REAL ESTATE COMMISSION
STATE OF HAWAII
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

PAIKOLANI
5992 & 5994 Kalanianaole Highway
Honolulu, Hawaii

Registration No. 2699

Issued: November 13, 1992
Expires: December 13, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of November 4, 1992, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

_____ **PRELIMINARY:** *(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.

x **FINAL:** *(white)* The developer has legally created a condominium and has filed complete information with the Commission.
- [x] No prior reports have been issued
- [ ] Supersedes all prior public reports
- [ ] Must be read together with _____

_____ **SUPPLEMENTARY:** *(pink)* Updates information contained in the
- [ ] Prelim. Public Report dated _____
- [ ] Final Public Report dated _____
- [ ] Supp. Public Report dated _____

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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required [x] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

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GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's *"Condominium Property Act"* (Chapter 514A, Hawaii Revised Statutes) must be followed.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

[x] Fee simple interest in an apartment and an undivided feehold interest in the common elements.
[ ] Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
[ ] Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

1. [x] New Building(s) [ ] Conversion
   [ ] Both New Building(s) and Conversion

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

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

4. [ ] Single or [x] Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
5992	1	3/2	1590	280
5994	1	3/2	1470	150

Total Apartments: 2

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

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

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	4
Guest Stalls	0
Unassigned Stalls	
Extra Stalls Available for Purchase	0
Other: _____	
Total Parking Stalls	4

7. Recreational amenities:

There are no recreational amenities.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Paul J. Cathcart, Loretta A. Cathcart, Walter K. Kaneakua, Jr. and Edwarda L.H. Kaneakua
Name

Phone: 523-6248 (Business)

Business Address
5990 Kalanianaole Highway
Honolulu, Hawaii 96821

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

Real Estate Broker: None - Units are not for sale.
Name

Phone: (Business)

Business Address

Escrow: Title Guaranty Escrow Services, Inc.
Name

Phone: (808) 521-0211 (Business)

235 Queen Street, First Floor
Business Address
Honolulu, Hawaii 96813

General Contractor: DI2 Construction
Name

Phone: (808) 735-1490 (Business)

2520 Waiomao
Business Address
Honolulu, Hawaii 96816

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

Phone: (Business)

Business Address

Attorney for Developer: McCorriston Miho & Miller
Name

Phone: (808) 529-7300 (Business)

Suite 400, Five Waterfront Plaza
Business Address
500 Ala Moana Boulevard
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
[x] Filed - Land Court - Document No. 1938857

Amendment date(s) and recording/filing information:

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyance Condo Map No. _____
[x] Filed - Land Court Condo Map No. 922

Amendment date(s) and recording/filing information:

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
[x] Filed - Land Court - Document No. 1938858

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

[ ] Proposed [ ] Adopted [x] Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%	75%
Bylaws	65%	65%
House Rules	---	N/A

The percentages for individual condominium projects may be more than the minimum set by law.

2. Developer:

[x] 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

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

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

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

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

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

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

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

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

[ ] Other:

For Subleaseholds:

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

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

B. **Underlying Land:**

Address: 5992 and 5994 Kalanianaole Highway
Honolulu, Hawaii 96821

Tax Map Key: (1)3-8-014:40
(TMK)

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

Land Area: 28,180 [x] square feet [ ] acre(s) Zoning: R-10

Fee Owner: Paul J. Cathcart and Loretta A. Cathcart, husband and wife, and Walter K. Kaneakua, Jr. and Edwarda L. H. Kaneakua, husband and wife
Name

5990 Kalanianaole Highway
Address

Honolulu, Hawaii 96821

Sublessor: _____
Name

_____
Address

_____

C **Buildings and Other Improvements:**

1. [x] New Building(s) [ ] Conversion of Existing Building(s)
[ ] Both New Building(s) and Conversion

2. Buildings: 2 Floors Per Building 3

[ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

[x] Concrete [x] Hollow Tile [x] Wood

[ ] Other _____

4. Permitted Uses by Zoning

	No. of Apts.	Use Determined By Zoning		No. of Apts.	Use Determined By Zoning
[ ] Commercial			[ ] Industrial		
[x] Residential	2	Yes	[ ] Agricultural		
[ ] Timeshare/Hotel			[ ] Recreational		
[ ] Other:					

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

5. Special Use Restrictions:

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

[x] Pets: Dogs, cats, other household pets in reasonable number with Board approval (See By-Laws, Article VI, Section 4(l)

[ ] Number of Occupants:

[x] Other: (See Exhibit A)

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 2 Trash Chutes 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
5992	1	3/2	1590	280
5994	1	3/2	1470	150

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:

SEE EXHIBIT B

Permitted Alterations to Apartments:

SEE EXHIBIT C

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for individual units)	4						4
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open	4						

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

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[x] There are no recreational or common facilities.

[ ] Swimming pool

[ ] Recreation Area

[ ] Tennis Court

[ ] Storage Area

[ ] Laundry Area

[ ] Trash Chute

[ ] Other: _____

9. Present Condition of Improvements
(For conversions of residential apartments in existence for at least five years):

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

N/A

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

N/A

10. Conformance to Present Zoning Code

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

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

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

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

	Conforming	Non-Conforming	Illegal
Uses	x		
Structures	x		
Lot	x		

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

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

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

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

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

   [x] Exhibit D describes the common elements.

   [ ] As follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

   [ ] There are no limited common elements in this project.

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

   [x] described in Exhibit E

   [ ] as follows:

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

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

   [x] As follows:

1.	Apartment 5992	50%
2.	Apartment 5994	50%
	Total	100%

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

Exhibit F describes the encumbrances against the title contained in the title report dated June 9, 1992 and issued by Title Guaranty of Hawaii, Incorporated

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest If Developer Defaults
Mortgages	Mortgagee has right to foreclose and to eliminate Buyer's rights under any sales contract if Mortgagee so chooses.

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

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

The initial managing agent for this condominium is:

[ ] not affiliated with the Developer.

[ ] the Developer or the Developer's affiliate.

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

[ ] other _____

G. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit ___G___ contains a schedule of maintenance fees and maintenance fee disbursements.

H. **Utility Charges for Apartments:**

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

[x] Not applicable

[ ] Electricity

[ ] Television Cable

[ ] Gas

[ ] Water & Sewer

[ ] Other _____

I. **Construction Warranties:**

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

1. Building and Other Improvements:

SEE EXHIBIT H

2. Appliances:

SEE EXHIBIT H

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

Construction of the Project began in February 1991 and was completed on September 18, 1992.

K. **Project Phases:**

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

Summary of Developer's Present Plans for Future Development:

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

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

[ ] Notice to Owner Occupants

[x] Specimen Sales Contract

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

[x] Escrow Agreement dated July 23, 1992

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

[ ] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

None.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding on the prospective buyer. Sales made by the Developer may be binding on the Developer unless the Developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
   a. Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report;
   AND
   b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
   a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is part of Registration No. 2699 filed with the Real Estate Commission on

August 5, 1992.

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

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

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

Stanley M. Kuriyama for

MARCUS NISHIKAWA, Chair
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

EXHIBIT A
(Use Restrictions)

USE. Except when the holder of the first mortgage on an apartment has entered into possession of an apartment following (i) a default under its first mortgage, (ii) a foreclosure proceeding, or (iii) a conveyance in lieu of foreclosure, the apartments shall be occupied and used only as private residential dwellings by the respective owners thereof, their tenants, families, domestic servants and guests, and for no other purpose. The apartments shall not be used, leased, rented or any undivided interest therein be transferred for time-sharing purposes or under any time-sharing plan, agreement or arrangement as the same is defined under Chapter 514E, Hawaii Revised Statutes, as amended. Except for timesharing, the owners of the respective apartments shall have the absolute right to sell, lease, rent or otherwise transfer such apartments subject to all provisions of the Declaration and the By-Laws recorded immediately following the Declaration.

Subject to the rights, if any, reserved in the Declaration or in the By-Laws and subject also to the exclusive or limited use of the limited common elements, each apartment owner may use the common elements in accordance with the purposes for which they were intended without hindering or encroaching upon the lawful rights of the other apartment owners, subject to the rights of the Board of Directors:

(a) Upon the approval of the owners of seventy-five percent (75%) of the common interests, to change the use of the common elements;

(b) On behalf of the Association, to lease or otherwise use for the benefit of the Association those common elements which are not actually used by any of the apartment owners for an originally intended special purpose, as determined by the Board; provided that unless the approval of the owners of seventy-five percent (75%) of the common interest is obtained, any such lease shall not have a term exceeding five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days written notice; and

(c) To lease or otherwise use for the benefit of the Association those common elements not falling within subparagraph (b) above, upon obtaining: (1) the approval of the owners of seventy-five percent (75%) of the common elements, including all directly affected owners and all owners of apartments to which such common elements are appurtenant in the case of

limited common elements, and (2) the approval of all mortgagees of record on apartments with respect to which owner approval is required by (1) above, if such lease or use would be in derogation of the interest of such mortgagees.

END OF EXHIBIT A

DSM\FINALRPT.EXA

EXHIBIT B
(Boundaries of Each Apartment)

Limits of Apartments. Notwithstanding the net living areas set forth in Section III.6 of the Public Report and the manner in which such net living areas have been measured, the respective apartments shall be deemed to include the undecorated or unfinished surfaces of the roof, perimeter or party walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, supports, floors and ceilings of the residential building containing such apartment. Each apartment shall also be deemed to include all the doors and door frames, windows and window frames, louvers (if any), shutters (if any), panels, the two-car garage located on first floor of each residential building, the open decks shown on the Condominium Map to the unfinished exterior edge of the exterior railings or other boundaries of such open decks, and all fixtures originally installed therein. Each of the respective apartments shall not be deemed to include any pipes, wires, conduits or other utility or service lines running through or otherwise located within each such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided.

END OF EXHIBIT B

DSM\FINALRPT.EXB

EXHIBIT C
(Permitted Alterations to Apartments)

Paragraph P of the Declaration governs alteratios to the apartments and the Project and provides as follows:

ALTERATION OF PROJECT.

1. Except as otherwise provided by the federal Fair Housing Act (42 U.S.C. Sec. 3601 et seg.), as amended by the Fair Housing Amendments Act of 1988, and the rules and regulations promulgated thereunder, as the same may be amended from time to time in the future and except as otherwise provided herein, restoration or replacement of the Project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from said Condominium Map of the Project, shall be undertaken by the Association or any apartment owner only pursuant to an amendment of the Declaration, duly executed by or pursuant to a vote or the written consent of at least seventy-five percent (75%) of the apartment owners together with the consent of all apartment owners whose apartments or the limited common elements appurtenant thereto are directly affected (as determined in a reasonable manner by the Board of Directors) and in accordance with complete plans and specifications therefor first approved in writing by the Board of Directors, and promptly upon completion of such restoration, replacement, construction, alteration or addition the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that the owner of any apartment may make any alterations or additions within the owner's apartment, with only the approval required hereinbelow. Alterations or additions within an apartment shall require only the written approval thereof, including the apartment owner's plans therefor, by the holder of first mortgage lien affecting such apartment (if the lien holder requires such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors), and such alterations or additions may be undertaken without an amendment to the Declaration or filing of a complete set of floor plans of the Project as so altered; provided, however, if the alterations or additions are substantial in nature as reasonably determined by the Board of Directors, the Board of Directors may require that the owner of the apartment provide evidence satisfactory to the Board of Directors of sufficient financing to complete such alterations or additions or, in lieu thereof, require that the owner obtain a performance and lien

payment bond, naming as obligees the Board of Directors and the Association and collectively all apartment owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction.

2. Notwithstanding any other provision in this Declaration to the contrary, prior to (i) the time that all apartments in the Project have been sold and recorded, and (ii) the filing by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Hawaii Revised Statutes (but in no event later than December 31, 1993), the Developer shall have the right, without the approval, consent or joinder of any apartment owner or any other person (a) to make alterations in the Project (and/or to amend this Declaration and the Condominium Map accordingly) which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded, or (b) to make other alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded; PROVIDED, HOWEVER, that as to (a) and (b) above, any such changes shall be reflected in an amendment to the Declaration as provided in Section 2 of Paragraph Q of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project, and the filing in the Office of the Assistant Registrar of the Land Court of the State of Hawaii of apartment deed transferring said interests in the apartments from the Developer to parties not signatory to the Declaration.

END OF EXHIBIT C

DSM\FINALRPT.EXC

EXHIBIT D
(Common Elements)

Common Elements. The common elements of the Project, include specifically, but are not limited to the following:

(a) The Land in fee simple;

(b) All yards, grounds, walkways and landscaping;

(c) All driveways, driveway ramps and parking areas;

(d) All vents, shafts, sewer lines, electrical equipment, pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, gas (if any), water, cablevision (if any), sewer, refuse, telephone, and radio and television signal distribution (if any); and,

(e) Any and all other apparatus and installations existing for common use and any and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

END OF EXHIBIT D

DSM\FINALRPT.EXD

EXHIBIT E
(Limited Common Elements)

Limited Common Elements. Certain parts of the common elements of the Project are called the "limited common elements" and have been set aside and designated for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

(a) Apartment No. 5992 shall have appurtenant thereto and reserved for its exclusive use as a limited common element the yard area outlined in "green" on the site plan forming a part of the Condominium Map.

(b) Apartment No. 5992 shall have appurtenant thereto and reserved for its exclusive use as a limited common elements the lands underlying House #1.

(c) Apartment No. 5994 shall have appurtenant thereto and reserved for its exclusive use the yard area outlined in "pink" on the site plan forming a part of the Condominium Map.

(d) Apartment No. 5994 shall have appurtenant thereto and reserved for its exclusive use as a limited common elements the lands underlying House #1.

(e) Each apartment shall have for its exclusive use as a limited common element one(1) mailbox bearing the same number as such apartment.

END OF EXHIBIT E

DSM\FINALRPT.EXE

EXHIBIT F
(Encumbrances Against Title)

The Preliminary Title Report dated June 9, 1992, prepared by Title Guaranty of Hawaii Incorporated and submitted to the Commission discloses the following as encumbrances against title to the lands of the Project:

1. Designation of Easement "41" for access purposes as shown on Map 208, as set forth by Land Court Order No. 96591, filed January 18, 1990.

2. Mortgage, Security Agreement and Financing Statement dated February 21, 1990, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1707591, in favor of GECC Financial Corporation, a Hawaii corporation.

3. Mortgage, Security Agreement and Financing Statement dated December 19, 1991, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1877345, in favor of GECC Financial Corporation, a Hawaii corporation.

END OF EXHIBIT F

EXHIBIT "G"
Estimate of Initial Maintenance Fees
and
Estimate of Maintenance Fee Disbursements

Estimate of Initial Maintenance Fees:

Apartment No.:	Monthly Fee X 12 months =	Yearly Total
5992	$50.00	$600.00
5994	$50.00	$600.00

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

Estimate of Maintenance Fee Disbursements:

	Monthly X 12 months =	Yearly Total
Insurance	$100.00	$1200.00

I, Paul J. Cathcart, one of the Developers for the Paikolani Condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Paul J. Cathcart

Date: July 24, 1992

EXHIBIT H
(Construction Warranties)

1. Building and Other Improvements.

The construction contract between the Developer and (DI)2, Inc. for the project contains a clause which provides in pertinent part that:

> "Any defect in materials or workmanship which may appear during the period of construction or within one (1) year after completion of the work ... shall be replaced or corrected by the Contractor at no cost to the Owner."

The Developer makes no warranties itself, but the Developer agrees that the closing of the sale of the apartment shall constitute the assignment by the Developer to the Buyer of an apartment in the project of any and all warranties given to the Developer by the contractor(s) for the project, including any contractor's agreement to promptly correct any of its work found to be not in conformance with the construction contract following the "Date of Substantial Completion of the Work", as defined in the construction contract. The benefit of such agreement shall accrue to the Buyers on closing without further instruments or documents. The Developer will cooperate with the Buyer during the effective period of such agreement in asserting any claims based on any such warranty. The Developer is not adopting the contractor's warranty or acting as co-warrantor but is merely attempting to pass through to the Buyer the benefit of such contractor's warranty, if any.

2. Appliances.

The closing of the sale of the apartment shall also constitute the assignment by the Developer to the Buyer, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the apartments. The Developer is only passing through to the Buyer any such manufacturer's or dealer's warranties; the Developer is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances. The terms of the manufacturer's or dealer's written warranties will be made available for the Buyer's examination at the office of the Developer.

** Except for the agreements set forth above, THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENTS, OR CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED IN THE APARTMENTS OR IN THE PROJECT, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENTS FOR A PARTICULAR PURPOSE.

END OF EXHIBIT H

EXHIBIT I
(Summary of Sales Contract)

The specimen Condominium Agreement, Deposit Receipt and Contract ("Purchase) contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. The method of payment of the purchase price in two (2) payments the last of which shall be paid to the escrow agent, subject to other terms, within one (1) business day after the Certificate of Occupancy for the apartment has been issued or if construction of the project has been completed, within thirty (30) days after the first payment is due.

2. The purchase price does not include the closing costs, prorations and additional costs provided in other sections of the contract.

3. The terms and conditions of the sale, which include, among other provisions, the following:

a. Buyer has received the Declaration of Condominium Property Regime, By-Laws of the Association of Apartment Owners, the Public Report(s) of the Real Estate Commission, the form of Apartment Deed and the Escrow Agreement and acknowledges that he has had adequate opportunity to read those documents and to examine the project plans and accepts them with such changes and modifications as the project architect may deem necessary.

b. Buyer agrees that all payments made will be placed on deposit with escrow pursuant to the terms of the Escrow Agreement.

c. If Buyer is paying the Purchase Price with Buyer's own funds, Buyer will submit to Seller evidence of his ability to pay within ten (10) days after the date Seller executes the Contract.

d. Risk of loss to the apartment will be borne by Seller until the date of closing as defined in the contract. Buyer will not be entitled to possession of the apartment until the date of closing.

e. The estimated completion date of the project (August 31, 1992) is an approximate date given to the best of

Seller's information and belief. If the project is not completed on or before six (6) months after the estimated completion date, the obligations of both Buyer and Seller, at Seller's option, shall terminate.

f. Seller has reserved the right to make certain modifications to the Declaration, By-Laws, Condominium Map, and other documents as may be required by law, any title insurance company, any institutional mortgagees or governmental agency. Seller may "preclose" fifteen (15) days before the estimated date of closing by having all documents necessary for closing executed and deposited with escrow.

g. Buyer will inspect the apartment and sign an inspection sheet to be furnished by Seller or the Contractor, or Buyer will appoint the inspecting architect or engineer for the project or Seller or any agent of Seller to inspect the apartment on behalf of Buyer.

h. Until the Apartment Deed conveying title is delivered to Buyer, the Seller may exercise all of the powers of the Association and of the Buyer as a member thereof.

i. Buyer shall have the right to rescind the contract only if there is a material change in the project which directly, substantially and adversely affects the use or value of Buyer's apartment or appurtenant limited common elements or those amenities of the project available for the Buyer's use subject to waiver by the Buyer pursuant to the terms set forth in the contract and Hawaii Revised Statutes §514A-63.

j. Time is of the essence of the obligations of Buyer under the contract.

k. Seller may terminate the contract if Buyer dies prior to the time Buyer has fully complied with all of the terms of the contract.

l. Neither Seller nor any of its representatives has made any representations as to the rental income to be derived from the apartment.

m. Developer makes only those warranties regarding construction and appliances which are set forth in the contract.

n. The contract shall not be construed as a present transfer of any interest in the property but it is an agreement to transfer in the future.

o. The Buyer waives, relinquishes and subordinates the priority or superiority of any lien or other legal or equitable interest arising under the agreement in favor of the lien or charge on the project or the security interest of the Lender, including but not limited to any lien, mortgage, or other charge securing a loan made to finance the acquisition of the land and the costs of construction and other costs during such construction and any and all advances therefor, whether contractual or voluntary, until the final closing and delivery by Seller of an apartment deed to the Buyer.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE BUYER'S RIGHTS AND OBLIGATIONS, THE BUYER MUST REFER TO THE BUYER'S CONTRACT TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL AND NOT THIS SUMMARY.

END OF EXHIBIT I

EXHIBIT J
(Summary of Escrow Agreement)

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services, Inc. (the "Escrow") and Paul J. Cathcart, Loretta A. Cathcart, Walter K. Kaneakua, Jr. and Edwarda L. H. Kaneakua (the "Seller") contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in the "control" account for the project and then within a reasonable time thereafter be deposited in an interest bearing account designated "Title Guaranty Escrow Services, Inc., Agent for Seller" (the "Trust Fund") with one or more federally insured banks or savings and loan associations authorized to do business in Hawaii and located in Honolulu, Hawaii. Interest earned on the funds prior to the issuance of the Final Public Report will be credited to the account of Buyer and after the date of issuance of the Final Public Report all interest shall be credited to the account of Seller.

3. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into subsequent to the issuance of a Final Public Report, Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under any sales contract.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return

the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee, and all other costs incurred in connection with the Escrow not to exceed $250.00.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under the Agreement, Escrow will receive for each apartment for which an Apartment Deed is handled by Escrow and recorded in the Office of the Assistant Registrar of the State of Hawaii a fee equal to its published scheduled rate.

* * * * *

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

END OF EXHIBIT J