

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Kaaawa Venture Group
Address 975 Waimanu St., Suite 610, Honolulu, Hawaii 96813

Project Name(*): SILVA GARDENS
Address: 51-419 Maunauluuka Street, Kaaawa, Hawaii

Registration No. 2688 (Partial Conversion) Effective date: July 26, 1995
Expiration date: August 26, 1996

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:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
 - FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued
 - Supersedes all prior public reports
 - Must be read together with _____
 - SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated April 7, 1993
 - Supp. Public Report dated _____
- And
- Supersedes all prior public reports
 - Must be read together with Final Public Report
 - This report reactivates the Final public report(s) which expired on May 7, 1994

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate disclosure Abstract on this condominium project:

Required Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the Commission.

Changes made are as follows:

The Developer has amended the Declaration to correct the description of Unit 51-419A (Unit 51-419A is identified as Unit 1 on the Condominium Map). Unit 51-419A contains two (2) bedrooms and one and one-half (1-1/2) baths and not three (3) bedrooms and two baths as originally described.

Unit 51-419A is now completed.

The real estate broker is now Gold Coast, Inc.

The attorney now representing the Developer is Jeffrey S. Grad.

NOTE: This abbreviated Supplementary Public Report contains only pages reflecting information revised since issuance of the Final Public Report in April 7, 1993.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Kaaawa Venture Group Phone: (808) 591-0580
Name (Business)
975 Waimanu Street, Suite 610
Business Address
Honolulu, Hawaii 96813

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

Hiroyuki Fujioka, Partner
Tony Thomas, Partner

Real Estate Broker: Gold Coast Inc. Phone: (808) 949-4505
Name (Business)
444 Hobron Lane, #V-2
Business Address
Honolulu, Hawaii 96815

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

General Contractor: H & R Construction Phone: (808) 839-7712
Name (Business)
1151 Mapunapuna Street
Business Address
Honolulu, Hawaii 96819

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

Attorney for Developer: Jeffrey S. Grad Phone: (808) 521-4757
Name (Business)
841 Bishop Street, Suite 2001
Business Address
Honolulu, Hawaii 96813

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the bylaws of the Association of Apartment Owners. 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. 91-097472
Book _____ Page _____
 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]:

Amendments to Declaration dated July 9, 1992, December 1, 1995, and June 21, 1995, recorded as Document Nos. 92-110299, 94-198134 and 95-087358

- 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. 1529
 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]:

- 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. 91-097473
 Filed - Land Court Condo Map No. _____

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

5. Special Use Restrictio.

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:

[X] Pets: No livestock, poultry, rabbits, pets or other animals of any kind shall be allowed or kept in any part of the Project without the prior written consent of the Board.

[] Number of Occupants: _____

[X] Other: SEE EXHIBIT "C"

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators -0- Stairways -2- Trash Chutes -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>Unit 51-419</u>	<u>1</u>	<u>3/3</u>	<u>2,448</u>	<u>n/a</u>
<u>Unit 51-419A</u>	<u>1</u>	<u>2/1-1/2</u>	<u>1,172</u>	<u>n/a</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

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

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

Boundaries of Each Apartment:

Each apartment includes all of the walls and partitions within its perimeter walls, all walls, floor slabs, footings, interior floors, ceilings and roofs, stairways, doors and door frames, windows and window frames, and appurtenant decks, any appurtenant parking stalls, and all fixtures and appliances originally installed therein.

Permitted Alterations to Apartments:

See attached Exhibit "D"

G. Status of Construction | Estimated Completion Date:

Unit 51-419 was constructed in 1988.
Unit 51-419A was completed in December, 1994.

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):

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 given 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.
- 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.

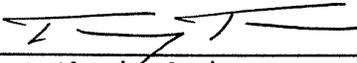
This Public Report is a part of Registration No. 2688 filed with the Real Estate Commission on July 15, 1992.

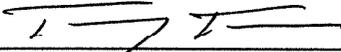
Reproduction of Report. When reproduced, this report must be on:

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

- 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.

Kaawa Venture Group
Name of Developer

By  5/26/95
Duly Authorized Signatory Date

Tony Thomas, Partner 
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 H

SUMMARY OF PERTINENT PROVISIONS OF SALES CONTRACT

Developer has filed a Deposit Receipt and Sales Contract ("DRSC") with the Hawaii Real Estate Commission. The terms of the DRSC contain the following provisions:

"4. SELLER'S CANCELLATION RIGHTS. In addition to any other rights of cancellation or termination reserved to Seller herein, if (a) Buyer's initial deposit check is returned for insufficient funds, (b) Buyer (or any one (1) of them if Buyer is more than one (1) person) should die prior to closing, or (c) Seller is not able, using its best efforts, to complete the conversion of the Project for any reason, THEN, in any such event, Seller reserves the right to instruct Escrow Agent to return Buyer's check or deposits, without interest, and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of this Agreement. Until Seller so elects to cancel this Agreement, it shall remain in full force and effect.

5. USE OF ESCROW FUNDS. Seller agrees and Buyer acknowledges that the funds deposited by Buyer with Escrow Agent for the Apartment shall not be released or disbursed by Escrow Agent until the conditions set forth in paragraph 3 of the Condominium Escrow Agreement have been satisfied, including recordation of Buyer's apartment deed. Buyer agrees that unless otherwise provided in this Agreement, any interest derived from such deposits shall be the property of Seller.

7. BUYER'S ACKNOWLEDGEMENTS.

(a) Buyer does hereby acknowledge that Buyer has examined and does hereby approve the form of the Apartment Deed, Declaration and any amendments thereto, By-Laws, House Rules and any amendments thereto, Seller's Disclosure Abstract, Condominium Escrow Agreement, the proposed Final Public Report to be issued by the Commission, as set forth above, and the Condominium File Plan, true copies of these documents being on file in the office of the Commission. Buyer acknowledges that the Condominium File Plan is intended to show only the layout, location, apartment numbers and dimensions of the apartments and the same is not intended by Seller to contain or to be any other representation or warranty.

(b) Buyer acknowledges the reservation by Seller of the right for Seller and its agents, until the sale of the last

apartment, to conduct sales of apartments on and at the Project, including, but not limited to, conducting advertising, placing signs and using parking spaces in connection with such sales; provided, however, that Seller shall not use any apartment (or the limited common elements thereof) with respect to which an apartment deed or condominium conveyance document has been recorded (other than in the name of Seller as grantee); provided, further, that in exercising such right, Seller shall not interfere with the rights of any apartment owner to the use of, or access to, such owner's apartment or any of the common elements or limited common elements appurtenant thereto.

(c) Buyer acknowledges that Buyer has received and has carefully read a copy of Seller's Disclosure Abstract for the Project, and the exhibits thereto, which is filed in the office of the Commission. No representations are made by Seller with respect to the expected useful life of the structural components or the mechanical and electrical installations in the Project.

Because the Project is being sold by Seller in "AS IS" condition with "ALL FAULTS", Buyer should carefully review Seller's Disclosure Abstract in its entirety. Furthermore, Buyer should have the Project inspected by Buyer or Buyer's own experts to Buyer's complete satisfaction.

8. APARTMENT BEING SOLD "AS IS" WITH "ALL FAULTS". The Apartment and the Project are being sold in "AS IS" condition with "ALL FAULTS". This means that Seller shall not correct any defects in the Project, the Apartment or anything installed or contained therein. The existence of any defect in the Project, the Apartment or anything installed or contained therein shall not excuse Buyer's obligation to perform all of Buyer's obligations under this Agreement.

9. SELLER'S DISCLAIMER OF WARRANTIES.

(a) No Warranties of Seller. Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the Apartment or anything installed or contained therein. Each apartment of the Project will be deemed to be sold "AS IS" with "ALL FAULTS", and Seller will not be liable to Buyer for any construction or other defects, including any latent or hidden defects in the Project, the Apartment or anything installed or contained therein. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects later discovered by Buyer.

(b) Hazardous Materials and Condition of Project. Seller has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals

known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of hazardous materials laws. Buyer acknowledges that there may be asbestos or other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of asbestos and other hazardous substances, Buyer and the Association should have the Apartment and the Project inspected to determine the extent of such contamination and any necessary remedial action. This means that Seller will not correct any defects in the apartments or in the Project or anything installed or contained therein and that Buyer expressly releases Seller from any liability to Buyer if any hazardous materials are discovered.

10. RIGHT OF INSPECTION. Buyer shall inspect the Apartment at such time and on such date as shall be specified by Seller in a written notice to Buyer. Since the Apartment may be occupied by tenants, Buyer might not be able to change the date Seller specifies. Buyer acknowledges that the Apartment is being sold in "AS IS" condition with "ALL FAULTS", and Seller will not correct any defects or deficiencies that Buyer discovers in the Apartment at the time of inspection. Buyer agrees to indemnify Seller for damages or losses, including interest and reasonable attorneys' fees, resulting from Buyer's refusal to accept the Apartment from Seller.

13. ACTUAL POSSESSION. Notwithstanding anything contained herein to the contrary, Buyer acknowledges that the Apartment may be occupied by tenants and that Seller cannot ensure that such tenants vacate the Apartment on or before the Closing Date. Buyer hereby expressly releases Seller from any responsibility to evict any tenant from the Apartment.

18. BUYER'S RIGHT TO RESCIND. Notwithstanding anything contained in paragraph 17 hereinabove:

(a) Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration, if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Apartment or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale made under this Agreement and to receive a prompt and full refund of any monies paid or deposited.

(b) Buyer's right of rescission under subparagraph (a) above shall be waived upon (1) delivery to Buyer, either personally or by registered or certified mail, return receipt

requested, of a disclosure document which describes the material change and contains a provision for Buyer's written approval or acceptance of such change, and (2) Buyer's written approval or acceptance of the material change, or the lapse of ninety (90) days since Buyer has accepted the Apartment, or the occupancy of the Apartment by Buyer; provided, however, that if Buyer does not rescind this Agreement or execute and return the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document in the aforementioned manner, Buyer shall be deemed to have approved and accepted such change; provided, further, that the deemed approval and acceptance shall be effective only if at the time of delivery of the disclosure document, Buyer is notified in writing of the fact that Buyer will be deemed to have approved and accepted the change upon Buyer's failure to act within the thirty (30) day period; provided, further, that if, prior to delivery of such disclosure document, ninety (90) days have lapsed since Buyer has accepted the Apartment, or Buyer has occupied the Apartment, then Buyer's right of rescission under subparagraph (a) above shall not be waived unless Buyer shall execute the written approval or acceptance of such change as provided in the disclosure document within thirty (30) days from the date of delivery of such disclosure document or Buyer is deemed to have approved and accepted such change as set forth above. A copy of the form of disclosure document shall be delivered to the Commission prior to delivery to Buyer.

19. DEFAULT.

(a) Time is of the essence of this Agreement, and if Buyer shall default in any payment when required or fail to perform any other obligations required of Buyer hereunder and shall fail to cure such default within ten (10) days after receipt of written notice thereof from Seller, Seller may, at Seller's option, terminate this Agreement by written notice to Buyer. In the event of such default, the parties hereto understand and agree that in view of (i) Seller's financial commitments with respect to the Project, (ii) the connection between sales, cancellation or default with respect to one (1) apartment and the sale, cancellation or default with respect to other apartments in the Project, and (iii) the nature of the real estate market in Hawaii, the injury to Seller will be uncertain as to nature and amount and difficult to ascertain. As a reasonable estimate of Seller's damages resulting from such default, the parties agree that the sums deposited by Buyer hereunder prior to such default shall belong to Seller as liquidated damages. At Seller's option, Seller may also pursue any other remedy at law or in equity for specific performance, damages or otherwise. All costs, including reasonable attorneys' fees incurred by reason of default by Buyer shall be borne by Buyer.

(b) If Seller shall default in the performance of any obligation required of Seller hereunder, Buyer shall be

entitled to specific performance of this Agreement or Buyer shall have the right to cancel and terminate this Agreement. In the event of such cancellation and termination, Seller shall return to Buyer all sums deposited by Buyer to Seller or Escrow Agent pursuant to the provisions hereof, and, in addition, Seller shall pay Buyer ONE HUNDRED AND NO/100 DOLLARS (\$100.00) as liquidated damages for Seller's default. Buyer expressly waives any right or remedy against Seller which now exists or which hereafter may exist for the default of Seller under this Agreement, except for the foregoing right to specific performance or to cancel and terminate this Agreement, and to receive all sums paid to Seller and Escrow Agent and the sum of ONE HUNDRED AND NO/100 DOLLARS (\$100.00).

21. PRE-PAID ITEMS. Buyer acknowledges that Buyer will be required to prepay: (a) real property taxes for a period of six (6) months, and (b) insurance premiums to the extent required by any first mortgage lender. Real property taxes, insurance and maintenance expenses shall be prorated by Escrow Agent as of the Closing Date or the date of actual possession, whichever sooner occurs. Buyer further agrees that all insurance and other expenses shall also be prorated between Seller and Buyer as of such proration date for real property taxes. Buyer understands and agrees that any amount to be paid by Buyer under this paragraph 21 is in addition to, and is not part of the total purchase price set forth hereinabove.

22. CONDITION TO BINDING EFFECT OF AGREEMENT.

(a) Anything herein to the contrary notwithstanding, this Agreement shall not be binding upon Buyer and any obligation to purchase the Apartment under this Agreement shall not be enforceable against Buyer until:

(1) A true copy of the Commission's Final Public Report on the Project has been delivered to Buyer, either personally or by certified mail with return receipt requested, together with a true copy of all other public reports on the Project, if any, issued prior to the date of such delivery and not previously delivered to Buyer (unless the Final Public Report supersedes all prior public reports or a supplementary public report has been issued which supersedes the Final Public Report and any other public reports, in which case a true copy of the Commission's supplementary public report shall be delivered instead);

(2) Buyer has been given an opportunity to read the aforementioned reports; and

(3) Two (2) copies of the form of the receipt and notice set forth in Section 514A-62 of the Hawaii Revised Statutes, as amended, have been delivered to Buyer and Buyer (i) executes the receipt and notice, and (ii) waives Buyer's right to

cancel; provided, however, that if Buyer does not execute and return the receipt and notice within thirty (30) days from the date of delivery of such reports, or if the Apartment is conveyed to Buyer prior to the expiration of such thirty-day period, Buyer shall be deemed to have receipted for the reports and to have waived Buyer's right to cancel.

(b) Unless such right has previously been waived pursuant to subparagraph (a) hereinabove, Buyer shall have the right to cancel this Agreement at any time prior to the earlier of (1) the conveyance of the Apartment to Buyer or (2) midnight of the thirtieth (30th) day following the date of delivery of said Final Public Report to Buyer, and, upon any such cancellation, shall be entitled to a prompt and full refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase up to a maximum of TWO HUNDRED FIFTY AND NO/100 DOLLARS (\$250.00).

23. BUYER'S RECOGNITION OF PERMITTED APARTMENT USES. Buyer acknowledges that the apartments in the Project shall be used only for residential purposes and may not be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The apartments shall not be rented for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days, or (ii) any rental in which the occupants of the apartment are provided customary hotel services. The apartments shall not be sold, leased, rented or used for any "timesharing" or related or similar purpose.

Seller and all entities, persons and agents related to or affiliated with Seller, have no program at this time, nor is any program planned or contemplated, to offer a rental service of any kind to the owners of apartments, either individually or in any form of pooling arrangement, nor have any representations been made by Seller or its agents as to the feasibility of renting the apartments. Purchasers of apartments who desire to rent their apartments must therefore make their own rental arrangements. Buyer hereby acknowledges receipt of written notice that use of the apartments for time-sharing is specifically prohibited in the Project.

Neither Seller nor its agents have made any representation regarding either economic benefits to be derived from rentals or tax treatment of any purchaser of an apartment. The tax treatment and economic benefits may vary with individual circumstances and Seller, and its agents, recommend that Buyer consult Buyer's own attorney, accountant or other tax counsel for advice regarding appropriate tax treatment.

Buyer hereby acknowledges receipt of written notice that Seller has not authorized any agents, salesmen or brokers for the Project to make any representations as to rentals of an apartment, income from an apartment or any other economic benefit to be derived from the rental of an apartment in said Project, and if any such representations are made, they are hereby expressly disclaimed by Seller.

25. AGENCY DISCLOSURE. Gold Coast, Inc. (the "Broker") and all licensees employed by or associated with Broker represent Seller. Buyer acknowledges that oral or written disclosure of such representation was provided to Buyer prior to the execution hereof. In the event that Buyer is represented by a cooperating broker or salesperson, Buyer agrees and acknowledges that Broker is not an agent or sub-agent of Buyer's cooperating broker or salesperson.

THIS EXHIBIT CONTAINS EXCERPTS OF PERTINENT PROVISIONS CONTAINED IN THE DEPOSIT RECEIPT AND SALES CONTRACT. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS.