



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

BANYAN COVE
 44-291 Kaneohe Bay Drive
 Kaneohe (Oahu), Hawaii

Registration No. 2566 (Partial Conversion)

Issued: February 26, 1992
 Expires: March 26, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 23, 1992, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

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- Exhibit A: Individual Unit Descriptions
- Exhibit B: Common Elements
- Exhibit C: Common Interests
- Exhibit D: Limited Common Elements
- Exhibit E: Sales Contract – DROA
- Exhibit F: Summary of Escrow Arrangements
- Exhibit G: Encumbrances Against Title
- Exhibit H: Disclosure Abstract

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

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
Unit 1	1	4/3	2,731	692
Unit 3	1	2/2	1,560	348
Unit 7	1	5/2	2,070	350
Units 2,4,5 6 and 8	5	utility shed	80	n/a
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 8

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

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

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>16</u>
Guest Stalls	<u>13</u>
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>29</u>

7. Recreational amenities: COMMON RECREATION AREA

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: 44-291 KANEHOE BAY DRIVE ASSOCIATES, JAMES E. McCOMBS, JR., GERALD H. JOHNSON, MARY A. Phone: 254-2940 (Business) Name JOHNSON Business Address 44-291 Kaneohe Bay Drive Kaneohe, Hawaii 96744

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

Blank lines for listing officers or general partners.

Real Estate Broker: CB COMMERCIAL REAL ESTATE GROUP OF HAWAII, INC. Phone: 521-1200 (Business) Name Business Address 1001 Bishop Street, Pacific Tower, Suite 2000 Honolulu, Hawaii 96813

Escrow: ISLAND TITLE CORPORATION Phone: 261-7993 (Business) Name Business Address 1001 Bishop Street, Pauahi Tower, Suite 320 Honolulu, Hawaii 96813

General Contractor: HAWAII BUILDERS Phone: 254-2940 (Business) Name Business Address 44-285 Kaneohe Bay Drive Kaneohe, Hawaii 96744

Condominium Managing Agent: Project is to be self-managed by the Association of Condominium Owners Phone: (Business) Name Business Address

Attorney for Developer: ROGER V. MEEKER Phone: 524-6335 (Business) Name Business Address 1188 Bishop Street, Suite 2503 Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of 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. _____
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. _____
 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. _____
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	---	<u>n/a</u>

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

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	8	yes	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____				_____	_____

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

- Pets: _____
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators NONE Stairways NONE Trash Chutes NONE

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>Unit 1</u>	<u>1</u>	<u>4/3</u>	<u>2,731</u>	<u>692</u>
<u>Unit 3</u>	<u>1</u>	<u>2/2</u>	<u>1,560</u>	<u>348</u>
<u>Unit 7</u>	<u>1</u>	<u>5/2</u>	<u>2,070</u>	<u>350</u>
<u>Units 2, 4, 5, 6 and 8</u>	<u>5</u>	<u>utility shed</u>	<u>80</u>	<u>n/a</u>
_____	_____	_____	_____	_____

Total Apartments: 8

**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 unit shall include the exterior surfaces of the structures and the limited common element land area appurtenant to each unit as shown and delineated on the Condominium Map. See Exhibit "A" for more detailed descriptions. Said limited common element land areas are more specifically described in Exhibit "D".

Permitted Alterations to Apartments:

As noted in Section XVI of the Declaration, individual unit owners may, at their sole discretion and at their own expense, remodel, expand or otherwise alter their unit, provided said alterations are done in complete accordance with all applicable ordinances, codes, rules, regulations and other requirements in force at the time of said construction. All alterations shall be completed expeditiously and in the manner set forth in said Section XVI.

7. Parking Stalls:

Total Parking Stalls: 29

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>4</u>	<u>12</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Guest Unassigned	<u> </u>	<u>13</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra Available for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u> </u>	<u>29</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

Commercial parking garage permitted in condominium project.

Exhibit _____ 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: _____

9. Present Condition of Improvements -- Units 3 and 7
 (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

Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the individual condominium units appear to be sound and in satisfactory working condition. However, no representations of any kind are made as to the expected useful life, if any, of the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium unit(s). See Exhibit "H" attached hereto.

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

Structures are in compliance with all zoning and building ordinances and codes applicable to the Project. No variance has been granted to achieve such compliance. To the best of the Developer's knowledge, the Project does not contain any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

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

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

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

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

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

Exhibit B describes the common elements.

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 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 C 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 F describes the encumbrances against the title contained in the title report dated November 25, 1991 and issued by Island Title Corporation.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Buyer's deposit will be returned if default and foreclosure occur before conveyance. The Buyer's contract may be cancelled and the Buyer may lose all rights to acquire the unit. Title to individual units will be free and clear at the time of conveyance to Buyer.

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 H contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

Not applicable

Electricity -- Common Areas only

Television Cable

Gas

Water & Sewer

Other _____

I. Construction Warranties:

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

1. Building and Other Improvements: NONE

2. Appliances: NONE

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding 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 _____

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. 2566 filed with the Real Estate Commission on December 16, 1991.

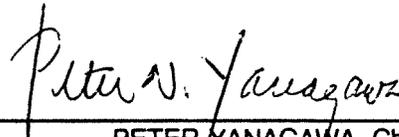
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

white paper stock

pink paper stock

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



PETER 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

INDIVIDUAL UNIT DESCRIPTIONS

The Declaration of Condominium Property Regime and plans submitted by the Developer indicate that BANYAN COVE is a fee simple condominium conversion project consisting of a total of eight condominium units, each unit comprised of a separate or structures. The units are described as follows:

- (a) "Unit 1" consists of the following: (1) a separate detached two-story wood-frame dwelling, without basement, containing three bedrooms, two and one-half baths, living room, dining room and kitchen -- all containing a net interior living area of approximately 2,958 square feet; (2) attached wooden decks/lanais of approximately 926 square feet; (3) an attached two-car garage of approximately 470 square feet; and (4) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof.
- (b) "Unit 2" consists of the following: (1) a separate steel-frame utility shed structure of approximately 80 square feet; and (2) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof. Specifically, in addition to said utility shed, the owner thereof is permitted to build a dwelling on the land area appurtenant to said unit, provided that said dwelling complies with all applicable building codes and zoning ordinances. The costs and expenses of any such future construction shall be borne by the owner of said unit.
- (c) "Unit 3" consists of the following: (1) a separate detached single-story wood-frame dwelling, without basement, containing two bedrooms, two baths, living room, kitchen and laundry room - - all containing a net interior living area of approximately 1,560 square feet; (2) an attached covered lanai of approximately 348 square feet; (3) an attached two-car garage of approximately 433 square feet; and (4) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof.
- (d) "Unit 4" consists of the following: (1) a separate steel-frame utility shed structure of approximately 80 square feet; and (2) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof. Specifically, in addition to said utility shed, the owner thereof is permitted to build a dwelling on the land area appurtenant to said unit, provided that said dwelling complies with all applicable building codes and zoning ordinances. The costs and expenses of any such future construction shall be borne by the owner of said unit.
- (e) "Unit 5" consists of the following: (1) a separate steel-frame utility shed structure of approximately 80 square feet; and (2) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof. Specifically, in addition to said utility shed, the owner thereof is permitted to build a dwelling on the land area appurtenant to said unit, provided that said dwelling complies with all applicable building codes and zoning ordinances. The costs and expenses of any such future construction shall be borne by the owner of said unit.

- (f) "Unit 6" consists of the following: (1) a separate steel-frame utility shed structure of approximately 80 square feet; and (2) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof. Specifically, in addition to said utility shed, the owner thereof is permitted to build a dwelling on the land area appurtenant to said unit, provided that said dwelling complies with all applicable building codes and zoning ordinances. The costs and expenses of any such future construction shall be borne by the owner of said unit.
- (g) "Unit 7" consists of the following: (1) a separate detached single-story wood-frame dwelling, without basement, containing five bedrooms, two baths, living room, family room, dining room, utility room and kitchen -- all containing a net interior living area of approximately 2,070 square feet; (2) an attached concrete patio/deck of approximately 350 square feet; (3) a paved one-car parking pad; and (4) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof.
- (h) "Unit 8" consists of the following: (1) a separate steel-frame utility shed structure of approximately 80 square feet; and (2) any and all other future improvements which may be constructed on the land area appurtenant to said unit by the owner thereof. Specifically, in addition to said utility shed, the owner thereof is permitted to build a dwelling on the land area appurtenant to said unit, provided that said dwelling complies with all applicable building codes and zoning ordinances. The costs and expenses of any such future construction shall be borne by the owner of said unit.

COMMON ELEMENTS

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

- (a) The land in fee simple;
- (b) The Common Access Driveway, as shown and designated on the Condominium Map;
- (c) The Common Recreation Area, as shown and designated on the Condominium Map;
- (d) The Additional Guest Parking Area, as shown and designated on the Condominium Map;
- (e) Guest Parking Spaces Nos. 3, 4, 8, 10, 11 and 13, as shown and designated on the Condominium Map. Said Guest Parking Spaces may be used by all guests and visitors to the Project. Notwithstanding same, no parking shall be allowed in Guest Parking Spaces No(s). 10, 11, 12 and 13 on the mornings of City and County refuse collection days.
- (f) All existing bluerock fences and retaining walls located on the project property, as shown and designated on the Condominium Map;
- (g) The large banyan, monkeypod, and coconut palm trees presently located on the property. Said trees shall not be removed or cut down. The maintenance and cost of maintenance of said trees shall be the responsibility of the respective owner of the limited common element land area upon which said tree(s) are located.
- (h) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, sewage, irrigation and telephone;
- (i) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any condominium unit(s) which are filed of record.

COMMON INTEREST

Each unit and its owner(s) shall have appurtenant thereto an undivided one-eighth (1/8) fractional interest (12.5 percentage interest) in the common elements of the Project, for all purposes including voting, said interest being referred to as the "common interest".

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are designated and set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) Those certain land areas upon and around which each unit is located, as shown and designated on the Condominium Map, are deemed limited common elements appurtenant to and for the exclusive use of their respective units. The condominium units and their respective appurtenant land areas are as follows:

Unit 1	6,680 square feet
Unit 2	6,478 square feet
Unit 3	9,802 square feet
Unit 4	6,391 square feet
Unit 5	12,625 square feet
Unit 6	7,946 square feet
Unit 7	8,474 square feet
Unit 8	5,881 square feet

NOTE: The land area appurtenant to each unit does not represent a legally subdivided lot.

- (b) Those certain Guest Parking Spaces Nos. 1, 2, 5, 6, 7, 9 and 12, as shown and designated on the Condominium Map, are deemed limited common elements appurtenant to and for the exclusive use of a particular individual unit. Said Guest Parking Spaces and the respective individual units to which they are appurtenant, are as follows:

Unit 1	Guest Parking Space No(s). 1 and 2
Unit 2	Guest Parking Space No(s). 5 and 6
Unit 3	Guest Parking Space No(s). 7
Unit 4	Guest Parking Space No(s). 9
Unit 5	Guest Parking Space No(s). 12

NOTE: As noted in Section III(e) of the Declaration, no parking shall be allowed in Guest Parking Spaces No(s). 10, 11, 12 and 13 on the mornings of City and County refuse collection days.

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne solely by the owner of the unit to which said limited common elements are appurtenant.

SUMMARY OF SALES CONTRACT

Developer is using the standard Hawaii Board of Realtors' Deposit Receipt, Offer and Acceptance (DROA) form as the intended sales contract for the Project. A copy of said DROA is attached hereto for reference.

Upon examination, the Developer represents that the proposed Sales Contract (DROA) is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract (DROA).

Exhibit "E"



Reviewed by: _____ (Principal Broker, Broker in Charge, Authorized Signature)

Reference Date: _____

DEPOSIT RECEIPT
Received from _____ herein called Buyer the sum of \$ _____
in the form of _____ as an initial deposit on account of this offer. Receipt is acknowledged by (REALTOR)(REALTOR-Associate) _____
REALTOR'S firm and address _____
PHONES (Bus.) _____ (Home) _____ (FAX) _____

OFFER
1. PURCHASE PRICE: _____
2. PROPERTY DESCRIPTION: Tax Map Key Division _____ /Zone _____ /Sec _____ /Plat _____ /Parcel _____ /CPR _____
(a) Realty: All of that (leasehold) (fee simple) property situated at _____ Hawaii, described as follows: _____
(b) Seller's Real Property Disclosure Statement dated _____ (has) (has not) been received by Buyer. If not, address in paragraph 8, Special Terms. (b-1) Residential Leasehold Property Addendum (is) (is not) made a part of this DROA.
(c) Sale Includes: All built-in furniture, attached fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, existing drapes, and the following items if checked: Chandelier () ; Range () ; Refrigerator () ; Disposal () ; Dishwasher () ; Compactor () ; Washer () ; Dryer () ; Air Conditioner () ; TV Antenna () ; TV Cable Outlet () ; Ceiling Fan () ; Furnishings per attached inventory () ; Pool Equipment () ; and _____
Specifically excluded: _____
(d) Title: Seller agrees to convey the property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances except _____
and any other covenants, easements, reservations or restrictions now of record which do not materially affect the value of the property.
(e) Assessments: _____ shall be (paid by Seller at closing) (assumed by Buyer).
3. FINANCING: Buyer agrees to pay said purchase price as follows:
ADDITIONAL DEPOSIT: \$ _____ in cash to be made on or before _____
\$ _____ in cash at closing including all deposits herein.
\$ _____ by way of _____
\$ _____ Total Purchase Price (see paragraph 1 above)
4. CLOSING: Closing will be on or before _____, 19____. Escrowed by _____
5. OCCUPANCY: Seller agrees to give Buyer occupancy at closing or on _____, 19____.
6. PRORATIONS: Property taxes, lease rents, interest on assumed obligations, mortgage insurance premiums, other insurance premiums, maintenance fees, tenants' rents, if applicable, and _____ shall be prorated as of the date of closing or on _____, 19____. Tenants' security deposit, if any, shall be charged to Seller and credited to Buyer at closing.
7. TENANCY: Title shall vest in Buyer(s) as follows: _____ print full legal name(s) and marital status (no initials)
_____ Tenancy: _____
8. SPECIAL TERMS: (Please number) _____
9. AGENCY DISCLOSURE: The Buyer is represented by _____ and all its salespeople. The Seller is represented by _____ and all its salespeople. Oral or written disclosure was provided before the signing of this offer.
10. AGREEMENT TO BUY: Buyer agrees to buy the property on the terms and conditions contained herein including The Standard Terms On The Reverse Side, acknowledges receipt of a copy hereof, and agrees that this offer shall be binding if accepted by Seller before _____, 19____ AM/PM. Offer Date _____, 19____, _____ AM/PM.
Buyer's address: _____ Buyer _____ signature _____
SS# _____
Phones: (Bus.) _____ (Home) _____ Buyer _____ signature _____
SS# _____

ACCEPTANCE
11. AGREEMENT TO SELL: Seller agrees to sell the property at the price and terms offered above, including The Standard Terms On The Reverse Side, and acknowledges that he has been given a copy of this offer.
12. SELLER'S AGREEMENT TO PAY COMMISSION: I agree to pay to _____ a commission for the above sale of _____ in U.S. dollars. I hereby instruct escrow to pay your commission directly to you at closing. I agree that I cannot change these instructions without your written consent. Unless otherwise agreed upon, I give you permission to share this commission as you see fit with the real estate company named here in the DEPOSIT RECEIPT section of this agreement. In the event of Buyer's default, if I retain the deposit(s), I agree to pay you one half of the amount I retain, but you shall not be paid more than what would have been your full commission.
Date _____, 19____, _____ AM/PM.
Seller's Name _____ print full legal name _____
Seller's Tax Identification # to be reported to IRS _____ Signature _____
Seller's Name _____ print full legal name _____
Seller's Tax Identification # to be reported to IRS _____ Signature _____ Foreign Person () Owner occupant () Other ()
Seller's Address _____
Seller's Address _____ Phones: (Bus.) _____ (Home) _____
ACKNOWLEDGEMENT OF ACCEPTANCE: The undersigned acknowledges that he has been given a copy of the acceptance of this offer.
Date _____, 19____, _____ AM/PM. Signature _____

STANDARD TERMS

A. CONTRACT:

This is more than a receipt for money. It is a legally binding contract. Read it carefully.

B. EVIDENCE OF TITLE:

Seller shall furnish Buyer evidence of Seller's marketable title to the interest which is to be conveyed to Buyer. If Seller fails to deliver title as herein provided, Buyer has the option to terminate this agreement and have any of Buyer's deposits returned to Buyer. The foregoing shall not exclude any other remedies available to Buyer. Buyer will receive an Owner's standard coverage policy of title insurance at closing. (a) Seller shall pay 60% of the premium to be charged for an Owner's standard coverage policy of title insurance to be issued to the Buyer in the amount of the sales price; and, (b) Buyer shall pay 40% of such premium and any additional costs relating to the issuance of any extended coverage policy, including a Lender's policy.

C. STAKING:

Seller shall order and pay for the cost of the staking if stakes are not visible. The Buyer may have a licensed surveyor verify the accuracy of the location of stakes prior to closing and the Seller agrees to reimburse the Buyer for the cost of this staking on or before closing only if the original stakes prove to be inaccurate. This provision does not apply to a condominium or cooperative apartment. (Note: Staking is not a survey and does not confirm the accuracy of the land area description or the absence of encroachments.)

D. CUSTOMARY CLOSING COSTS (Except Where Not Applicable):

These are customary costs and are not intended to be an all inclusive list.

Expenses to be paid by Buyer
Continuation of Title Evidence
Title Insurance (As printed in Standard Term B., above)
Drafting of Agreement of Sale
Drafting of Mortgage and Note
Drafting of Buyer's Consents
Buyer's Consent Fee
Buyer's Notary Fee
All Recording Fees except Documents to Clear Seller's Title
1/2 Escrow Fee
Condo Ownership Transfer Fee
FHA Discounts When Applicable
Mortgage Assumption Fee

Expenses to be paid by Seller
Evidence Showing Marketable Title
Title Insurance (As printed in Standard Term B., above)
Drafting of Deed or Assignment of Lease
Drafting of Bill of Sale
Drafting of Seller's Consents
Seller's Consent Fee
Seller's Notary Fee
Conveyance Tax
1/2 Escrow Fee
Staking
VA or FHA Discount Points When Applicable
Termite Inspection
Termite Treatment if Required as per Standard Term E

E. TERMITE INSPECTION:

Seller shall deliver to Buyer through escrow a report from a licensed pest control company stating that there is no live visible termite infestation in the improvements described herein. Seller shall pay for termite extermination treatment if it is required.

F. SELLER'S LIMITED WARRANTY:

Seller warrants and Buyer will acknowledge in writing that all major appliances, plumbing and electrical and/or gas fixtures included in the sale will be in working order consistent with their age as of the date of closing or occupancy, if earlier. No continuing warranty is expressed or implied.

G. RISK OF LOSS:

Risk of loss passes to Buyer upon transfer of title or occupancy whichever occurs first.

H. DEFAULT:

It is expressly understood and agreed. First: In the event Buyer fails to pay the balance of the purchase price or complete the purchase as herein provided, Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein, as liquidated damages; and (c) Buyer shall be responsible for any cost incurred in accordance with this contract. Second: In the event Seller fails to perform his obligations as herein provided, Buyer not being in default, Buyer may (a) bring an action against Seller for damages for breach of contract, (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a REALTOR for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorney's fees. All expenses incurred by escrow shall be deducted from deposited funds prior to any disbursement to the prevailing party.

I. CLOSING:

For the purpose of this contract "closing" shall be the date upon which all appropriate documents are recorded. Buyer and Seller agree to execute appropriate or customary documents when requested to do so.

J. CONSENT:

The obligations of Buyer or Seller hereunder are conditioned upon obtaining those necessary consents of vendors, existing mortgagees, lessors and/or condominium, co-op or other such associations. Buyer or Seller agree to cooperate and take all reasonable action to obtain such consents.

K. TIME IS OF THE ESSENCE:

If either Buyer or Seller for reasons beyond his control cannot perform his obligation to purchase or sell the property by the closing date, then such party by giving escrow written notice prior to the closing date called for in this contract with copies to all parties to this contract, can extend closing for no longer than 30 calendar days to allow performance. Thereafter time is of the essence and the default provisions of Standard Term H apply. Any further extension must then be agreed to in writing by both parties. There is no automatic right to extend. This provision relates only to the extension of the closing date.

L. OBLIGATIONS:

REALTOR shall not be held liable to either Buyer or Seller for the failure of either to perform their obligations pursuant to this contract.

M. CONFLICT:

Handwritten or typed provisions herein shall supersede any printed provisions in this contract if there is a conflict.

N. PERMISSION:

REALTOR has Buyer's and Seller's permission to supply data to the Multiple Listing Service regarding the sales price and terms of this transaction for use by REALTORS in making market studies, providing service to the public and advising their clients.

O. COMPLETE AGREEMENT:

This contract constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this contract shall be valid or enforceable without written approval by Buyer and Seller.

Seller's Initials

Buyer's Initials

IMPORTANT: PLEASE SEPARATE DROA COPIES BEFORE EXECUTING COOPERATING REALTOR'S SEPARATE AGREEMENT OR SIGNATURES WILL COPY THROUGH TO OTHER SIDE

COOPERATING REALTOR'S SEPARATE AGREEMENT

Seller's REALTOR agrees to pay to Cooperating REALTOR through escrow at closing the following amount:
In consideration of assistance given by Cooperating REALTOR. In the event Seller retains Buyer's deposit money as liquidated damages and Seller's REALTOR retains a portion of the deposit as stated in paragraph 12, Seller's REALTOR will share 1/2 of his retained funds with Cooperating REALTOR.

Date _____, 19____ Date _____, 19____

Seller's REALTOR: _____ (name of REALTOR firm) Cooperating REALTOR: _____ (name of REALTOR firm)

By: _____ By: _____

Address: _____ Address: _____

Phone (Bus.) _____ (Fax) _____ Office ID Number _____ Phone (Bus.) _____ (Fax) _____ Office ID Number _____

SUMMARY OF ESCROW ARRANGEMENTS

The Escrow Agreement, dated December 1, 1991, identifies Island Title Corporation as Escrow for the Project. The Escrow Agreement establishes how proceeds from the sale of condominium units and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to Purchaser, without interest and less cancellation fee and costs, if Purchaser shall in writing request refund of his funds and Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser. Said cancellation fee shall be in the minimum of \$25.00, but in no event shall exceed the agreed-upon escrow fee provided for in said Escrow Agreement, the exact amount to be commensurate with the amount of work completed at the time of cancellation.

Upon examination, the Developer represents that the Escrow Agreement is found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is encumbant upon the purchaser and prospective purchaser that he reads with care the Escrow Agreement.

ENCUMBRANCES AGAINST TITLE

An encumbrance is a claim against or a liability on the property. The following list describes the encumbrances against the title contained in the preliminary title reports dated November 25, 1991, issued by Island Title Corporation:

AS TO PARCEL ONE:

1. For real property taxes as may be due and owing, reference is made to the Director of Finance, City and County of Honolulu.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. Terms, provisions, covenants and conditions of that certain Agreement In Settlement of Boundary Line, effective August 14, 1957, recorded in the Bureau of Conveyances, State of Hawaii, in Book 3314, Page 441.

4. Terms, provisions, covenants and conditions of that certain Development Reservation Agreement dated July 16, 1990, by and between Rudolph J. Brilhante and Audrey D. Brilhante, husband and wife, and Gerald Halbert Johnson and Mary Ann Johnson, husband and wife, recorded September 18, 1990, in the Bureau of Conveyances, State of Hawaii, as Document No. 90-144273.

5. Mortgage dated November 3, 1989, recorded November 8, 1989, in the Bureau of Conveyances, State of Hawaii, in Book 23854, Page 438, to secure the repayment of \$144,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,
Mortgagor: Gerald Halbert Johnson and Mary Ann Johnson, husband and wife
Mortgagee: GECC Financial Corporation, a Hawaii corporation

6. Mortgage dated April 16, 1991, recorded April 22, 1991, in the Bureau of Conveyances, State of Hawaii, as Document No. 91-050457, to secure the repayment of \$100,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,
Mortgagor: Gerald Halbert Johnson and Mary Ann Johnson, husband and wife
Mortgagee: Kamehameha Federal Credit Union, a corporation organized and existing under the laws of the Federal Credit Union Act

7. Mortgage dated June 27, 1991, recorded July 3, 1991, in the Bureau of Conveyances, State of Hawaii, as Document No. 91-090114, to secure the repayments of \$150,000.00 and \$70,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,
Mortgagor: Gerald Halbert Johnson and Mary Ann Johnson, husband and wife
Mortgagee: William Bradshaw Paul and Carol Jean Paul, as Co-Trustees under that certain unrecorded Living Trust dated February 10, 1986, or their successor-in-trust

AS TO PARCEL TWO:

1. For real property taxes as may be due and owing, reference is made to the Director of Finance, City and County of Honolulu.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

4. Terms, provisions, covenants and conditions of that certain Agreement In Settlement of Boundary Line, effective August 14, 1957, recorded in the Bureau of Conveyances, State of Hawaii, in Book 3314, Page 441.

5. Grant in favor of the City and County of Honolulu, dated November 9, 1967, recorded December 14, 1967, in the Bureau of Conveyances, State of Hawaii, in Book 5899, Page 316, granting an easement to construct, reconstruct, install, maintain, operate, repair and remove an underground sewer pipe line or pipe lines, etc., as part of a sewer system, through, under and across the following described "easement area":

PARCEL 66 - KANEOHE BAY DRIVE INTERCEPTOR SEWER:

All that certain parcel of land being over and across a portion of Lot 12 (Panahaha Subdivision), being also a portion of Royal Patent 5583, Land Commission Award 2937, Part 10, Section 3 to William Harbottle, situated at Panahaha, Kaneohe, Koolaupoko, Oahu, Hawaii, and more particularly described as follows:

Being an easement ten (10) feet wide and extending five (5) feet on each side of the following described centerline:

Beginning at the Southwesterly end of said centerline, on the Northeasterly boundary of Lot 11 (Panahaha Subdivision), the coordinates of said point of beginning referred to Government Survey Triangulation Station "COOLIDGE" being 8,201.61 feet North and 15,818.09 feet East and running by azimuths measured clockwise from true South:

1. 252° 35' 35" 97.43 feet to the Southwesterly boundary of Lot 13-B (Panahaha Subdivision) and containing an area of 974 square feet, more or less.
6. Sewer Easement S-1, 6 feet wide, in favor of the City and County of Honolulu, as per survey of Kataichi Ninomiya, Registered Professional Land Surveyor, dated September 1, 1988.
7. Terms, provisions, covenants and conditions of that certain Development Reservation Agreement dated July 16, 1990, by and between Rudolph J. Brilhante and Audrey D. Brilhante, husband and wife, and Gerald Halbert Johnson and Mary Ann Johnson, husband and wife, recorded September 18, 1990, in the Bureau of Conveyances, State of Hawaii, as Document No. 90-144273.
8. Mortgage dated May 3, 1991, recorded May 10, 1991, in the Bureau of Conveyances, State of Hawaii, as Document No. 91-059726, to secure the repayment of \$570,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,
Mortgagor: 44-291 Kaneohe Bay Drive
Associates, a registered Hawaii Limited Partnership
Mortgagee: Finance Factors, Limited, a Hawaii corporation
9. Mortgage dated April 18, 1990, recorded April 24, 1990, in the Bureau of Conveyances, State of Hawaii, as Document No. 90-057855, to secure the repayment of \$200,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,
Mortgagor: Rudolph J. Brilhante and Audrey D. Brilhante, husband and wife
Mortgagee: Hawaii State Employees' Federal Credit Union, a corporation organized and existing under the laws of the State of Hawaii

Said Mortgage was made subordinate to the lien of that certain Mortgage shown as Item No. 8, by an instrument dated May 3, 1991, recorded May 10, 1991, in said Bureau, as Document No. 91-059727,

Guaranty thereto by 44-291 Kaneohe Bay Drive Associates, a registered Hawaii Limited Partnership, recorded concurrently in said Bureau, as Document No. 91-059728.

AS TO PARCEL THREE:

1. For real property taxes as may be due and owing, reference is made to the Director of Finance, City and County of Honolulu.

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. The property borders on the ocean and is subject to the provisions of Hawaii Revised Statute 205A, Sections 41 to 49 relative to shoreline setbacks and prohibitions on use, and to the regulations of the Land Use Commission and the County Planning Department.

4. Right-of-way easement in favor of Lot 13-A, described as follows:

Beginning at the Northeast corner of this easement being also the northeast corner of Lot 13-B, and the north corner of said Lot 14, thence running by azimuths measured clockwise from true South and distances:

- | | | | | | |
|----|------|-----|-----|--------|---|
| 1. | 333° | 30' | 00" | 296.90 | feet; |
| 2. | 63° | 30' | 00" | 12.00 | feet; |
| 3. | 153° | 30' | 00" | 10.00 | feet; |
| 4. | 243° | 30' | 00" | 7.00 | feet; |
| 5. | 153° | 30' | 00" | 289.62 | feet; |
| 6. | 272° | 01' | 00" | 5.69 | feet to the point of beginning
and containing an area of 1,561
square feet, more or less. |

5. Lease of easement for utility purposes, in favor of Hawaiian Electric Company, Inc., and Hawaiian Telephone Company, dated August 9, 1956, recorded September 14, 1956, in the Bureau of Conveyances, State of Hawaii, in Book 3163, Page 98.
6. Terms, provisions, covenants and conditions of that certain Agreement in Settlement of Boundary Line dated August 14, 1957, recorded September 10, 1957, in the Bureau of Conveyances, State of Hawaii, in Book 3314, Page 441.
7. An easement for an underground sewer pipe lines, in favor of the City and County of Honolulu, dated May 31, 1967, recorded August 23, 1967, in the Bureau of Conveyances, State of Hawaii, in Book 5770, Page 111, being across the following described parcel of land:

PARCEL 67 - OF KANEOHE BAY DRIVE INTERCEPTOR SEWER:

All of that certain parcel of land being over and across a portion of Lot 13-B (Panahaha Subdivision), being also a portion of Royal Patent 5583, Land Commission Award 2937, Part 10, Section 3 to William Harbottle, situated at Panahaha, Kaneohe, Koolaupoko, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Being an easement ten (10) feet wide and extending five (5) feet on each side of the following described centerline:

Beginning at the Southwesterly end of said centerline, the Northeasterly boundary of Lot 12 (Panahaha Subdivision), the coordinates of said point of beginning referred to Government Survey Triangulation Station "COOLIDGE" being 8,230.76 feet North and 15,911.06 feet East and running by azimuths measured clockwise from true South:

1. 252° 35' 35" 81.02 feet;
2. 333° 30' 00" 105.00 feet;
3. 257° 00' 00" 5.14 feet to the Southwesterly boundary of Lot 14 (Panahaha Subdivision), and containing an area of 1,912 square feet, more or less.

The following described portion of said PARCEL 67 was cancelled and surrendered by instrument dated June 6, 1968, recorded June 14, 1968, in the Bureau of Conveyances, State of Hawaii, in Book 6095, Page 48:

"ABANDONED PORTION OF PARCEL 67 - OF KANEOHE BAY DRIVE
INTERCEPTOR SEWER:

All of that certain parcel of land being a portion of Lot 13-B of the Panahaha Subdivision, being also a portion of Royal Patent 5583, Land Commission Award 2937, Part 10, Section 3 to William Harbottle, situated at Panahaha, Kaneohe, Koolaupoko, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Being a strip of land, ten (10) feet wide and extending five (5) feet on each side of the following described centerline:

Beginning at the Southeast end of this centerline and set on the offset of five (5) feet from the boundary of Lots 13 and 14 of the Panahaha Subdivision, between Kaneohe Bay and Kaneohe Bay Drive, the coordinates of said point of beginning referred to Government Survey Triangulation Station "COOLIDGE" being 8,161.02 feet North and 16,035.22 feet East and running by azimuths measured clockwise from true South:

1. 153° 30' 46.00 feet to the Southeast boundary of Parcel 67 of the Kaneohe Bay Drive Interceptor Sewer and containing an area of 460 square feet, more or less."

8. Mortgage dated April 25, 1989, recorded May 5, 1989, in the Bureau of Conveyances, State of Hawaii, in Book 23147, Page 211, to secure the repayment of \$300,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof,

Mortgagor:

James E. McCombs, Jr., husband of
Margaret T. McCombs, and Paul J. Hoekenga,
Jr., husband of Kathryn J. Hoekenga

Mortgagee:

GECC Financial Corporation, a Hawaii
corporation

DISCLOSURE ABSTRACT

BANYAN COVE Condominium Project

*Pursuant to Section 514A-61, Hawaii Revised Statutes
Condominium Property Act*

Developer

44-291 Kaneohe Bay Drive Associates
James E. McCombs
Gerald H. Johnson
Mary Ann Johnson
44-291 Kaneohe Bay Drive
Kaneohe, Hawaii 96744
Phone: 254-2940

Project Manager

Project is to be self-managed

Warranties

Purchasers should be aware that the "condominium units" of the Project are comprised of existing structures. Said buildings have unavoidably undergone a certain amount of "wear and tear" commensurate with their age. Accordingly, purchasers should not expect the home they desire to buy to be in "like-new" condition. **NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO THE INDIVIDUAL CONDOMINIUM UNITS OR THE COMMON ELEMENTS OF THE PROJECT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE UNIT THEY DESIRE TO BUY. THE UNITS ARE SOLD "AS IS".**

Structural Components and Mechanical & Electrical Installations

Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the individual condominium units appear to be sound and in satisfactory working condition. However, **NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF THE CONDOMINIUM UNIT(S).**

Use of Condominium Units

The units comprising the Project may be occupied and used for residential purposes and/or such other purposes as permitted by applicable zoning ordinances. There is no commercial or other non-residential development in the Project.

Estimated Maintenance Fee Assessments and Disbursements

MAINTENANCE FEE ASSESSMENTS: The Developer estimates that the annual maintenance fee assessments and monthly costs for each condominium unit to cover general maintenance, repairs, utility expenses, management, insurance, yard service, and reserves, etc. shall be as follows:

	<u>Monthly</u>	<u>Annual</u>
Unit 1	\$147.50	\$1,180.00
Unit 2	\$147.50	\$1,180.00
Unit 3	\$147.50	\$1,180.00
Unit 4	\$147.50	\$1,180.00
Unit 5	\$147.50	\$1,180.00
Unit 6	\$147.50	\$1,180.00
Unit 7	\$147.50	\$1,180.00
Unit 8	\$147.50	\$1,180.00

MAINTENANCE FEE DISBURSEMENTS: Developer's estimate of the Project's Maintenance Fee Disbursements is as follows:

	<u>Monthly</u>	<u>Annual</u>
Tree Maintenance & Common Area Yard Service	\$270.00	\$3,240.00
Common Element Water & Electricity	100.00	1,200.00
Reserves for Improvements and Repairs	250.00	3,000.00
Accounting/Legal	50.00	600.00
Insurance	30.00	360.00
Water Service	480.00	5,760.00
TOTAL	\$1,180.00	\$14,160.00

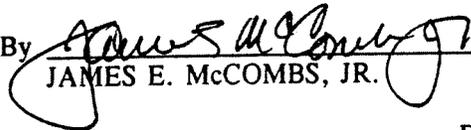
The figures contained herein are based on generally accepted accounting principals.

INDIVIDUAL INSURANCE: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the improvements portion of the Project. Developer anticipates that the Association will elect to obtain separate insurance policies for each individual condominium unit pursuant to Section XIV(c) of the Declaration. As such, the premiums on said policies will be the individual responsibility of each unit owner rather than common expenses of the Project.

Code Violations

To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or other municipal regulations of the City and County of Honolulu.

44-291 KANEOHE BAY DRIVE ASSOCIATES,
a registered Hawaii Limited Partnership,
JAMES E. McCOMBS, JR.
GERALD HALBERT JOHNSON
MARY ANN JOHNSON

By  _____
JAMES E. McCOMBS, JR.

Developer(s)