

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Brigham Young University-Hawaii Campus
Address 55-220 Kulanui Street, Laie, Hawaii 96762

Project Name(*): NA HALE KUMU
Address: 55-568 Naniloa Loop, Koolauloa, Laie, Hawaii

Registration No. 2792 (Conversion) Effective date: March 15, 1993
Expiration date: April 15, 1994

Preparation of this Report:

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

This report has not been prepared or issued by the Real Estate Commission or any other 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: 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.
(yellow)

 X FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 [X] No prior reports have been issued.
 [] This report supersedes all prior public reports.
 [] This report must be read together with _____

 SUPPLEMENTARY: This report updates information contained in the:
(pink)
 [] Preliminary Public Report dated: _____
 [] Final Public Report dated: _____
 [] Supplementary Public Report dated: _____

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report 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 developer.

Changes made are as follows:

SPECIAL ATTENTION:

The developer has disclosed that there are several restrictions which include the following:

The apartments in the project may only be transferred to an eligible person. Eligible person is one who does not own any other residential real property on the island of Oahu, and either he/she or his/her spouse is a faculty member of Brigham Young University-Hawaii Campus.

The developer also reserves the right to repurchase the apartment at a fair market value in the event the apartment is put up for sale. In any event, the amount the developer must offer in exercise of this right to repurchase shall not be required to exceed the reasonable appreciated value of the property. Reasonable appreciated value is defined as the purchase price plus an annual appreciation amount equal to one-half percent (.5%) below the average of the United States treasury bill rate for the period the property has been owned by the apartment owner.

The developer reserves the right to supply an eligible person in the event that an apartment owner desires to sell the apartment.

The apartment owner is required to obtain prior written consent to mortgage, pledge, hypothecate or encumber the apartment other than the first mortgage. The developer shall have the right to withhold consent if the amount of the junior mortgage exceeds 25% of the apartment owner's equity in the property.

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

The prospective purchaser is cautioned carefully to review the documents for further information with regard to the foregoing.

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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 the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Brigham Young University-Hawaii Campus Phone: (808) 293-3499
Name (Business)
55-220 Kulanui Street
Business Address
Laie, Hawaii 96762

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

1. Alton L. Wade - President
2. Brad Farnsworth - Vice-President
3. Brad Farnsworth - Secretary/Treasurer

Real Estate Broker: Choon H. James dba
CJ Real Estate International Phone: (808) 293-2911
Name (Business)
55-047 Naupaka Street
Business Address
Laie, Hawaii 96762

Escrow: Long & Melone Escrow, Ltd. Phone: (808) 532-6150
Name (Business)
700 Bishop Street, Suite 1111
Business Address
Honolulu, Hawaii 96813

General Contractor: N/A Phone: N/A
Name (Business)
Business Address

Condominium Managing Agent: Choon H. James dba
CJ Real Estate International Phone: (808) 293-2911
Name (Business)
55-047 Naupaka Street
Business Address
Laie, Hawaii 96762

Attorney for Developer: Jonathan S. Durrett Phone: (808) 526-0892
Name (Business)
Stubenberg & Durrett
Business Address
1250 Pauahi Tower, 1001 Bishop Street
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. 92-133449
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]:

- 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. 1711
 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. 92-133450
Book _____ Page _____
 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]:

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>65%</u>

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

2. Developer:

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

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

Paragraph P of the Declaration provides, in part, as follows:

The Developer expressly reserves the right to successively amend the Declaration without the consent or joinder of persons then owning or leasing apartment units as may be required by law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the project, or any institutional lender lending funds on the security of the project or any of the apartment units thereof.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

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

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[X] Other: Note: Buyer is aware that Developer has reserved a right of first refusal on the sale of all individual apartments.

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 55-568 Nanihoa Loop Tax Map Key: (1) 5-5-6: 5
Laie, Hawaii 96762 (TMK)

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

Land Area: 5.299 [] square feet [X] acre(s) Zoning: R-5

Lessor
(Fee Owner): Brigham Young University-Hawaii Campus

Name
55-220 Kulanui Street

Address
Laie, Hawaii 96762

Sublessor: _____
Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 8 Floors Per Building 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>24</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Ohana	____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Industrial	____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Agricultural	____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Recreational	____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	____	<input type="checkbox"/> Yes <input type="checkbox"/> No <input type="checkbox"/> Other: _____	____	<input 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:

[X] Pets: No livestock, poultry, rabbits or other animals; dogs and cats in a reasonable number may be kept.

[] Number of Occupants: _____

[X] Other: See Exhibit "A"

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers): See Exhibit "J"

Elevators: 0 Stairways: 24 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>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 24

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

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

Boundaries of Each Apartment:

The boundaries of the apartments shall comprise the inner decorated or finished surfaces of walls, floors and ceilings of each apartment.

Permitted Alterations to Apartments:

See Exhibit "B".

7. Parking Stalls:

Total Parking Stalls: 44

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>24</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>24</u>
Guest Unassigned	<u> </u>	<u>20</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>20</u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>44</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

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

- Commercial parking garage permitted in condominium project.
- Exhibit contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute
- Other: _____

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

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

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

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

A licensed architect has verified that all structural components, mechanical and electrical installations are in good condition. Its expected useful life is stated in the "Statement of Developer" submitted to the Real Estate Commission.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

By letter dated October 6, 1992, the Building Department indicated that the project met all code requirements at the time of construction in 1981.

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

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

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

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

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

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

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

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

described in Exhibit "C" .

as follows:

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

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit "D".

as follows:

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 "K".

as follows:

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

Exhibit "E" describes the encumbrances against the title contained in the title report dated December 30, 1992 and issued by Long & Melone, Ltd.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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F. Construction Warranties:

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

1. Building and Other Improvements:

None

2. Appliances:

Buyer shall have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartment.

3. Warranty Exclusions:

The Developer makes no warranties, expressed or implied, with respect to the apartment, the common elements, the project, fixtures, or consumer products contained or installed in the apartment.

G. Status of Construction and Estimated Completion Date:

The buildings were constructed and completed during 1981 to 1984.

H. Project Phases:

The developer [] has [] 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):

The Developer has reserved the right to develop up to an additional nine (9) apartments in the area redesignated as "Future Building" on the Condominium Map. If this is done, the Developer will file an amendment to the Declaration which will describe the additional apartments and readjust the common interests of all apartments in the project generally in accordance with the method set forth in the Declaration as follows: the percentage common interest of each apartment in the amended project shall be determined by dividing the floor area in each apartment in the amended project by the aggregate of the floor areas of all apartments in the amended project. The "floor area" of an apartment includes the total net living floor area of the apartment, but excludes garages, lanais, balconies and decks, if any.

IV. CONDOMINIUM MANAGEMENT

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

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

The initial condominium managing agent for this project, named on page five (5) of this report, is:

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

B. Estimate of Initial Maintenance Fees:

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

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

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

C. Utility Charges for Apartments:

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

- None
- Sewer
- Electricity
- Television Cable
- Gas
- Other _____
- Water

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit "G" contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated July 23, 1992
Exhibit "H" contains a summary of the pertinent provisions of the escrow agreement.

[] Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

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

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

AND

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

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

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

B) The buyer has not waived the right to rescind.

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

2. Rights Under the 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.
 - C) Bylaws of the Association of Apartment Owners.
 - D) House Rules.
 - E) Condominium Map.
 - 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 Declaration of Covenants, Conditions and Restrictions for Brigham Young University-Hawaii Campus Faculty Community and its amendment

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 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. 2792 filed with the Real Estate Commission on January 26, 1993

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

See Exhibit "I" attached.

- 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.

BRIGHAM YOUNG UNIVERSITY - HAWAII CAMPUS

Name of Developer

By: Brad Farnsworth
Duly Authorized Signatory

10 March 1993
Date

Brad W. Farnsworth, Vice President for Administrative Services
print name & title of person signing above

Distribution:

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

EXHIBIT "A"

SUMMARY OF SPECIAL USE RESTRICTIONS

1. The apartments may only be used for residential purposes by owner-occupants. Time-sharing uses are strictly prohibited.
2. All common elements of the Project shall be used only for their respective purposes as designed.
3. No apartment owner or occupant shall place, store or maintain in the stairways, walkways, ground or other common elements of similar nature, any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.
4. Every apartment owner and occupant shall at all times keep his apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.
5. No apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his apartment or the Project nor alter or remove any furniture, furnishings or equipment of the common elements.
6. No apartment owner or occupant shall erect or place in the Project any building or structure including fences and walls, nor make any additions or alterations to any common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with the Declaration.
7. No apartment owner shall decorate or landscape any entrance, planting area, lanai or yard appurtenant to his apartment except in accordance with the standards established by the Board of Directors or specific plans approved in writing by the Board.
8. All occupants shall avoid making noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other occupants. The use of fireworks of any type shall be prohibited.

9. No garments, rugs or other objects shall be hung from the windows or facades of the Project or otherwise displayed in public view. Clothing shall not be hung on apartment lanais or on or from balcony railings for any purpose whatsoever. Lanais or yards may be furnished appropriately with chairs, lounges, and small tables and shall be kept in an orderly manner. Refrigerators and other articles not usually considered as normal lanai furniture will not be permitted on the lanais or yards. Lanais and yards will not be used as storage areas for sports and play equipment, bicycles, motorbikes or surplus cartons, boxes or any other type of excess belongings.
10. No rugs or other objects shall be dusted or shaken from the windows or doors of any apartment or cleaned by beating or sweeping on any walkways, lanais, yards, entries or other exterior part of the Project.
11. No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Project outside of the disposal facilities provided for such purpose.
12. No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the Project except that dogs, or cats or other conventional household pets in reasonable number may be kept by an apartment owner or occupant in his respective apartment but shall not be kept, bred or used therein for any commercial purposes nor allowed on any common elements except in transit when carried or on leash, provided that any such pet causing a nuisance or unreasonable disturbance to any other occupant of the Project shall be permanently removed therefrom promptly upon notice given by the Board of Directors.
13. No apartment owner or occupant shall, without the written approval of the Board of Directors, install any wiring for electrical telephone installations, or any machines, air conditioning units, or other equipment or appurtenances whatsoever on the exterior of any building of the Project or protruding through the walls, windows or roof thereof.
14. Nothing shall be allowed, done or kept in any apartments or common elements of the Project which would overload or impair the floors, walls, or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.
15. No trailer, boat or truck camper will be kept on the Project.

16. No soliciting of goods or services of any type shall be allowed in the Project area.
17. No apartment owner or occupant shall erect, place or maintain any television or other antennas, receivers, discs or other telecommunication apparatus on the Project without the prior written consent of the Board of Directors.
18. No apartment owner shall permit the manufacture or sale or sell in, on or about the lot any spiritous, vinous, malt or other intoxicating beverages.

EXHIBIT "B"

ALTERATIONS TO THE APARTMENTS

No apartment owner shall do any work which would jeopardize the soundness or safety of the common elements, reduce the value thereof, or impair any easement or hereditament, nor may any apartment owner add or remove any material structure or excavate any basement without first obtaining the consent of seventy-five percent (75%) of all apartment owners, together with the consent of all apartment owners whose apartments or limited common elements will be directly affected (as determined by the Board), and the Developer.

Before the commencement of construction, demolition or excavation, all necessary permits and approvals shall be obtained from the appropriate state and municipal agencies. The apartment owner shall also obtain a bond or certificate naming the Association and Developer as additional obligees, in a penal sum of not less than one hundred percent (100%) of the cost of such construction, demolition or excavation, as the same may change from time to time and with a corporate surety authorized to do business in Hawaii guaranteeing performance of such work, free and clear of all mechanics' and materialmen's liens arising under Chapter 507 of the Hawaii Revised Statutes, as amended.

EXHIBIT "C"

DESCRIPTION OF COMMON ELEMENTS

The "common elements" shall include, but not be limited to, the following:

- (a) Land in fee simple;
- (b) All foundations, floor slabs, columns, beams, supports, unfinished perimeter and load-bearing walls, roofs, stairs, stairways, bridges, rails, fire escapes, and walkways around and between the buildings;
- (c) All yards, grounds, landscaping, roads, curbs, trash enclosures and like facilities;
- (d) All storage areas for the benefit of maintenance personnel, maintenance sheds, fire hoses, and alarm boxes, if any;
- (e) All roadways connecting the driveways of the enclosed garages and twenty (20) guest parking stalls.
- (f) All ducts, sewer lines, electrical equipment, pipes, wiring, compressors, tanks, motors, fans, and other central and appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, air conditioning refuse, sewer, telephone and radio and television signal distribution; and
- (g) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

EXHIBIT "D"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments, and such apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) The driveway connecting the garage of each apartment to the roadway of the Project shall be deemed a limited common element appurtenant to and for the exclusive use of the apartment served thereby.

(b) The enclosed yard shall be for the exclusive use of the apartment to which said yard is appurtenant.

(c) Any walkway, stairway, or corridor which connects the apartment or apartments adjoining it to the exterior of the Project shall be appurtenant to and for the exclusive use of the apartment and said adjoining apartment or apartments.

(d) The mailbox assigned to each apartment.

(e) All other common elements of the Project which are rationally related to less than all of said apartments or buildings shall be limited to the use of such apartments or buildings.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Declaration of Restrictive Covenants dated December 7, 1981, recorded in the Bureau of Conveyances in Book 16156, Page 329.
3. Easement 3 (20.00 feet wide) for utility purposes.
4. The Covenants contained in Declaration of Covenants, Conditions and Restrictions for Brigham Young University-Hawaii Campus Faculty Community
Dated: July 10, 1989
Recorded in the Bureau of Conveyances in Book 23558, Page 149.
As amended by First Amendment dated June 22, 1992, recorded in the Bureau of Conveyances as Document No. 92-133442.
5. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, power of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Horizontal Property Regime dated June 22, 1992, recorded in the Bureau of Conveyances as Document No. 92-133449, and By-Laws thereto dated June 22, 1992, recorded in the Bureau of Conveyances as Document No. 92-133450, Condominium Map No. 1711; any instrument creating the estate or interest insured by this policy; and in any other allied instrument referred to in any of the instruments aforesaid.

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
55-568 Naniloa Loop		
1A	\$228.96	\$2,747.52
1B	\$166.24	\$1,994.88
1C	\$225.47	\$2,705.64
2A	\$225.47	\$2,705.64
2B	\$166.24	\$1,994.88
2C	\$228.96	\$2,747.52
3A	\$225.47	\$2,705.64
3B	\$166.24	\$1,994.88
3C	\$228.96	\$2,747.52
4A	\$228.96	\$2,747.52
4B	\$166.24	\$1,994.88
4C	\$225.47	\$2,745.52
5A	\$228.96	\$2,747.52
5B	\$166.24	\$1,994.88
5C	\$228.96	\$2,747.52
6A	\$230.64	\$2,767.68
6B	\$203.12	\$2,437.44
6C	\$230.64	\$2,767.68
7A	\$230.62	\$2,767.68
7B	\$203.12	\$2,437.44
7C	\$230.64	\$2,767.68
8A	\$230.64	\$2,767.68
8B	\$203.12	\$2,437.44
8C	\$232.17	\$2,786.07

[✓] Revised on 5/28/92

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency. Subject to final review and approval by the BYU-Hawaii Executive Council.

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements and apartments

Elevator

Gas

Refuse Collection

Telephone

Water and Sewer

600.00 7,200.00

Maintenance, Repairs and Supplies

2,000.00 24,000.00

Building

Grounds

Management

1,500.00 18,000.00

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

750.00 9,000.00

Reserves(*)

30,000.00*

Taxes and Government Assessments

250.00 3,000.00

Audit Fees

Other

TOTAL

5,100.00 61,200.00

I, Choon H. James dba CJ Real Estate International ~~agent and employed by XXX REEAL ESTATE INC.~~ the condominium managing agent or the developer, for the condominium project Na Hale Kumu, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Choon H. James

Choon H. James dba CJ Real Estate Internatio

(*) Mandatory reserves in effect January 1, 1993

Date: 3/2/93

* Developer will contribute \$30,000.00 as upstart reserves account. Further assessments for reserves will be determined by Board of Directors of this project.

EXHIBIT "G"

SUMMARY OF SALES CONTRACT

1. The sales agreement contains the price and other terms and conditions under which a buyer will agree to buy an apartment in the Project.
2. The contract provides for the buyer to get a copy of certain legal documents that buyer should closely examine.
3. The contract provides remedies to seller if buyer fails to comply with the terms and conditions of the contract.
4. The buyer must complete the sale and purchase of the apartment by a certain date and pay closing costs, in addition to the purchase price.
5. The buyer's money will be held in escrow under the terms of the escrow agreement for the Project.
6. The developer is making no warranties or representations in connection with the sale of any of the apartments.
7. The sales contract is not assignable without the written consent of seller.

This is merely a highlighted summary of certain of the terms and conditions of the sales contract, and any buyer should review all the terms and conditions of the sales agreement before signing.

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the payments which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Escrow will let purchasers know when payments are due.
- (b) The buyer will not receive interest on deposits made to Escrow.
- (c) Escrow will arrange for purchasers to sign all necessary documents.
- (d) The Escrow Agreement says under what conditions a refund will be made to a purchaser.
- (e) The Escrow Agreement says what will happen to a purchaser's funds upon default under the Sales Contract.

The Escrow Agreement contains many other provisions and establishes certain charges that may be incurred by the purchaser, and the purchaser should carefully read the entire Escrow Agreement.

EXHIBIT "I"

ADDITIONAL INFORMATION

The Developer has placed certain restrictions and reserved certain rights in the Apartment Deed as follows:

- (1) Eligible Person: The apartments in the Project may only be transferred to an eligible person which is defined as an individual who (either himself or his spouse) does not own any other residential real property on the island of Oahu and is one of the following: (a) a faculty member, administrative director or other individual as Grantor may from time to time classify as an eligible person, or (b) the surviving spouse of an eligible person from whom such spouse was neither legally separated nor finally divorced at the date of death (provided that such surviving spouse shall cease to be an eligible person upon remarriage).
- (2) Developer's Right to Repurchase: In the event that any apartment owner shall desire, or be otherwise required by reason of loss of status as an eligible person, to sell the property, he shall before offering the property for sale, notify Developer in writing of his intention to sell after which Developer shall have a right to repurchase the property at fair market value by making a written offer within thirty (30) days of said notification. In the event an apartment owner does not accept said offer for reason of failure to agree on the amount of fair market value, Developer shall nominate three professional, independent appraisers, one of whom shall be selected by the apartment owner to perform an appraisal. The decision of the appraiser as to fair market value shall be binding on the parties, after which Developer shall submit a new offer (if higher) to purchase the property at the price determined by the appraiser within ten (10) days of its notification thereof. The apartment owner shall then accept this offer within five (5) days should he still desire or be otherwise required to sell the property.

NOTWITHSTANDING THAT THE DETERMINATION OF THE APPRAISER IS HIGHER, THE AMOUNT DEVELOPER MUST OFFER IN EXERCISE OF THIS RIGHT TO REPURCHASE SHALL NOT BE REQUIRED TO EXCEED THE REASONABLE APPRECIATED VALUE OF THE PROPERTY. REASONABLE APPRECIATED VALUE IS DEFINED AS THE PURCHASE PRICE PLUS AN ANNUAL APPRECIATION AMOUNT EQUAL TO ONE-HALF PERCENT (.5%) BELOW THE AVERAGE OF THE UNITED STATES TREASURY BILL RATE FOR THE PERIOD THE PROPERTY HAS BEEN OWNED BY THE PROPERTY OWNER. In the event Developer fails to initiate the appraisal process, tender said offer, or otherwise complete the purchase

of the property, apartment owner shall have the right to sell the property to any other eligible person subject to Developer's right to supply a purchaser described hereinbelow. The cost of the appraisal shall be shared equally by the Developer and the apartment owner.

- (3) **Developer's Right to Supply a Purchaser:** In the event that any apartment owner shall desire, or be otherwise required by reason of loss of status as an eligible person, to sell the property, he shall before offering the property for sale, notify Developer in writing of his intention to sell, after which Developer shall have a right to supply the apartment owner a prospective purchaser from a list of eligible persons maintained by Developer, provided that said purchaser shall be designated in writing within five (5) days of such notification. Within thirty (30) days of said designation, the purchaser provided by Developer shall make a written offer to purchase the property at fair market value. In the event the apartment owner does not accept said offer for reason of failure to agree on the amount of fair market value, Developer shall nominate three professional, independent appraisers, one of whom shall be selected by the apartment owner to perform an appraisal. The decision of the appraiser as to fair market value shall be binding on the parties, after which said purchaser shall submit a new offer to purchase the property at the price determined by the appraiser within ten (10) days of his notification thereof. Grantee shall then accept this offer within five (5) days should he still desire or be otherwise required to sell the property. In the event the purchaser fails to initiate the appraisal process, tender said new offer or otherwise complete the purchase of the property, the apartment owner shall have the right to accept an offer for the purchase of the property from the eligible person of his choice, subject to Developer's right to repurchase. The cost of the appraisal shall be shared equally by the Developer and the apartment owner.

Developer's right to supply a purchaser shall exist as a contractual right independent of and in addition to its right to repurchase, and the election to exercise either of said rights shall not be deemed or constitute a waiver of the other right.

NOTE: This summary contains a general description of the rights reserved by the Developer in the Apartment Deed. Prospective buyers are encouraged to review the Apartment Deed in its entirety.

EXHIBIT "J"

APARTMENT DESCRIPTION

<u>Model Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)</u>	<u>Lanai Patio (sf)</u>	<u>Garage</u>
A	2	3/2	1,614	200	205
AR	2	3/2	1,614	200	205
B	3	2/1.5	1,190	74	205
BR	2	2/1.5	1,190	74	205
C	3	4/3	1,639	230	205
CR	3	4/3	1,639	230	205
D	3	4/3	1,651	230	198
DR	3	4/3	1,651	230	198
E	3	3/2.5	1,454	126	198

Total Apartments: 24

EXHIBIT "K"

SCHEDULE OF COMMON INTERESTS

<u>APARTMENT NUMBER</u>	<u>PERCENT OF COMMON INTEREST</u>
1A	4.4894
1B	3.2596
1C	4.4209
2A	4.4209
2B	3.2596
2C	4.4894
3A	4.4209
3B	3.2596
3C	4.4894
4A	4.4894
4B	3.2596
4C	4.4209
5A	4.4894
5B	3.2596
5C	4.4894
6A	4.5223
6B	3.9827
6C	4.5223
7A	4.5223
7B	3.9827
7C	4.5223
8A	4.5223
8B	3.9827
8C	4.5224

NA HALE KUMU

DISCLOSURE ABSTRACT

(Pursuant to H.R.S. Section 514A-61)

1. Name and address of the project.

Na Hale Kumu
Laie, Oahu, Hawaii

2. Name, address and telephone number of the Developer or its agent.

Brigham Young University-Hawaii Campus
55-220 Kulanui Street
Laie, Hawaii 96762
(808) 293-3211

3. Name, address and telephone number of the Project Manager or its agent.

Choon H. James
dba CJ Real Estate International
55-047 Naupaka Street
Laie, Hawaii 96762
(808) 293-9111

4. Breakdown of annual maintenance fees and monthly estimated costs for each apartment (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).

See attached Exhibit "A".

5. Description of all warranties for the apartments and the common elements:

Developer will pass on or assign to Buyer all warranties from the contractor for the project and all warranties from the manufacturers and suppliers of appliances in the Apartments, if any.

THE SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT OR THE

PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

6. All of the dwellings in Na Hale Kumu are to be used for residential purposes. There will be no commercial or non-residential use within the project.
7. A licensed architect has verified that the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium are in good condition.
8. There are no outstanding notices of uncured violations of building code or other municipal regulations.
9. The project is not on a lot nor does it have structures or uses not in conformance with present zoning requirements.

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
55-568 Naniloa Loop		
1A	\$228.96	\$2,747.52
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8C	\$232.17	\$2,786.07

[✓] Revised on 5/28/92

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency. Subject to final review and approval by the BYU-Hawaii Executive Council.

EXHIBIT "A"

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning

Electricity

[] common elements only

[] common elements and apartments

Elevator

Gas

Refuse Collection

Telephone

Water and Sewer

600.00 7,200.00

Maintenance, Repairs and Supplies

2,000.00 24,000.00

Building

Grounds

Management

1,500.00 18,000.00

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

750.00 9,000.00

Reserves(*)

30,000.00*

Taxes and Government Assessments

250.00 3,000.00

Audit Fees

Other

TOTAL

5,100.00 61,200.00

I, Choon H. James dba CJ Real Estate International, ~~agent and employed by XXX REEYX DECEY EXX~~ the condominium managing agent or the developer, for the condominium project Na Hale Kumu, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Choon H. James

Choon H. James dba CJ Real Estate Internat

(*) Mandatory reserves in effect January 1, 1993

Date: 3/2/93

* Developer will contribute \$30,000.00 as upstart reserves account. Further assessments for reserves will be determined by Board of Directors of this project.