

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Donald J. Cann and Martha E. Cann
Address 1005 G Kailua Road, Kailua, Hawaii 96734

Project Name(*): ALOHA KE AKUA (formerly known as The La' I Kawainui)
Address: 1005-G Kailua Road, Kailua, Hawaii 96734

Registration No. 2677 (Conversion) Effective date: April 16, 2003
Expiration date: May 16, 2004

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 government 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:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
 - FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
 - SUPPLEMENTARY:** (pink) This report updates information contained in the:
 - Preliminary Public Report dated: _____
 - Final Public Report dated: August 17, 1992
 - Supplementary Public Report dated: _____
- And
- Supersedes all prior public reports.
 - Must be read together with Final Public report dated August 17, 1992
 - This report reactivates the Final public report(s) which expired on September 17, 1993

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203

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Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report

Not Required - Disclosures covered in Final Public 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 developer.

Changes made are as follows:

1. Unit A (a storage shed) was added to the Project. The Project now consists of three (3) units.
2. A revised Exhibit "D" is attached hereto to reflect the Limited Common Elements, which have changed.
3. Page 14 is attached hereto to reflect the undivided interest appurtenant to each Unit.
4. The Real Estate Broker is Dower Realty, Inc. and the Escrow Company is Title Guaranty Escrow Services, Inc. (a new Exhibit "F" which is a summary of the material provisions of the Escrow Agreement is attached hereto).
5. Page 20 is attached hereto re disclosure about Unit A.
6. The land on which the Project is located now has obtained access 15 feet wide onto Kailua Road, which was obtained for the benefit of Unit A.

NOTE: This abbreviated Supplementary Public Report contains only pages reflecting Information revised since issuance of the Final Public Report on August 17, 1992.

SPECIAL NOTICE: The Developer's Final Public Report expired on September 17, 1993. Pursuant to Section 16-107-19, Hawaii Administrative Rules, sales contracts executed during the period that the Public Report was not in effect may be rescinded at the option of the purchaser and all monies refunded to the purchaser. The purchaser's right to rescind under this rule shall be void thirty (30) calendar days after receipt of written notification of these rights from the Developer or his real estate agent.

This Supplementary Public Report is for use only with respect to Unit A. Both this Report and the one issued on August 17, 1992, must be read together.

The public report format currently in use by the Real Estate Commission ("Commission") is different from that upon which the Final Public Report or this project was issued. Although this Supplementary report supersedes the Final report, if a prospective purchaser desires to compare the Final report to the Supplementary, information contained on a specific page of the Supplementary report will not coincide to the same page number in the Final report. Therefore, it is suggested that the table of contents be referred to when making comparisons between the reports. Although the Aloha Ke Akua condominium project consists of three (3) units, this Supplementary report is to be used in connection with the sale of only Unit A. Unit B and Unit C are not presently for sale by the owner.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Donald J. and Martha E. CANN Phone: c/o (808) 235-3971
Name* (Business)
1005-G Kailua Road
Business Address
Kailua, HI 96734

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership(LLP); or manager and members of a Limited Liability Company(LLC)(attach separate sheet if necessary):

N/A

Real Estate Broker*: Dower Realty, Inc. Phone: (808) 235-3971
Name (Business)
P.O. Box 1361
Business Address
Kaneohe, HI 96744

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, HI 96813

General Contractor*: N/A Phone: _____
Name (Business)

Business Address

Condominium Managing Agent*: Self-Managed by the Association Phone: _____
Name of Apartment Owners (Business)

Business Address

Attorney for Developer: Jeffrey S. Grad, Esq. Phone: (808) 521-4757
Name (Business)
841 Bishop St., Ste. 1800
Business Address
Honolulu, HI 96813

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**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. 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:

<input type="checkbox"/> Proposed			
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No. <u>92-094158</u>	
		Book _____	Page _____
<input type="checkbox"/> Filed -	Land Court:	Document No. _____	

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

Amendment No. 1 to Declaration dated July 26, 1993, recorded as Document No. 93-126336;
Amendment to Declaration dated March 23, 1999, recorded as Court Document No. 99-055096

- 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:

<input type="checkbox"/> Proposed			
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances	Condo Map No. <u>1680</u>	
<input type="checkbox"/> Filed -	Land Court	Condo Map No. _____	

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment to Condominium Map dated August 24, 2001, and filed as Land Court Document No. 2734292

- 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:

<input type="checkbox"/> Proposed			
<input checked="" type="checkbox"/> Recorded -	Bureau of Conveyances:	Document No. <u>92--094159</u>	
		Book _____	Page _____
<input type="checkbox"/> Filed -	Land Court:	Document No. _____	

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

Fee Owner: Donald J. Cann and Martha E. Cann
 Name*
1005-G Kailua Road
 Business Address
Kailua, HI 96731

Lessor: N/A
 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: 1 (Unit A) Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Uses Permitted by Zoning:

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

5. Special Use Restrictions:

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

Pets: Domestic Pets are allowed

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

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

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit A</u>	<u>1</u>	<u>---</u>	<u>-0-</u>	<u>96</u>	<u>storage shed</u>
<u>Unit B</u>	<u>1</u>	<u>3/2-1/2</u>	<u>2,493</u>	<u>60</u>	<u>deck</u>
<u>Unit C</u>	<u>1</u>	<u>3/4</u>	<u>3,547</u>	<u>799</u>	<u>deck</u>

Total Number of Apartments: 3

*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 Unit.

Permitted Alterations to Apartments:

See (1) Exhibit "B" to the Declaration; (2) Amendment to Declaration recorded as Document No. 99-055096; and (3) Page 20 attached hereto.

Apartments Designated for Owner-Occupants Only: Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

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:

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:

Unit A - 14/38ths
Unit B - 10/38ths
Unit C - 14/38ths

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 amended title report dated February 18, 2003 , and issued by Title Guaranty of Hawaii, Inc. .

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Unit A was constructed in 1999.

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 to perform for future development (such as additions, mergers or phasing):

Owner of Unit A has several rights to make further changes to the Project without the consent or joinder of any other person. Those rights include placing other improvements on Dwelling Area A subject to obtaining building permits and subdividing Dwelling Lot A from the Land in the Project. For further information, please review Section 19 of the Declaration, as amended.

2. Rights Under the Sales Contract: Before signing the sales 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 issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other Amendments to Declaration recorded as Document Nos. 93-126336 and 99-055096

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. 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 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. 2677 filed with the Real Estate Commission on June 24, 1992.

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

- YELLOW paper stock WHITE paper stock PINK paper stock

C. Additional Information Not Covered Above

1. Pursuant to Paragraph 19.2 of the Declaration (the right to subdivide out the "Reserved Area" shown on the Condominium Map - which is now Dwelling Area A, appurtenant to Unit A) and the pursuant to Paragraph 1.5 of the Amendment to Declaration recorded as Document No. 99-055096, the rights of the Owner of Unit C have been assigned to the Owner of Unit A.
2. Unit A and its Appurtenant Dwelling Area. In order to make changes to Unit A (including without limitation, making additions, replacing the existing shed with a residence, or making any changes to Unit A or to subdivide Dwelling Area A from the land on which the Project is located) will require obtaining building permits, utility services and/or subdivision or other land use approvals, and obtaining the cooperation of the other owners in the Project.

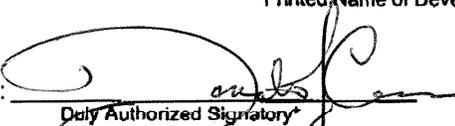
By way of illustration, replacing the existing shed of Unit A with a residence may require, among other things, obtaining a cluster permit or site development approval or subdividing Dwelling Area A from the Project Land. Any prospective purchaser wishing to build a residence, therefore, should contact the City and County and the utility companies to determine whether such Owner can obtain required building and any other permits and utilities. The Developer gives no assurance, representation or warranty of an owner's ability to obtain requisite permits to build a residence or other improvements or being able to subdivide Dwelling Area A from the Project Land.

3. Parking for Unit A.

Note: The Owner of Unit A has the right to designate parking stalls anywhere on Dwelling Area A.

- D. The developer declares subject to the penalties set forth in section 514A-49(h) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SHL 2000) (Section 514A-) (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

Donald J. Cann and Martha E. Cann
 Printed Name of Developer

By:  April 4, 2003
 Duly Authorized Signatory* Date

By:  April 4, 2003
 Duly Authorized Signatory* Date

Donald J. Cann and Martha E. Cann
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.**

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 Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne immediately by the Unit to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

(a) The site on which Unit B is located, consisting of the land beneath and immediately adjacent to Unit B, as shown and delineated on the Condominium Map as "Dwelling Lot B", together with the airspace above such site is for the exclusive benefit of Unit B.

(b) The site on which Unit C is located, consisting of the land beneath and immediately adjacent to Unit C, as shown and delineated on the Condominium Map as "Dwelling Lot C", together with the airspace above such site is for the exclusive benefit of Unit C.

(c) The site on which Unit A is located, consisting of the land beneath and immediately adjacent to Unit A, as shown and delineated on the Condominium Map as "Dwelling Lot A", together with the airspace above such site is for the exclusive benefit of Unit A.

(d) The "Common Drive = 1,048 sq.ft.", as shown on the Condominium Map shall be for the exclusive use of Unit A and Unit C.

END OF EXHIBIT "D"

EXHIBIT "F"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc..

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

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

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

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

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

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

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25 or a fee commensurate with the work done by Escrow prior to cancellation.

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

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

(b) Seller or Seller's attorney has given a written opinion to Escrow stating that all of the requirements of Sections 514A-39.5 (as to contingent final public reports), 514A-40 (as to final public reports) and 514A-63 of the Hawaii Revised Statutes, then applicable to the Project, have been satisfied.

(c) Seller shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

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