a pump to draw water from the receiving tank if higher pressures are desired (the receiving tank, including pipeline, valves, meters and other connections, and the pump are collectively called "water improvements"); 3) to permit any employee of the Board of Water Supply to inspect the water improvements; and 4) to provide that any conveyance of the Property shall be subject to the Agreement.

The Developer will install the water improvements on the Property in accordance to plans approved by the Board of Water Supply. The Developer will also install a fire sprinkler system in the ceilings of certain areas of each residence. The Buyer will inspect the water improvements and the fire sprinkler system and approve of the installation. Buyer will acknowledge that the water pressure from the public water system is less than normal and that the water improvements were installed to increase the water pressure for daily consumption and fire protection purposes. Buyer will further acknowledge that any employee of the Board of Water Supply shall be allowed to enter the Property in order to inspect the water improvements. Buyer will agree to repair, maintain, renovate and if necessary, replace the water improvements and the fire sprinkler system at his/her/their expense along with the other residence owner(s). Buyer for himself, and his personal representatives, heirs and assigns will indemnify and agree to defend and hold Developer harmless from and against any and all claims, demands, or lawsuits including but not limited to property damage or bodily injury including death, that may be caused or arise from the fact that the water pressure to the property is less than normal.

Access. Access to the Property is over three parcels, one of which is owned by the City and County of Honolulu and two others (TMK 3-4-32: parcels 63 and 64) which are owned by several persons including Developer. Developer has submitted its undivided interest in the two parcels to the Condominium Property Regime. Buyer and the owner(s) of the other residence shall pay their prorata share of the cost to repair and maintain the road improvements in the three parcels.

Maintenance of Residence Landscaping and View Plane Restriction. Buyer shall install, maintain and replace, as necessary, all landscaping planted in or on his residence and the limited common element appurtenant to his residence. A portion of Residence A is subject to a restriction which limits the height of any improvement or landscaping (plants, shrubs or trees) that may be built or grown in the view plane restriction area to not more than five (5) feet so as to preserve and protect the view plane from Residence B over the view plane restriction area. The view plane restriction area is shown on the Condominium Map (Sheet CPR-1).

**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 Residence (Apartment) Deed

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 a part of Registration No. 2503 filed with the Real Estate Commission on August 19, 1991.

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

[X] yellow paper stock [ ] white paper stock [ ] pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Peter N. Yanagawa

PETER N. YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

## EXHIBIT A

### Residence Types and Descriptions

There are two types of residences in the project:

Residence A

Residence A, located in a two-story building, consists of a living/dining room, kitchen, laundry room, four bedrooms, and two and one-half bathrooms. Residence A contains 2,792.67 square feet of NET LIVING AREA, a lanai area of 45.32 square feet, and a deck of 1,476 square feet.

Residence B

Residence B, located in a two-story building, consists of a living/dining room, kitchen, laundry room, four bedrooms, and two and one-half bathrooms. Residence B contains 2,792.67 square feet of NET LIVING AREA, a lanai area of 45.32 square feet, and a deck of 1,476 square feet.

The following is a list by residence number of the two types of residences:

| Residence No. | BR/Bath | Net Living Area** (excluding garage, lanai and deck) (Sq. ft.) | Garage Area** (Sq. ft.) | Lanai and Deck Area** (Sq. ft.) |
|---|---|---|---|---|
| A | 4/2-1/2 | 2,384.17 | 408.5 | 1,521.32 |
| B | 4/2-1/2 | 2,384.17 | 408.5 | 1,521.32 |

** In accordance with local architectural practice, the net living area of each residence is measured from the inside wall of each residence to the opposite inside wall. THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE AREA OF ANY PARTICULAR RESIDENCE.

### Percentage Common Interest and Limited Common Area

Each residence shall have appurtenant thereto an undivided percentage common interest in all common elements of the Property, and the same proportionate share in all common profits and expenses of the Property and for all other purposes, including voting, equal to 50%.

Additionally, a limited common element around and upon a portion of which each residence will be constructed will be appurtenant to each residence. The approximate area of the limited common element that will be appurtenant to each residence is as follows:

| Residence | Percentage Common Interest | Limited Common Element Approximate Area (Including Dwelling Area (in Square Feet) |
|---|---|---|
| A | 50% | 16,556 |
| B | 50% | 16,556 (excluding pump enclosure) |
| | 100% | |

THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE AREA OF EITHER RESIDENCE OR THE AREA OF THE LIMITED COMMON ELEMENT APPURTENANT TO A RESIDENCE.

EXHIBIT B

Description of Buildings

The project shall consist of two (2) separate residence (apartment) buildings, constructed principally of wood, glass, concrete and gypsum board. The two (2) buildings are designated as Residences A and B, respectively. Neither residence building contains a basement.

The residence (apartment) buildings will be numbered as shown on the Condominium Map.

EXHIBIT C

Common Elements

One freehold estate is hereby designated in all of the remaining portions of the Project, herein called the "common elements", including specifically but not limited to:

(a) the Land described in Exhibit "A" attached to the Declaration; it being understood that Parcels Second and Third as described in said Exhibit "A" are undivided interests only;

(b) retaining walls, drainage ditches, channels, pipes or swales serving more than one residence;

(c) the roadway improvements providing ingress and egress to and from Peter Street and the Land, and all yards, planting areas, walkways and driveways;

(d) the pump house and appurtenant facilities as shown on the Condominium Map, which include the pipeline from the public water system to the pump house, a retaining tank, pump valves and other connections, and the pipeline from the pump house to each Residence;

(e) installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the Property which serve more than one residence for services such as power, light, gas, sewage, drainage, telephone, radio and television signal distribution, if any that is not owned by the governmental agency or electric, telephone or cable television company; provided, however, that ownership of any common element by the Association shall end at the meter box or other measuring device attached or adjacent to each residence; subject, however, to ownership in case of any governmental agency, or electric, telephone or television signal improvements as provided in the laws, rules or regulations applicable to the governmental agency or company providing such services; any meter or other measuring device not owned by the public utility or governmental agency providing the service shall be a common element;

(f) All other parts of the Property necessary or convenient to its existence, maintenance, and safety or normally in common use.

## EXHIBIT D TO THE PRELIMINARY PUBLIC REPORT

LIMITED COMMON ELEMENTS

A. The Declaration describes the limited common elements as follows:

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of a specified residence, and such residence shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows: Each residence shall have for its exclusive use (a) the mailbox bearing the same number or street address of such residence; subject to the right of Declarant to determine the type, size, color, materials, construction method, and exact location of the mailbox for each residence; (b) the area of land around and upon which each residence is located and designated as "Limited Common Element" and shown on the Condominium Map, including any common element located therein that serves only such residence and not more than one residence, excluding, however, the pump house and walkway to the pump house as shown on the Condominium Map; and (c) any meter box or measuring device for the exclusive use of a residence which is not owned by any governmental agency or electric, telephone or cable television company. Each residence shall have the right to use the limited common elements appurtenant to such residence according and subject to the provisions set forth in Exhibit "C" attached to the Declaration. Each residence shall also have the obligation to keep and maintain the limited common elements appurtenant to such residence in good condition, fair wear and tear being excepted.

B. Exhibit "C" to the Declaration sets forth the terms under which the limited common elements appurtenant to each residence can be used. Exhibit "C" to the Declaration reads in its entirety as follows:

### EXHIBIT "C" TO DECLARATION OF CONDOMINIUM PROPERTY REGIME OF HALE LA'I LA'I

**Criteria for Use of Residence and Limited Common Elements Appurtenant to Each Residence**

**General Statement:**

It is Declarant's intention that, except as limited by this Declaration or the By-laws and by applicable laws, ordinances, governmental rules and regulations, the owner of a residence shall have the right to determine what happens to or in the residence or the limited common elements appurtenant to such residence as if such residence and the limited common elements appurtenant to such residence were part of a separate subdivided lot. On the other hand, the owner of a residence also has the duty and obligation to repair, maintain and, where necessary, replace, the residence and any improvement or common element located within the limited common element appurtenant to such residence that does not serve more than one residence and is not owned by a governmental agency or electric, telephone or cable television company. Hence, for example, the driveway from the public street to the garage of a residence or the walkway from the driveway to the front entrance to the residence must be repaired, maintained or, if necessary, replaced, at the expense of the owner of the residence and not by any other owner or owners; the yard, other landscaping or fence around a residence and within the limited common element appurtenant to such residence must be planted, watered, mowed and otherwise maintained by the residence owner.

**Specific Limitations:**

#### ARTICLE I.

Definitions

As used herein, "residence" means and includes the residence as defined in Section 3 of the Declaration and the limited common element appurtenant to a residence as shown on the Condominium Map.

#### ARTICLE II.

Limitations Independent of Government Land Use Regulations

The covenants, conditions and restrictions hereby imposed upon the residences are intended to be independent of any government land use restriction imposed upon the residences that regulates the use thereof, and independent of any government ordinance, statute, regulation, or the like, that specifies any permitted use for the residences. The covenants, conditions and restrictions hereby imposed upon the

residences by this Declaration shall be observed and performed, and shall be valid and enforced, even though the same may be more restrictive, or in some respect different from, any government land use restriction imposed upon the residences, or different from any government ordinance, statute, regulation, or the like, that specifies a permitted use for the residences.

## ARTICLE III.

### Permitted and Prohibited Uses of Residences

SECTION 3.1: Permitted Use.

Each residence shall be used solely for single family residential purposes unless otherwise permitted by law, ordinance or regulation.

SECTION 3.2: Permitted Improvements.

No building shall be erected, altered, placed or permitted to remain on any part of a residence other than a freestanding single family dwelling, an auxiliary private garage for two (2) or more automobiles, and "ohana" type dwelling or accessory dwelling, unless otherwise permitted by law, ordinance or regulation. No quonset hut, tent, shack, house trailer, mobile home or temporary building, outhouse, shed or trailer shall be moved to or built upon any part of a residence.

SECTION 3.3: Minimum Enclosed Floor Area.

Each single family dwelling constructed on a residence, except an "ohana" or accessory dwelling, shall have a net living area measured according to Exhibit "B" attached to the Declaration, of not less than One Thousand (1,000) square feet; an "ohana" or accessory dwelling shall have a net living area in compliance with all applicable governmental codes and regulations.

SECTION 3.4: Maintenance of Residence Landscaping and View Plane Restriction.

Each Owner shall install, maintain and replace, as necessary, all landscaping planted in or on his residence and the limited common element appurtenant to his residence. A portion of Residence A is subject to a restriction which limits the height of any improvement or landscaping (plants, shrubs or trees) that may be built or grown in the view plane restriction area to not more than five (5) feet so as to preserve and protect the view plane from Residence B over the view plane restriction area. The view plane restriction area is shown on the Condominium Map (Sheet CPR-1).

SECTION 3.5: Trash; Residence Maintenance and Overgrowth.

No residence shall be used or maintained as a dumping ground for fill material, rubbish, trash, garbage or other waste. No such material shall be kept except in sanitary containers. Each Owner shall maintain his residence in a clean condition, trimmed, and clear of any overgrowth of weeds and bushes. No part of any residence shall be filled, excavated or otherwise altered as to grade on such a manner as to adversely affect drainage of any adjoining residence.

SECTION 3.6: Signs.

One residential sign, not more than one square foot in size, identifying the Owner, may be placed on a residence. A "for sale" sign, not more than four square feet in size, referring only to the residence, may be placed on the residence. Notwithstanding any language contained herein to the contrary, Declarant has the right to use any residence, even though sold to a third party by Declarant, for sales and construction purposes as provided in Section 5.04 of the Declaration.

SECTION 3.7: No Subdivision of Residence.

No residence shall be subdivided into two or more parcels of land, including but not limited to another condominium property regime, except with the written approval of all other residence owners.

SECTION 3.8: Nuisance.

No noxious or offensive activity shall be carried on upon any of the residences, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

SECTION 3.9: Materials.

All materials to be used in the construction of any subsequent improvement upon any portion of a residence shall be new materials except that used decorative or structural materials may be used to enhance the appearance of an improvement. There shall not be placed or maintained upon any residence any used buildings which have been moved from another location. Roofs of all improvements shall be constructed of or covered with wood shingles or shakes, asphalt or fiberglass shingles, tar and gravel, or cement or fired tiles. The use of the following types of roofs is prohibited: (I) Asphalt felt roll roofing, (2) Corrugated metal roofing, (3) Fiberglass panels, (4) Flat metal roofs, and (5) Any reflective metal or material. All exterior surfaces of improvements, excluding roofs, clear glass or plastic panels or panes, shall be painted or stained. The exterior of all residences shall be painted or stained in earth tones, white or gray. Any repainting of the exterior of any improvement or structure or replacement of any roof prior to December 31, 1996, shall be done using the same color of paint or stain as the original paint or stain. Construction of improvements shall comply with all governmental laws, rules and regulations.

SECTION 3.10: Antenna/Solar Panels.

If underground cable television is provided, then there shall be no exterior television antenna placed or constructed on the residence; except that a satellite antenna located within an enclosure to screen or block the view of the antenna from the common roadway, is permitted. Solar panels for water heating or other purposes shall be permitted.

SECTION 3.11: Completion of Construction.

Excluding any work by Declarant, any construction, renovation, reconstruction or repair of any improvement upon a residence shall be completed within twelve months after the visible commencement thereof.

SECTION 3.12: Maintenance of Residence Improvements.

Each Owner shall at his expense keep the exterior of the improvements on his residence in good repair. If any improvements shall be substantially damaged, the Owner shall at his expense, within six (6) months after the occurrence of such damage, commence the visible reconstruction of such improvements, or clear the residence of all debris so that the residence is in a clean condition.

SECTION 3.13: Noise.

No exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively to protect the security of persons on the residence, shall be placed or used upon any residence. In addition all noise regulations shall be strictly observed.

SECTION 3.14: Alteration of Residence; Construction of Different Residence.

An owner of a residence shall have the right to alter, modify, extend, change the design, layout and area of his/her/their residence, including the construction of a different residence than the residence Declarant has constructed and including the limited common element appurtenant to his/her/their residence, without the consent or approval of the other rersidence owner, so long as the owner complies with each of the following:

(1) all other applicable provisions of this Declaration are satisfactorily performed.

(2) the plans and specifications are prepared by a registered, licensed architect in Hawaii and comply with all applicable laws, ordinances, rules and regulations.

(3) each residence must observe the setbacks from each boundary of the limited common element that is appurtenant to such residence as required by law, ordinance, rule or regulation.

(4) no building, structure or concrete slab shall be built over a common element serving more than one residence building; provided that such common element may be relocated at the expense of the owner of the residence building that is proposed to be altered, modified, extended, changed, or built with the prior approval of a majority of the Board of Directors of the Association, which approval shall not be unreasonably withheld or delayed.

(5) the owner of the residence or limited common element that is appurtenant to his/her/their residence that is altered, modified, extended or changed or that constructs a different

residence than the residence Declarant has constructed shall record an "as-built" certificate as required by §514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer certifying that the final plans being filed simultaneously with such amendment fully and accurately depict the layout, location, residence number and dimensions of the residence or limited common element, or both, as altered, modified, extended, changed or constructed in lieu of the residence Declarant proposed to be constructed and as built.

## ARTICLE IV.

### Enforcement

SECTION 4.1: No Obligation of Declarant to Enforce Declaration.

The violation of any condition, covenant or restriction set forth in this Criteria shall not entitle the Declarant to re-enter or retake any residence. Nor shall any condition or covenant set forth in this Declaration be deemed to reserve or grant to Declarant a right of entry, power of entry, power of revocation, or possibility of reverter with respect to any residence. The Declarant shall not have any right (except as the owner of a residence) or obligation to bring any action for the violation of any condition, covenant or restriction set forth in this Declaration.

SECTION 4.2: Association to Enforce.

The Association, through the Board of Directors, shall enforce any violation or breach of this Criteria. The Association is authorized to pursue any lawful remedy to enforce this Criteria; provided that a residence owner may pursue any lawful remedy to enforce a breach of this Criteria if the Association, through its Board of Directors, is unable to act due to a deadlock in the vote or after discussing the dispute with the other residence owner, the other residence owner refuses to correct or cure the default.

EXHIBIT E

Encumbrances Against Title

The Status Title Report by Title Guaranty of Hawaii, Incorporated, dated June 14, 1991, reflects that fee simple title to the land is held by Halelumi Partners, a Hawaii limited partnership.

Said Status Title Report and Developer's report show title to the property to be subject to the following encumbrances:

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

2. Agreement dated May 6, 1953, recorded in said Bureau of Conveyances in Liber 2696, Page 323, entered into by and between BEN AKANA and DOROTHY L. AKANA, husband and wife, as tenants by the entirety, et al., "Applicants", and the BOARD OF WATER SUPPLY, "Board".

3. Grant in favor of Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated, dated May 19, 1954, recorded in said Bureau of Conveyances in Liber 2825, Page 480, granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground power lines, etc., for the transmission of electricity.

4. AS TO LOT 4 AND AN UNDIVIDED 1/6 INTEREST IN LOTS 6 AND 2 ONLY, that certain Mortgage, Security Agreement and Financing Statement dated July 19, 1989, made by Albert C. Kobayashi, Inc., a Hawaii corporation, in favor of First Interstate Bank of Hawaii, a Hawaii banking corporation, recorded in said Bureau of Conveyances in Liber 23423, Page 376.

5. AS TO AN UNDIVIDED 21/252 INTEREST IN PARCEL 63 ONLY:

   a. Grant in favor of the City and County of Honolulu, dated October 18, 1951, recorded in said Bureau of Conveyances in Liber 2540, Page 69; granting a perpetual easement to construct, install, maintain, operate, repair and remove an open drainage ditch or structure, as part of a drainage system, through, over and across the following described "easement area":

      Being a strip of land, fifteen feet wide, situate in the land of Kalaepohaku mentioned or described in Grant 224 to Kamakani, Honolulu, Oahu, State of Hawaii, more particularly described as follows:

      Beginning at the wst corner of this trip of land on the Kamakani-Waahila boundary, the coordinates of said point of beginning referred to Government Survey Triangulation Station 'WAAHILA" being 1,872.29 feet north and 3,893.06 feet east, and running thence by azimuths measured clockwise from true South:

| | | | | |
|---|---|---|---|---|
| 1. | 231° | 08' | 15.98 | feet along Government Land of Waahila (Executive Order 580), |
| 2. | 300° | 58' | 65.87 | feet along remainder of Grant 224 to Kamakani, |
| 3. | 298° | 27' | 149.44 | feet along same, |
| 4. | 286° | 51' | 208.02 | feet along same, |
| 5. | 216° | 04' | 32.67 | feet along same, |
| 6. | 195° | 20' | 12.09 | feet along same, |
| 7. | 285° | 20' | 5.00 | feet along same, |
| 8. | 15° | 20' | 58.09 | feet along same, |
| 9. | 106° | 51' | 226.52 | feet along same, |

10. 118° 27' 151.29 feet along same,

11. 120° 58' 71.71 feet along same to the point of beginning, containing an area of 7,066 square feet.

b. That certain Mortgage and Financing Statement dated December 2, 1986, made by Gordon Y. Piianaia and Billie Lea Piianaia, husband and wife, in favor of Honolulu Federal Savings and Loan Association, a federal savings and loan association, now known as Honfed Bank, a federal savings bank, recorded in said Bureau of Conveyances in Liber 20115, Page 621.

6. AS TO AN UNDIVIDED 21/252 INTEREST IN PARCEL 63 AND AN UNDIVIDED 1/6 INTEREST IN PARCEL 64 ONLY:

Covenants, conditions, restrictions, reservations, agreements, obligations and other provisions set forth in Deed dated December 31, 1951, recorded in said Bureau of Conveyances in Liber 2619, Page 39.

7. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated July 24, 1991, recorded in said Bureau of Conveyances as Document No. 91-104500, as the same are or may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1536).

8. By-Laws of the Association of Apartment Owners of the condominium project known as "HALE LA'I LA'I", dated July 24, 1991, recorded in said Bureau of Conveyances as Document No. 91-104501, as the same may hereafter be amended.

9. Real property taxes as may be due and owing. Check with the County Tax Assessor for further information.

EXHIBIT F

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

Estimate of Initial Maintenance Fees:

| Apartment | Monthly Fee x 12 months | = | Yearly Total |
|---|---|---|---|
| A | $350 x 12 | = | $4,200 |
| B | $350 x 12 | = | $4,200 |

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

Estimate of Maintenan ee Disbursements:

| | Monthly x 12 months = Yearly Total |
|---|---|
| **Utilities and Services** | |
| Air Conditioning | |
| Electricity | |
| [x] common elements only (pump house) | $ 90 x 12 = 1,080 |
| [ ] common elements and apartments | |
| Gas | |
| Refuse Collection | |
| Telephone | |
| Water and Sewer | 50 x 12 = 600 |
| **Maintenance, Repairs and Supplies** | |
| Building | |
| Grounds | $250 x 12 = 3,000 |
| **Management** | |
| Management Fee | |
| Payroll and Payroll Taxes | |
| Office Expenses | |
| **Insurance** | $240 x 12 = 2,880 |
| **Reserves** (common area) | 70 x 12 = 840 |
| **Taxes and Government Assessments** | |
| **Audit Fees** | |
| **Other** | |
| TOTAL | $700 x 12 = $8,400 |

I/We, Albert C. Kobayashi, Inc., as Developer, ~~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.

ALBERT C. KOBAYASHI, INC.

By _____

Date: 8/7/91

EXHIBIT G

Construction Warranties

The developer shall require that the construction contract with the contractor for the project shall contain a warranty clause similar to Section 13.2.2 of AIA Document A201 which generally provides as follows:

> If, within one year after the Date of Substantial Completion of the Work or designated portion thereof or within one year after acceptance by the Owner of designated equipment or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be defective or not in accordance with the Contract Documents, the Contractor shall correct it promptly after receipt of a written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This obligation shall survive termination of the Contract. The Owner shall give such notice promptly after discovery of the condition.

Developer agrees that if the purchaser shall give developer written notice of any such condition promptly after discovery thereof during the unexpired term of such contractor's warranty, developer shall forward such notice together with a written notice to the contractor to correct such condition. Developer shall assign to purchaser the unexpired term of the general contractor's warranty and of any manufacturer's or dealer's warranties (which may by their terms be so assigned) covering the apartment, any furnishings, fixtures, appliances or consumer products in the apartment. Purchaser acknowledges and agrees that developer is not acting as co-warrantor, but is agreeing to pass through to the purchaser the benefit of any such warranties. The terms of the manufacturer's or dealer's written warranties will be available for purchaser's inspection at the developer's sales office. THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

**********

THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV OF THE RESERVATION AND SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APARTMENT.

**********

EXHIBIT H

Summary of Pertinent Provisions of Sales Contract

The Sales Contract sets forth the terms and conditions concerning the sale of an apartment in the project for the stated purchase price.

Some of the salient areas of the Sales Contract are:

1. The purchase price is paid in increments as various parts of the residence is constructed. The purchase price may be increased due to unexpected events such as delays due to governmental actions or strike or labor disturbance, but the Buyer is given fifteen (15) days to affirm the price increase or terminate the Sales Contract and receive a refund of all sums paid toward the purchase price.

2. Developer retains certain reserved rights, some of which are:

a. Developer's construction and sales activities may continue in the Project after Buyer has occupied the residence so Developer and its construction and sales representatives and customers may use on-street parking and the common elements for sales purposes;

b. Developer may cancel the Sales Contract if a Buyer does not have the resources to pay the purchase price or does not diligently follow through with an application to finance the purchase price.

3. Information concerning any contractor's warranties and dealer's or manufacturer's warranties.

4. Seller shall provide at least ten (10) days' prior notice of the estimated closing date. The closing date shall be sixty (60) days from the effective date (which is when the Seller signs the Sales Contract) or if the architect has not certified the substantial completion of the residence, then the closing date shall be three (3) days after the date on which the architect shall issue the certificate.

This is a summary of selected portions of the Sales Contract and may be incomplete or inadvertently incorrect. The Buyer is requested to read and understand the terms and conditions of the Sales Contract before executing the Sales Contract.

EXHIBIT I

Summary of Pertinent Provisions of Escrow Agreement

The executed escrow agreement dated July 22, 1991, identifies Title Guaranty Escrow Services, Inc., as the "Escrow" and provides that a purchaser shall be entitled to a return of his funds, if any one 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 under the Escrow Agreement 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 right to cancel the contract pursuant to §514A-62, Hawaii Revised Statutes, as amended; or

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

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than $25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and other costs associated with the purchase up to a maximum of $250.00), and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(e) Notwithstanding any other provision in the Escrow Agreement to the contrary, Escrow further agrees to make refunds to purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, out of the funds then on deposit with Escrow, if the Developer and purchaser shall so request in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

(ii) Purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within thirty (30) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship such as those set forth in §514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

Except for cancellations under subparagraph (i) above, Escrow may deduct a cancellation fee as set forth above from any such refund made to a purchaser.