

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer PEOPLES REALTY NETWORK, INCORPORATED
Address 98-029 Hekaha Street, #19, Aiea, Hawaii 96701

Project Name(*): VALLEY VIEW TERRACE
Address: 3097, 3135B-H, J, K, 3145, 3145A-H, J, K, L Kalihi Street
Honolulu, Hawaii 96819

Registration No. 2571 (Conversion) Effective date: August 6, 1993
Expiration date: September 6, 1994

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

_____ **PRELIMINARY:** The developer may not as yet have created the condominium but
(yellow) 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:** The developer has legally created a condominium and has filed
(white) complete information with the Commission.

- [] No prior reports have been issued
- [] Supersedes all prior public reports
- [] Must be read together with _____

X **SUPPLEMENTARY:** Updates information contained in the
(pink) [] Prelim. Public Report dated _____
[X] Final Public Report dated March 6, 1992
[] Supp. Public Report dated _____

- And [X] Supersedes all prior public reports
[] Must be read together with _____
[] This report reactivates the _____
public report(s) which expired on _____

(*) Exactly as named in the Declaration

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.

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

[X] Changes made are as follows:

Since the issuance of the Final Public Report on March 6, 1992, there have been three (3) amendments to the Declaration of Condominium Property Regime, the purposes of which have been to:

- (a) Delete any right to add Phase 2 or Phase 3;
- (b) Add two condominium units to the Project;
- (c) Renumber the condominium units in the Project; and
- (d) Install a waterline, separate water meters and fire hydrants, to resurface a common roadway, and enlarge those portions of the Land which are exclusively set aside for the use and benefit of the condominium units in the Project.

The Declarant or the Fee Owner has also reserved the right to (i) subdivide from the Land any portion of the Reserved Church Area which is appurtenant to the Church Dwelling (also called Dwelling 3097) and any portion of the Dwelling 3145-L Exclusive Use Area; (ii) to remove from the Project the Church Dwelling or Dwelling 3145-L, with or without subdividing the Land; and (iii) subdivide the Church Dwelling and Dwelling 3145-L into any number of separate Dwellings.

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

Dwelling 3145L is presently a "dog house" of approximately 10 square feet, which may be defined as an "apartment" under the condominium property act. There are City and County restrictions on the number of residential dwelling units, or other structures, which may be built on the property. THERE IS ALSO NO ASSURANCE THAT THE PURCHASER OF THIS APARTMENT WILL BE ABLE TO CONVERT THE EXISTING NON-RESIDENTIAL STRUCTURAL TO A RESIDENTIAL USE. The Purchaser should consult with the appropriate City & County agencies to determine whether a residential dwelling unit, or any other type of structure, may be built on the property.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

TABLE OF CONTENTS

	page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer Attorney for Developer General Contractor	
Real Estate Broker Escrow Company Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Developer's Reserved Rights	
EXHIBIT B: Permitted Alterations to Apartments	
EXHIBIT C: Common Elements	
EXHIBIT D: Limited Common Elements	
EXHIBIT E: Encumbrances Against Title	
EXHIBIT F: Summary of the Provisions of the Sales Contract	
EXHIBIT G: Summary of the Provisions of the Escrow Agreement	
EXHIBIT H: Disclosure Abstract	
EXHIBIT I: Engineer's Report	
EXHIBIT I-A: Architect's Report	
EXHIBIT J: Letter from Department of Land Utilization	

General Information on (dominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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 owners/tenants) 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 at the lessee's expense. 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 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 project's 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 the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the 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 important to all apartment owners that the transition of control from the developer to apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Peoples Realty Network, Incorporated
Name
98-029 Hekaha Street, #19
Business Address
Aiea, Hawaii 96701

Phone: 488-0472
(Business)

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

Kenneth R. Sikes - President, Secretary, Treasurer

Real Estate Broker: KEBOJINA, Ltd. dba
Hawaii Real Estate Professionals
Name
98-029 Hekaha Street, #44
Business Address
Aiea, hawaii 96701

Phone: 488-0472
(Business)

Escrow: T.I. of Hawaii, Inc.
Name
Four Waterfront Plaza, Suite 300
Business Address
500 Ala Moana Blvd., Honolulu, HI 96813

Phone: 526-3571
(Business)

General Contractor: Ron's Construction
Name
2045 Kam IV Road
Business Address
Honolulu, Hawaii 96819

Phone: 841-6151
(Business)

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

Phone: _____
(Business)

Attorney for Developer: Jeffrey S. Grad
Name
841 Bishop Street, Suite 2001
Business Address
Honolulu, Hawaii 96813

Phone: 521-4757
(Business)

**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. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and 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.

- 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. 1873851

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- Amendment No. 1 dated March 3, 1992, filed as Document No. 1893454
- Amendment No. 2 dated March 16, 1992, filed as Document No. 1896626
- Amendment No. 3 dated April 3, 1992, filed as Document No. 1901768
- Amendment No. 4 dated May 24, 1993, filed as Document No. 2030271

- 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 Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 876

The Condominium Map has been amended by the following instruments [state name of document, date 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 manner in which meetings will be conducted, whether pets are prohibited or allowed 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. _____
 Filed - Land Court Condo Map No. 1873852

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

- Amendment No. 1 dated May 24, 1993, filed as Document No. 2030270

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 and requirements for keeping pets. 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>Majority of Board of Directors</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

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

See attached Exhibit "A"

II. THE CONDOMINIUM PROJ.

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include 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.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/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.

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is Canceled 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 canceled or foreclosed.
- Individual Apartment in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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 at the lessee's expense; 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:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 3097,3135B-H,J,K, 3145,3145-A-H,J,K,L Tax Map Key: (1) 1-4-14-7
Kalihi Street (TMK)
Honolulu, Hawaii 96819

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

Land Area: 6.842 [] square feet [X] acre(s) Zoning: R-7.5

Lessor

(Fee Owner): Grace Bible Church

Name

1052 Ilima Drive

Address

Honolulu, Hawaii 96817

Sublessor: _____

Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 23 Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other glass

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>	No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>20</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input checked="" type="checkbox"/> Mix Res/Comm	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> *Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input checked="" type="checkbox"/> Other-DogHouse	<u>1</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No with respect to Dwelling 3097 Kim-chee factory

* **NOTE:** Kim-chee factory and warehouse with two appurtenant residential areas 1 and 2.

5. Special Use Restrictions:

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

- Pets: Dogs, cats, and other household pets permitted in reasonable number
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators -0- Stairways -0- Trash Chutes -0-

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
Type A	6	3/1	897	
Type B	7	3/1	1,008	
Type C	6	3/1	870	
Type D	1	5/2	1,229	
Dw. 3097 (Residential Area 1)	1 (see further disclosure on Page 20)	4/1	1,236	1,501
(Kim-chee Factory/Warehouse)			3,911	
(Residential Area 2)		3/1	1,232	153
Dw. 3145-L	1	--	10	

Total Apartments: 22

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

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

Boundaries of Each Apartment:

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

Permitted Alterations to Apartments:

See attached Exhibit "B"

7. Parking Stalls:

Total Parking Stalls: 32

	<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 each units)	<u>32</u>	_____	_____	_____	_____	_____	<u>32</u>
Guest Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>32</u>	_____	_____	_____	_____	_____	_____

Each apartment will have the exclusive use of at least one (1) 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: roadway

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

- There are no violations. Violations will not be cured.
- Violations and cost to cure Violations will be cured by _____ are listed below.

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

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

The present condition of all structural components and mechanical and electrical installation material to the use and enjoyment of the Project appears to be good. Based on the Professional Engineer's and Architect's reports attached hereto as Exhibits "I" and "I-A", the Developer has concluded that the expected useful life of structural components, mechanical and electrical installations is twenty (20) years.

11. 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.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	<u> X * </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> X ** </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

* A portion of Dwelling 3097 is presently being used as a kimchee processing facility (see letter from the Department of Land Utilization which is attached hereto as Exhibit "J").

** Dwelling 3135K contains an improvement for which a building permit was not obtained.

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 other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

[x] described in Exhibit C .

[] 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 use them, as described in the Declaration, are:

described in Exhibit D

as follows:

Note: Reference in said Exhibit D to "Exclusive Use Area" does not mean a legally subdivided lot.

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 used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit _____.

as follows: (see Page 20 for further disclosure)

Dwelling 3135-B	- 2.6%	Dwelling 3135-J	- 2.6%	Dwelling 3145-E	- 2.6%
Dwelling 3135-C	- 2.6%	Dwelling 3135-K	- 2.6%	Dwelling 3145-F	- 2.6%
Dwelling 3135-D	- 2.6%	Dwelling 3145	- 2.6%	Dwelling 3145-G	- 2.6%
Dwelling 3135-E	- 2.6%	Dwelling 3145-A	- 2.6%	Dwelling 3145-H	- 2.6%
Dwelling 3135-F	- 2.6%	Dwelling 3145-B	- 2.6%	Dwelling 3145-J	- 2.6%
Dwelling 3135-G	- 2.6%	Dwelling 3145-C	- 2.6%	Dwelling 3145-K	- 2.6%
Dwelling 3135-H	- 2.6%	Dwelling 3145-D	- 2.6%	Dwelling 3145-L	- 2.6%
				Dwelling 3097	- 45.4%
				(Church Dwelling)	

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated June 2, 1993 and issued by T.I. of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien 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. The Buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgages	Purchaser's interest may be terminated by mortgagee but Purchaser shall be entitled to return of his deposit.

F. 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:

Purchaser understands that the Project was constructed approximately in 1961. Seller is selling the Project together with the appliances and other personal property in "as is" condition. The Seller is giving no warranties to Purchaser with respect to the construction, materials or workmanship of the Project.

2. Appliances:

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

G. Status of Construction and Estimated Completion Date:

The Project was constructed approximately in 1961. The new waterline installation that was recently installed and the new pavement improvements were completed in June, 1993.

H. Project Phases:

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

Summary of Developer's plans or right for future development (such as additions, mergers or phasing):

The Fee Owner has reserved the right to amend the Declaration and the Condominium Map to (i) subdivide from the Land any portion of the Church Dwelling (Dwelling 3097) and any portion of the Dwelling 3145-L Exclusive Use Area, (ii) to remove from the Project the Church Dwelling or Dwelling 3145-L, with or without subdividing the Land; and (iii) subdivide the Church Dwelling and Dwelling 3145-L into any number of separate Dwellings.

The procedure for such removal and subdivision is set forth in Paragraphs 19.2, 19.3 and 19.4 of the Declaration (see Exhibit "A").

IV. CONDOMINIUM MANAGEMENT

A. 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 condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium 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 condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer
- the developer or the Developer's affiliate
- self-managed by the Association of Apartment Owners
- other _____

B. 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.

Exhibit H contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

See attached Disclosure Abstract (Exhibit H)

C. 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:

- None Electricity Gas Water
- Sewer Television Cable Other Insurance

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X] Notice to Owner Occupants

[x] Specimen Sales Contract

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

[x] Escrow Agreement dated December 19, 1991

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

[] Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

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:

A) The Developer delivers to the buyer a copy of:

- 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) 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:

A) There is a material change in the condominium which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) 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.

2. Rights Under the Sale Contract: Before signing the _____ as contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the Developer which have been given an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Law (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

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 Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107) are available at the Cashier's Office, Department of Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541 Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2571 filed with the Real Estate Commission on December 24, 1991.

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

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

C. Additional Information Not Covered Above

Pursuant to §16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Kenneth R. Sikes (RB-14130), president of the Developer, Peoples Realty Network, is a current and active Hawaii-licensed real estate broker, and principal broker of KEOJINA, Ltd. dba Hawaii Real Estate Professionals (RB-16125), the real estate broker for the Project.

CHURCH. Fee Owner may intend to construct, erect, maintain and operate a church facility on the Land either as part of the Project, or subsequent to subdivision and removal from the Project, which facility may include a gymnasium that may be converted into a sanctuary or assembly room for religious services and also offices, restrooms, parking facility and related structures. Said church facility may also include residential dwellings for the use of church staff and members. The church operations disclosed hereinabove may result in nuisance or hazards to persons, including tenants and guests, as a result of activities related to church operations, such as revivals, services, athletic activities and meetings.

COMMON INTEREST

The Fee Owner has reserved the right to subdivide all or a portion of the Reserved Church Area from the Land and remove such land from the Project, the common interest of each Dwelling in the Project shall then automatically be changed as follows: (a) the Church Dwelling's common interest shall have as a numerator the area (if any) remaining of the Exclusive Use Area appurtenant to the Church Dwelling subject to the Declaration and have as a denominator the area of the Land remaining subject to the Declaration; and (b) the common interest of the other Dwellings shall be determined by subtracting the Church Dwelling's common interest from 100% and dividing the remainder by the number of Dwellings in the Project other than the Church Dwelling. By way of illustration, if one acre were removed from the Reserved Church Area (which was originally approximately 3.086 acres in area), then the percentage of undivided interest that would be allocated to the Church Area would be calculated so that the numerator would be the remaining area of the Exclusive Use Area appurtenant to the Church Dwelling (2.086 acres) and having as its denominator the remaining area of the Land (5.842 acres). Thus, the undivided interest for the Church Area would then be approximately 35.74%. The remaining 64.26% would then be divided among the 21 Dwellings, with each Dwelling to have an undivided interest of 3.06%.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

PEOPLES REALTY NETWORK INCORPORATED

Name of Developer

By Kenneth R. Sikes

Duly Authorized Signatory

June 11, 1993

Date

KENNETH R SIKES - PRESIDENT

print name & title of person signing above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS (for purposes hereof "Developer" means either the Developer or the Fee Owner, each of which have certain reserved rights)

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

1. Paragraph 20 of the Declaration contains the following reserved rights:

(a) Notwithstanding paragraphs 20.1 and 20.2 of the Declaration, however, if (1) at any time prior to the first filing in the Bureau of Conveyances of the State of Hawaii of a conveyance of a Dwelling, the Declarant may amend the Declaration (including all exhibits) and the By-Laws in any manner, without the consent of any Dwelling purchaser; and (2) at any time thereafter, the Declarant may amend the Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, apartment numbers, and the dimensions of an improvement or change in a Dwelling as built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the apartments as built or any change in any apartment number.

(b) Notwithstanding paragraphs 20.1 and 20.2 of the Declaration, the Owner of any Dwelling shall have the right without the consent or joinder of any other person to amend the Declaration and the Condominium Map to reflect the changes made to a Dwelling in accordance with Paragraph 19.1 of the Declaration.

(c) Notwithstanding paragraphs 20.1 and 20.2 of the Declaration, the Fee Owner shall have the right without the consent or joinder of any other person to amend the Declaration and the Condominium Map to reflect the changes made to the Land in accordance with Paragraph 19.2 of the Declaration.

(d) Notwithstanding paragraphs 20.1 and 20.2 of the Declaration, Declarant shall have the right without the consent or joinder of any other person to amend the Declaration and the Condominium Map to reflect the changes made to the Land in accordance with Paragraph 19.3 of the Declaration.

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS.

1. Paragraph 19.1 of the Declaration states:

"Each Dwelling Owner, with the consent of any holder of any mortgage affecting the Owner's Dwelling, shall have the right at his sole option at any time and from time to time without the consent of anyone other than the holders of all liens affecting his Dwelling, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Dwelling or portions thereof or to make improvements upon the Exclusive Use Area appurtenant to the Dwelling (collectively, the foregoing are referred to "changes") subject to the following conditions:

(i) All building plans for any such changes shall be prepared by a licensed architect or professional engineer and conform with County building and zoning laws and other applicable County ordinances.

(ii) Any change to a Dwelling must be made within the Exclusive Use Area to which the Dwelling is appurtenant and shall conform with the terms and conditions set forth in paragraph Number 1 of the Existing Use Permit attached hereto as Exhibit C.

(iii) No change to a Dwelling may be made if the effect of such change would be to exceed the Dwelling's proportionate share of the allowable floor area or Lot area coverage for the Land, as defined by the zoning and building codes applicable to the Land in effect when the change is to be made. The proportionate share for each Dwelling shall be its common interest. In no event, however, may the net living area of any single family dwelling exceed 2,100 square feet.

(iv) All such changes shall be at the expense of the Dwelling Owner making the change and shall be expeditiously made and in a manner that will not unreasonably interfere with the other Dwelling Owner's use of his Exclusive Use Area.

(v) During the entire course of such construction, the Dwelling Owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and, upon the request of the Association, evidence of such insurance shall be deposited with the Association or its Managing Agent, if any;

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

(vii) The Owner of any changed Dwelling shall have the right and duty without the consent or joinder of any other person to amend and shall be required to amend this Declaration and the

Condominium Map to accomplish any such changes. If the consent or joinder of another Owner is required by the Act, then each Owner hereby consents in advance to such change. Promptly upon completion of such changes, the Owner of the changed Dwelling shall duly record any amendment to this Declaration and Condominium Map with the Recording Office, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing Dwelling owners and all future Dwelling Owners and their respective mortgagees, by accepting an interest in a Dwelling, shall be deemed to have given each such other Owner a Power of Attorney to execute an amendment to the Declaration and Condominium Map solely for the purpose of describing the changes to the Dwelling of such other Owner in the Declaration or Condominium Map so that each Owner shall hereafter have a Power of Attorney from all the other owners to execute such amendment to the Declaration and the Condominium Map. This Power of Attorney shall be deemed coupled with each Owner's interest in his Dwelling (including his common interest) and shall be irrevocable.

(viii) Each and every conveyance, lease and mortgage or other lien made or created on any Dwelling and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of an Exclusive Use Area shall reserve to all Owners the rights set forth in this paragraph."

2. Paragraph 19.2 of the Declaration further states:

"Right to Subdivide Land and Remove Land From the Project.

(a) Notwithstanding anything to the contrary set forth in this Declaration, the Fee Owner shall have the right without the joinder of any Owner, the Association, the Board, any lien holder or any other person at any time and from time to time to subdivide from the Land any portion of the Reserved Church Area which remains of the Exclusive Use Area appurtenant to the Church Dwelling (the "Reserved Church Area") and any portion of the Exclusive Use Area appurtenant to Dwelling 3145-L (the "Dwelling 3145-L Exclusive Use Area"), and (b) to remove from the Project the Church Dwelling or Dwelling 3145-L, with or without subdividing the Land.

(b) In connection therewith, the Fee Owner without the joinder of any Owner, the Association, the Board, any lien holder, or any other person may execute and deliver (on behalf of all of the Dwelling Owners and their respective mortgagees, if necessary) all applications, petitions, amendments to this Declaration, deeds and other instruments which the Fee Owner deems necessary or desirable (including without limitation, documents to be filed or recorded with the Department of Land Utilization of the City and County of Honolulu, the Recording Office, other governmental agencies or private parties). The Fee Owner shall have the right also without the consent or joinder of any other person to take such actions in connection therewith if

the Fee Owner deems such necessary or desirable. The form and content of such instruments or the taking of such actions shall be in the sole and absolute discretion of the Fee Owner, and his delivery of such instrument or the taking of such action shall be sufficient determination.

(c) In connection therewith, the Fee Owner shall have the right, without being required to obtain the consent or joinder of any Dwelling Owner, any lien holder, the Association, the Board or any other person who may have any interest in the Property or the Project (i) to amend this Declaration and the Condominium Map to describe and depict the Land as modified by removal of all or portions of the Reserved Church Area or the Dwelling 3145-L Exclusive Use Area, to create additional common and limited common elements and easements as appurtenances to the apartments in the Project, to determine and describe the common interest and percentage of expenses effective upon such subdivision and to set forth such other matters necessary or desirable to effect any such alteration in the Project; (ii) to amend any prior instrument of conveyance of an apartment and undivided interest so as to conform the same to the Declaration, as so amended; and (iii) to cause a conveyance by deed or other instrument from the Dwelling Owners to the Fee Owner (or to its designee), which instrument shall convey marketable title of the subdivided portions of the Reserved Church Area and the Dwelling 3145-L Exclusive Use Area, together with easements for utility and roadway purposes through the Land or portions thereof which Fee Owner deems reasonable or necessary.

(d) The Fee Owner shall have the right to assign, mortgage or otherwise transfer or encumber its rights granted under this Paragraph 19.2. Any income or other financial benefit from the rights under this Paragraph 19.2 shall accrue solely to the benefit of the Fee Owner or its designee.

(e) To the extent that joinder of any Dwelling Owner, the Association or lien holder or other person who may have any interest in the Property or the Project may be required in order to validate any amendment of this Declaration or the Condominium Map or any such instrument of conveyance for the limited purposes set forth in Paragraph 19.2, such Dwelling Owner, lien holder, the Association, the Board or other person shall execute such joinder or instrument of conveyance, and if such person fails to do so, such person shall be liable for any loss or damage incurred or suffered by the Fee Owner on account thereof, and the execution of the joinder or instrument of conveyance may be accomplished by power-of-attorney in favor of the Fee Owner from each of the Owners, lien holders, the Association or such other parties. The acquiring or acceptance of ownership in a Dwelling or of a lien covering a Dwelling or of any other interest in the Project or Property subject to this Declaration shall be deemed a grant of such power of attorney, and the grant being coupled with an interest, shall be irrevocable.

(f) By accepting or acquiring any right, title or interest in the Project or the Property subject to this Declaration, each Dwelling Owner, lien holder, the Association, the Board or other person having any interest in the Project or Property agrees that he shall, if required by law or by the Fee Owner, join in, consent to, or execute all instruments or documents necessary or desirable to effect the subdivision of any of the Reserved Church Area and Dwelling 3145-L Exclusive Use Area Land, removal of such land or the Church Dwelling or Dwelling 3145-L from the Project; amendment of the Declaration and Condominium Map as provided for in this Paragraph 19.2 and conveyance of such land to the Fee Owner or its designee.

(g) This paragraph 19.2 may not be amended without the consent of the Owner of the Church Dwelling."

3. Paragraph 19.3 of the Declaration further states:

"Subdivision of Church Dwelling and Dwelling 3145-L. The Fee Owner may from time to time subdivide the Church Dwelling and Dwelling 3145-L (each an "Original Dwelling") into any number of separate Dwellings (the "Resulting Dwellings") and if desired, may create walls or partitions between the Resulting Apartments, and may allocate any limited common elements appurtenant to the Original Apartment to the Resulting Apartments, upon the following terms and conditions:

(a) the structural integrity of the common elements and all other Dwellings in the Project shall not be thereby adversely affected;

(b) the Fee Owner shall execute and record in the Recording Office (without the necessity of the consent or joinder of the Association, the Board, any other Dwelling Owner or any other person), and promptly deliver to the Board of Directors a true and correct filed copy of, an amendment to this Declaration which contains the following:

(i) A description of the layout, location, dimensions and dwelling number of each of the Resulting Dwellings,

(ii) A description of the limited common elements appurtenant to the Resulting Dwellings,

(iii) The percentage of the common interest appurtenant to, and limited common interests assigned to, each Resulting Dwelling (the sum of which common interests and limited common interests, as applicable, shall equal the common interest and the limited common interest, respectively, appurtenant to the Original Dwelling, as amended), and

(iv) an amendment to the Condominium Map which accurately depicts the layout, location, apartment numbers, and dimensions of the Resulting Dwellings;

(c) upon the completion of any construction relating to the subdivision of the Original Dwelling, the Fee Owner shall record in the Recording Office, and promptly deliver to the Board of Directors a true and correct filed copy of, a statement of a registered architect or engineer, certifying that the amendment described in clause (b)(iv) above accurately depicts the Resulting Dwellings, as built;

(d) prior to commencing any construction relating to the subdivision of the Original Dwelling, the Fee Owner shall deliver to the Board a certificate, in form and content reasonably satisfactory to the Board, signed by a duly registered Hawaii architect or engineer, that the proposed work will not adversely affect the structural integrity of the common elements or any other Dwellings in the Project; and

(e) the Resulting Dwellings shall not be assigned apartment numbers which are the same as the apartment number of any other Dwelling in the Project.

Except as otherwise provided herein, such subdivision of the Original Dwelling shall not require the consent or joinder of the Board, the Association, any other Dwelling Owner or any other person.

(f) This paragraph 19.3 may not be amended without the consent of the Owner of the Church Dwelling and the Owner of Dwelling 3145-L.

4. Paragraph 19.4 of the Declaration further states:

"Changes in Boundaries of Exclusive Use Areas. The Owners of Dwellings to which are appurtenant contiguous Exclusive Use Areas may from time to time change the boundaries between such Exclusive Use Areas and may re-allocate portions of such Exclusive Use Areas between or among the Dwellings upon the following terms and conditions:

(a) The Dwelling Owners who are changing the boundaries and the Exclusive Use Areas shall execute and record in the Recording Office (without the necessity of the consent or joinder of the Fee Owner, the Declarant, the Association, the Board, any other Dwelling Owner or any other person), and promptly deliver to the Board of Directors a true and correct filed copy of an amendment to this Declaration and the Condominium Map which contains the following:

(i) a description of the resulting Exclusive Use Area appurtenant to each of the Dwellings; and

(ii) a drawing which shall amend the Condominium Map to accurately depict the resulting Exclusive Use Areas."

EXHIBIT "C"

COMMON ELEMENTS. Paragraph 4 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. The "Common Element (Private Roadway)", as shown on the Condominium Map;
3. The water lines and sewer line(s) presently located on the Land together with the rights to enter upon the Land for repair, replacement and maintenance; and
4. All other portions of the Land and improvements not specifically heretofore designated as Dwellings, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property Regime.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 5 of the Declaration designates:

1. Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of each Dwelling, and each Dwelling shall have appurtenant thereto exclusive easements for the use of such limited common elements. The exclusivity of the limited common elements shall be subject however to the easements set forth in Paragraphs 7.5 and 7.6 of the Declaration.

2. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne immediately by the Dwelling to which it is appurtenant.

3. The portion of the Land on which each Dwelling is located, consisting of the land beneath and adjacent thereto, as shown and delineated by the areas bounded by dotted lines shown on the Condominium Map, together with the airspace above such site, and any retaining or other wall or fences or walkways located thereon is a limited common element for the exclusive use of the Dwelling located thereon. Such limited common element may be referred to as an "Exclusive Use Area".

4. The boundaries of Exclusive Use Areas which are contiguous to one another may be changed from time to time by an amendment to the Declaration and to the Condominium Map in accordance with Paragraph 19.4 of the Declaration.

Note: Exclusive Use Areas referred to herein are not legally subdivided lots.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Grant dated April 5, 1974, filed as Land Court Document No. 681995, in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company, granting an easement to build, construct, rebuild overhead power lines, etc. over Lot A-5.
3. Declaration of Covenants, Restrictions, Easements, Charges and Liens dated December 13, 1991, filed as Land Court Document No. 1873850.
4. Mortgage dated April 29, 1991, filed as Land Court Document No. 1848466, in favor of Central Pacific Bank.
5. Declaration of Condominium Property Regime dated December 12, 1991, filed in said Office as Document No. 1873851, as amended (Project covered by Condominium Map No. 876). By-Laws dated December 13, 1991, filed as Document No. 1873852, as amended.

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT

The Deposit Receipt and Sales Contract for Valley View Terrace contains the following pertinent provisions:

1. Identity of the Dwelling sold;
2. Identity of the escrow agent who will handle the closing of the sale and purchase: T.I. of Hawaii, Inc.;
3. The Seller's name: Peoples Realty Network, Incorporated, a Hawaii corporation;
4. Amount of total Purchase Price;
5. Amount of Initial Deposit (Payment A);
6. Balance to be paid at closing (Payment B);
7. The name of the owners to whom title is to be conveyed, and the type of tenancy desired by Buyer(s);
8. The name of the real estate broker representing Seller: KEBOJINA, LTD., a Hawaii corporation; the name of the real estate broker representing Buyer(s);
9. Addendum A, containing the following provisions:
 - A. The property is being sold in an "as is" condition without expressed or implied warranties or guarantees regarding condition, fitness or structural soundness of the foundation, improvements, roofs, walls, fences, termite damage, asbestos, hazardous waste or substance, soil, subdivisions, uses, encroachments of any kind, if any, easements recorded or unrecorded, if any, or future claims to title to the property. Seller shall not be required to repair defects subsequently discovered.
 - B. Seller has no obligation to correct encroachments;
 - C. Seller is not obligated to repair or correct any defect required to be repaired or corrected by Buyer's lender.
10. Exhibit "B" contains provisions relating to the payment of the Purchase Price, escrow funds and loan qualification, date of occupancy, time of possession, pre-closing, risk of loss, minor changes in documents, need for Final Public Report, termination of rights, Buyer's consent to changes, Seller's right to cancel and various requirements of Buyer, if Buyer is purchasing as Owner-Occupant.

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

The Escrow Agreement between PEOPLES REALTY NETWORK INCORPORATED, a Hawaii corporation ("Seller") and T.I. OF HAWAII, INC. ("Escrow") dated December 19, 1991, contains the following pertinent provisions:

1. All contracts must be in writing and all funds received by Seller must be immediately deposited with Escrow.

2. Escrow shall hold all monies collected under the sales contract from Purchaser(s) or others, in an escrow trust account.

3. Upon written receipt from Seller, Escrow will give written notice to Purchaser(s) of any required payments to be made to Escrow, any "late charges" or similar penalties, in accordance with the sales contract.

4. Escrow will disburse finance, legal fees, other project expenses, interest on Seller's loan, and sales commissions, upon written request from Seller and approval by Seller's mortgagee.

5. However, no disbursements shall be made from the escrow fund until the issuance of a Final Public Report from the Real Estate Commission of the State of Hawaii, and Seller's attorney shall have furnished a written opinion to Escrow that the sales contract is in full force and effect and all requirements of Sections 514A-63 through 514A-66, Hawaii Revised Statutes, have been met.

6. Purchaser(s) shall be entitled to a refund of all payments, less fees described in the agreement, and without interest if:

A. Escrow receives written request from Seller;

B. If Purchaser(s) funds were received prior to the issuance of a Final Public Report and there is a change in building plans requiring approval from the City and County of Honolulu, unless Purchaser(s) approve the changes in writing;

C. Escrow will not be liable if there are insufficient amounts in the escrow fund to cover refund requests;

D. Escrow may deduct \$25 for cancellation fee, plus the cost of Credit Reports, long distance telephone calls on Purchaser(s) behalf. Escrow will give Purchaser(s) written notice of charges (except for cancellation fee) within a reasonable time after incurred;

7. If Purchaser(s) default and Escrow is given written notice by Seller, Escrow will give Purchaser(s) written notice by

certified mail and if there is no dispute or conflict, shall treat the escrowed fund as belonging to Seller. Escrow shall be entitled to a cancellation fee of \$250.

8. All interest earned on deposits shall be the property of the Seller only.

9. Escrow shall close the transaction after all requirements have been met, and record and/or file the necessary documents within five (5) business days, provided that the documents are not defective. Once corrected, Escrow shall file or record the documents within five (5) business days and if delinquent for at least 2 days, Escrow shall pay interest to Seller on interim or other financing, if any.

10. For its services, Escrow shall be entitled to \$900 as and for escrow fees.

11. Escrow shall not be liable for acting according to the escrow agreement and Seller agrees to indemnify and save and hold Escrow harmless for claims arising out of its performance under the escrow agreement.

12. Escrow shall not be responsible for the validity or sufficiency of the sales contract, or for divulging to Seller or Purchaser(s) any facts coming to escrow's attention regarding the project or the transaction, so long as it does not prevent escrow's compliance with the escrow agreement or Seller's written instructions.

13. If there is a dispute or difference between Seller and Purchaser(s), Escrow has no obligation to determine who is right, or to take any legal action and may wait until the matter is resolved in court or otherwise, or may bring an action in interpleader, at its sole option. Escrow has a right to reimbursement of court costs or legal fees for doing so.

14. The escrow agreement may be terminated upon 15 days notice by Seller or Escrow.

EXHIBIT "H"

DISCLOSURE ABSTRACT

1. (a) PROJECT: VALLEY VIEW TERRACE
3097, 3135B-H, J, K, 3145,
3145A-H, J, K, L Kalihi Street
Honolulu, Hawaii
- (b) DEVELOPER: PEOPLES REALTY NETWORK, INCORPORATED
98-029 Hekaha Street, #19
Aiea, Hawaii 96701
Telephone: (808) 488-0472
- (c) MANAGING AGENT: Self-managed by the Association
of Apartment Owners
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
3. DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS:

The Developer is not making any warranty on the materials and workmanship of the Project.

4. USE OF UNITS. The VALLEY VIEW TERRACE Condominium Project will consist of twenty-two (22) units. Excepting the Church Dwelling and Dwelling 3145-L, each Dwelling shall be used for residential purposes by the respective owners thereof, their tenants, families and domestic servants and social guests, and for no other purpose.

Dwelling 3145-L shall be occupied and used initially for storage purposes. However, subject to Paragraph 19.1 of the Declaration, the Owner of such Dwelling may occupy and use the Dwelling for residential purposes or any other purpose which is permitted under the Land Use Ordinance of the City and County of Honolulu ("LUO"), as it may be amended from time to time.

The Church Dwelling (Dwelling 3097) shall be occupied and used for residential purposes and for any other purpose which may be permitted under the LUO, including without limitation (i) its present use which may constitute a prior non-conforming use; (ii) its use for church or other meeting facility; (iii) its use as a residential subdivision; or (iv) any combination of the foregoing.

ESTIMATED OPERATING EXPENSES

For Period May 1, 1993 to April 30, 1994
As Prepared by Developer

Estimated Annual Expenses

Ground and building Maintenance and	
*Water/Sewer and Electricity:	\$ -0-
**Fire/Liability Insurance and	
Casualty/Liability Insurance:	\$ 4,000
Reserves (incl. maintenance of	
Project Road)	\$ 5,000
Management Fee:	\$ 1,500
TOTAL ANNUAL EXPENSES	\$10,500

Estimated Monthly Expenses

(\$10,500 ÷ 12 months): \$ 875

Estimated Monthly Maintenance Fee for:

Dwelling 3135-B to Dwelling 3135-H, Dwelling 3135-J, Dwelling 3135-K, Dwelling 3145, Dwelling 3145-A to Dwelling 3145-H, Dwelling 3145-J to Dwelling 3145-L:	\$ 41.60
Dwelling 3097 (Church Dwelling)***:	\$ -0-

- Note:
- * All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.
 - ** Currently the fire insurance is very inexpensive compared to the open market. In the event the rates increase substantially, the Association may elect to have the individual home owners obtain their own insurance. In such case, the insurance premium will be the responsibility of the respective owner and not a common expense.
 - *** (Dwelling 3097 does not share any expenses with the Project) because it does not utilize the access roadway which is the principal common element of the Project.

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

PEOPLES REALTY NETWORK
INCORPORATED

By Kenneth R. [Signature]
Its PR652067

Developer

December 19, 1991

EXHIBIT "I"

Richard B.W. Ing
Attorney at Law
1188 Bishop Street
Suite 702
Honolulu, Hawaii 96813

Dear Mr. Ing:

Subject: Structural building inspection - Valley View Terrace
Owner: Grace Bible Church
Site Address: 3097; 3097-A; 3135 B-H. J, K; 3145;
3145 A-H, J, K Kalihi Street
Honolulu, Hawaii 96819
Tax Map Key: (1) 1-4-14:7
Area: 6.842 acres
Developer: Peoples Realty Network Incorporated

In response to your request, structural building inspections were made November 2, 1991, December 1, 1991 and December 19, 1991 to ascertain the physical characteristics of the buildings on the subject property.

My description and comments are as follows:

<u>Description</u>	<u>Comments</u>
1. Units:	20 Residential Buildings (3-bedroom)
2. Type of Construction:	Wood (single family)
3. Height:	1 Story
4. Lot Area:	6.842 Acres
5. Zoning:	R-7.5 Residential
6. Roadway:	Private (29' wide with curbing)
7. Utilities:	Overhead Electric Overhead telephone Water Meter (1 master) Sewers (individual)
8. Contractor:	Unknown
9. Construction Date:	1961 (30 years old)
10. Carports:	Single (17) and Double (3)

Mr. R.B.W. Ing
December 19, 1991
Page 2.

General Comments:

There are 20 residential-type single-story buildings located on a private, dead-end asphaltic roadway approximately 700' in length. The houses are located on both sides of the roadway (11 mauka, 9 makai). The roadway begins at Kalihi Street at a perpendicular, level intersection. But, as the road continues into the pie-shaped lot, it slopes upward to 10-12% maximum (estimated) just before the dead-end.

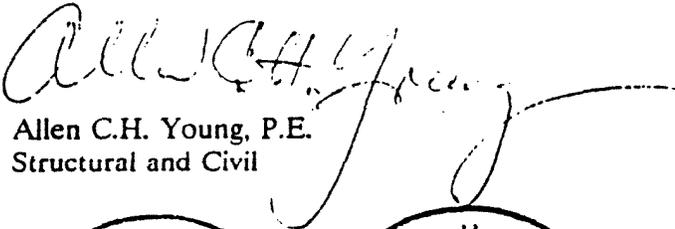
The houses have asphaltic tile roofs and are wooden single-wall construction on post and beam foundations. Although the buildings are 30 years old, their structural condition must be termed good, because of the maintenance and general upkeep by the previous owner. Minor wood rot in the bathrooms was observed in a few houses but some repairs are being performed. A few buildings could use new exterior paint. Mold was also noticed on some exterior walls but it is being washed off. As a whole, the building interiors are also in good condition although they have been rented on a month to month basis.

The carports were added to the homes. Concrete rubble masonry (CRM) walls were built between the houses to level the lots. They are intact and in good structural condition. The previous owner indicated that termite treatment was performed 5 years ago. No sign of infestation is visible.

Summary:

The 20 houses are structurally sound and have been maintained well. Superficial repair work to a few houses and painting would restore the houses from a-very good to an excellent condition.

Sincerely,



Allen C.H. Young, P.E.
Structural and Civil

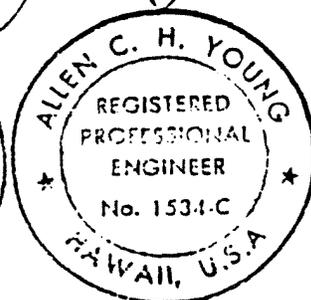
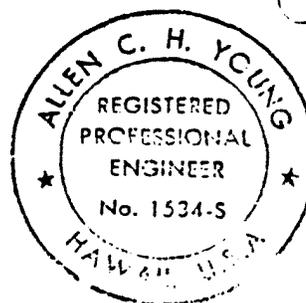


EXHIBIT "I-A"

TO WHOM IT MAY CONCERN:

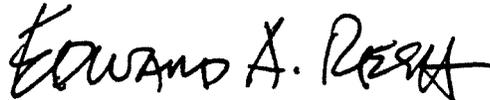
FROM: EDWARD A. RESH

DATE: July 19, 1993

I have inspected Dwelling 3097 (Church Dwelling) and Dwelling 3145-L of the Valley View Terrace Condominium Project, and my observations during this inspection are:

1. The buildings appear to be in good structural condition.
2. The electrical and plumbing systems are in good working order.

Very truly yours,



EDWARD A. RESH
Architect
Registration No. 3239

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET
HONOLULU, HAWAII 96813 • (808) 523-4432

FRANK F. FASI
MAYOR

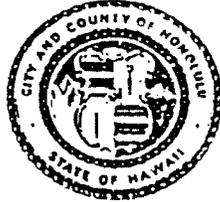


EXHIBIT "J"

DONALD A. CLEGG
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

91/EU-8 (BN)

January 21, 1992

Mr. Ken Sikes
98-029 Hekaha Street, #44
Aiea, Hawaii 96701

Dear Mr. Sikes:

Subject: Section 3.130 Existing Use (LUO)
Project Name: Valley View Terrace
(22 Existing Dwelling Units)
Location: 3097, 3135 (B-J), 3145 (A-K) Kalihi Street
Tax Map Key: 1-4-14: 7
Owner: Grace Bible Church

The application for the development is approved as an Existing Use under Section 3.130 of the Land Use Ordinance, in accordance with the application plans dated December 9, 1991, subject to the following conditions:

1. Approval is only for alterations, additions, repairs and reconstruction of the existing dwelling units and accessory uses, exclusive of the kimchee processing facility. All proposed improvements shall be subject to compliance with the Land Use Ordinance such as yards, heights, parking and lot coverage, Subdivision Rules and Regulations, Building Code, and other regulations. Reconstruction shall be compatible in design with the existing and surrounding structures and in the same general location and size. Final plans shall be approved by the Department of Land Utilization prior to issuance of building permits;
2. The existing kimchee processing plant is considered a non-conforming use and subject to the non-conforming use provisions of the LUO.
3. The number of dwelling units (22) on the property shall not be increased; and

EX91-98

August 6, 1991

Mr. Richard B. W. Ing
Attorney at Law
1188 Bishop Street
Century Square, Suite 702
Honolulu, Hawaii 96813

Dear Mr. Ing:

Subject: Condominium Conversion Project
3097, 3097 A; 3135 B-H, J, K; 3145,
3145 A-H, J, K Kalihi Street
Tax Map Key: 1-4-14: 07

This is in response to your letter dated June 17, 1991 requesting verification that the 22 single-family dwellings located at 3097, 3097 A; 3135 B-H, J, K; 3145, 3145 A-H, J, K Kalihi Street met all code requirements at the time of construction.

Investigation revealed that the 22 dwellings with 22 off-street parking spaces met the code requirements when they were constructed.

However, inspection revealed the following deficiencies:

3145 Kalihi Street

The mauka storage shed is approximately 4 feet from the property line.

3145 B Kalihi Street

The bottom of the 4x4 patio post is extensively damaged and is not properly secured to the foundation block.

Mr. Ken Sikes

Page 2

4. Deficiencies as noted by the Building Department shall be corrected on all structures prior to issuance of building permits for alterations, additions and reconstruction of any dwelling unit. Enclosed is a copy of Building Department's letter dated August 6, 1991 with the list of deficiencies. Written approval from the Building Department shall be submitted to our department as evidence of corrective action.
5. This Existing Use approval does not certify that the existing structures and improvements comply with the requirements of the zoning code or other regulations. They are subject to separate review and approval.

Regarding the non-conforming kimchee factory use, we understand that the operation will soon be discontinued. Please inform us upon elimination of the facility.

Should you have any questions, please contact Bruce Nagao of our staff at 527-5354.

Very truly yours,



DONALD A. CLEGG
Director of Land Utilization

DAC:gc
sikes.gkc

cc: Building Department

Mr. Richard B. W. Ing
August 6, 1991
Page 2

3145 C Kalihi Street

1. A portion of the bathroom floor adjacent to the bath tub is rot damaged.
2. The bottom of the Ewa partition of the dining room is rot damaged.

3145 G Kalihi Street

1. The second rafter from the Ewa end at the mauka side is extensively rot damaged.
2. The first rafter from the mauka end at the Ewa side is extensively rot damaged.

3135 H Kalihi Street

Two jalousies are missing from the mauka window of the mauka bathroom.

3135 E Kalihi Street

There is a 3/4-inch-wide-by-18-inch-long crack in the kitchen floor.

3135 D Kalihi Street

The second and third rafters from the Ewa end at the mauka side are extensively rot damaged.

3135 C Kalihi Street

1. The tenth rafter from the makai end at the Diamond Head side is rot damaged.
2. The first and fourth posts from the Diamond Head end at the mauka side are extensively rot damaged.

No variances or special permits were granted to allow deviations from any applicable codes.

Mr. Richard B. W. Ing
August 6, 1991
Page 3

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at telephone number 527-6341.

Very truly yours,


HERBERT K. MURAOKA
Director and Building
Superintendent

RY:vi