

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Beretania Partners Address 820 Mililani Street, Suite 820

Project Name(*): THE COURTYARDS AT PUNAHOU Address: 1740 South Beretania St., Honolulu, HI 96826

Registration No. 2823 Effective date: April 5, 1993 Expiration date: May 5, 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.

FINAL: The developer has legally created a condominium and has filed complete information with the Commission. [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: [] 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:

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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: Beretania Partners Phone: (808) 532-1300
Name (Business)
820 Mililani St., #820
Business Address
Honolulu, HI 96813

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

Haseko Beretania, Inc. (General Partner)
Sefco Beretania, Inc. (General Partner)

Real Estate
Broker: Haseko Realty, Inc. Phone: (808) 523-1864
Name (Business)
820 Mililani St., #100
Business Address
Honolulu, Hawaii 96813

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen St., 1st Floor
Business Address
Honolulu, HI 96813

General
Contractor: U.S. Pacific Builders, Inc. Phone: (808) 523-8554
Name (Business)
1001 Bishop St., #1500
Business Address
Honolulu, HI 96813

Condominium
Managing
Agent: Metropolitan Management, Inc. Phone: (808) 536-3511
Name (Business)
745 Fort St., #2100
Business Address
Honolulu, HI 96813

Attorney for
Developer: Cades Schutte Fleming & Wright Phone: (808) 521-9200
Name (Business)
1000 Bishop St., 12th Floor
Business Address
Honolulu, HI 96813
(Attn: Mark A. Hazlett, Esq., & Jeffrey D. Watts, Esq.)

**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. 93-030284
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. 1820
 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. 93-030285
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>Majority of quorum of Board of Directors</u>

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

2. Developer:

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

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

Under paragraph 18 of the Declaration, the Developer reserves the right to amend the Declaration, Condominium Map and Bylaws at any time prior to the first recording of a conveyance or transfer (other than for security) of an apartment and its appurtenances to a party who has not signed the Declaration. Paragraph 18 of the Declaration also permits the Developer to amend the Declaration and the Condominium Map to file the "as-built" verified statement required by the Condominium Property Act at any time before or after the lease, sale or conveyance of any of the apartments. Section Q of the Rules and Regulations provides that the Developer may amend the Rules and Regulations in any manner prior to election of the first Board of Directors for the Project. Under paragraph E.18 of the Sales Contract, the Developer also reserves the right to make changes to all of the Project's documents, under certain circumstances explained in paragraph E.18 of the Sales Contract.

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 1740 South Beretania Street Tax Map Key: (1) 2-8-11-20 (por.)
Honolulu, HI 96826 (TMK)

Address TMK is expected to change because _____

Land Area: 51,362 [X] square feet [] acre(s) Zoning: A-2

XXXXXX

~~Lessor~~
(Fee Owner): Beretania Partners, a Hawaii general partnership

Name
820 Mililani St., #820

Address
Honolulu, HI 96813

Sublessor: N/A
Name

Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 1 Floors Per Building 12

Exhibit contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Steel, aluminum, glass

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>35</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	<u> </u>	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: <u> </u>	<u> </u>	<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:

Pets: 2 house pets per apartment

Number of Occupants: _____
 No time-sharing, rooming house, bed & breakfast or commercial

Other: uses except "Home Occupations" if permitted by zoning.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 4 Stairways: 2 Trash Chutes: 2

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
I/I (R)	<u>14</u>	<u>2/2½</u>	<u>1,938**</u>	<u>232**</u>
II/II (R)	<u>14</u>	<u>3/3½</u>	<u>2,277</u>	<u>232</u>
III/III (R)	<u>2</u>	<u>2/2½</u>	<u>2,430</u>	<u>258</u>
IV/IV (R)	<u>2</u>	<u>3/3½</u>	<u>3,335</u>	<u>268</u>
V/V (R)	<u>2</u>	<u>3/3½</u>	<u>3,814</u>	<u>548</u>
Management	<u>1</u>	<u>1/1</u>	<u>603</u>	<u>---</u>
Total Apartments:		<u>35</u>		

**Suite 33 (Type I(R)) and Suite 34 (Type I) have net living areas of 1,935 square feet and lanai areas of 216 square feet.

*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 "A"

Permitted Alterations to Apartments:

See Exhibit "A"

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:

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 C.

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 D.

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 January 25, 199 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

- [] There are no blanket liens affecting title to the individual apartments.
- [X] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	The mortgage lender may take over the Project or cancel the Sales Contract and refund deposits remaining in escrow (if any).

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:

See Exhibit "F".

2. Appliances:

See Exhibit "F".

G. Status of Construction and Estimated Completion Date:

Construction commenced on December 9, 1991. The structural components of the building are 95% complete. The estimated completion date for the Project is July 30, 1993.

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):

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 G 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
- (Common Elements Only)
- Electricity
- Gas
- Water
- Television Cable
- Other Telephone for common area operation.

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:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "H" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated January 4, 1993
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 Restrictive Covenants (Private Park)

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. 2823 filed with the Real Estate Commission on Feb. 26, 199

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C. Additional Information Not Covered Above

1. Private Park. The Project is subject to that certain Declaration of Restrictive Covenants (Private Park) dated July 10, 1991, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-026583 (the "Park Declaration"). The Park Declaration provides, among other things, that the area identified in the Park Declaration as the Private Park area shall be improved, maintained and used exclusively for private park, playground and recreational purposes by the occupants, owners or lessees of apartments in the Project. The Private Park area is also part of the common elements of the Project. The Park Declaration also provides that the Association of Apartment Owners of the Project shall perpetually maintain the Private Park area and the "Two Street Trees" identified in the Park Declaration. The Developer has filed with the Real Estate Commission a copy of the Park Declaration as part of this registration, and prospective purchasers are encouraged to review the Park Declaration for more information.

2. Possible Future Developments. The Project's Declaration of Condominium Property Regime discloses that several parcels of land in the general vicinity of the Project are owned by parties unrelated to the Developer and currently contain low-rise structures. Under current zoning, high-rise structures could be built on such parcels at some time in the future and could affect the views currently available from some or all of the apartments in the Project. The Developer makes no representations or warranties as to whether any apartment in the Project will retain the view it may originally have if properties in the vicinity of the Project are later developed, and by acquiring an apartment in the Project, each owner thereby acknowledges that such owner has not relied upon any such representations or warranties.

3. Electricity. The Project's Declaration of Condominium Property Regime discloses that Hawaiian Electric Company, Inc., has the right temporarily to shut down all electrical service to the Project if deemed necessary for the purpose of performing work on or in connection with electrical metering equipment located in the Project's generator room.

Estimate of Maintenance Fee Disbursements:

	<u>Monthly</u> x 12 months =	<u>Yearly Total</u>
Utilities and Services	\$ 8,575	\$102,900
Air Conditioning	1,000	12,000
Electricity		
[X] common elements only	1,760	21,120
[] common elements and apartments		
Elevator	3,500	42,000
Gas		
Refuse Collection	600	7,200
Telephone	200	2,400
Cable TV	480	5,760
Water and Sewer	1,035	12,420
Maintenance, Repairs and Supplies	\$ 1,455	\$ 17,460
Building	680	8,160
Grounds	775	9,300
Management	\$10,120	\$121,440
Management Fee	925	11,100
Payroll and Payroll Taxes	9,045	108,540
Office Expense	150	1,800
Insurance	\$ 3,010	\$ 36,120
Reserves(*)	\$ 2,456	\$ 29,472
Taxes and Government Assessments	\$ 225	\$ 2,700
Audit Fees	\$ 75	\$ 900
Other	\$ 1,100	\$ 13,200
TOTAL	\$27,016	\$324,192

I, Jim Kolonick, as agent and employed by Metropolitan Management, the condominium managing agent or the developer, for the condominium project Courtyards at Punahou, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

William H. Pearson for Jim Kolonick

Date: February 19, 1993

(*)Mandatory reserves in effect January 1, 1993

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BOUNDARIES OF APARTMENTS
AND
PERMITTED ALTERATIONS TO APARTMENTS

A. Boundaries of Apartments.

Paragraph 3 of the Declaration provides that each Apartment shall be deemed to include: (i) all the walls and partitions which are not load-bearing within its perimeter walls, (ii) the interior decorated or finished surfaces of all walls, floors and ceilings, including floor coverings, (iii) any doors and door frames, windows or panels along the perimeters, window frames, (iv) all fixtures originally installed therein, (v) the decorated or finished surface of the floor, walls and ceiling of the lanai(s) abutting or appurtenant to the Apartment, the railing of such lanai(s) and the lanai air space, and (vi) the private elevator foyer(s) serving the Apartment, excluding, however, the elevator doors and door frames opening onto or appurtenant to the Apartment's elevator foyer. The Apartments designated in the Declaration as "PH-1" and "PH-2" shall each be deemed to include the wet-bar area adjacent to each Apartment's private rooftop recreation deck.

The respective Apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter walls, the interior load-bearing walls, or the party walls, (b) the undecorated or unfinished surfaces of the floors and ceilings surrounding each Apartment, or (c) any pipes, shafts, wires, conduits or other utility or services lines running through such Apartment which are utilized for or serve more than one Apartment, the same being deemed common elements as provided in the Declaration.

B. Permitted Alterations to the Apartments.

Owners may not make any structural alterations in or additions to the Apartments or make any alterations in (including painting, awnings, жалousies and screens) or additions to the exterior of the Apartments without the prior written consent of the Board. Permanent enclosure of lanais shall not be permitted.

Owners may make non-structural alterations and additions solely within an Apartment which do not affect the common elements or change the exterior or appearance of the Project as long as any building permit required for such alterations is first duly obtained and filed with the Board and the proposed alteration will not adversely affect the insurance rating for the Building or the Project's insurance rating or premiums.

Owners may not, without the prior written approval of the Board, change the exterior color or exterior surface treatment of the painted wooden shutters provided at the exterior windows

EXHIBIT "A"

and doors of the Apartments, nor apply any substance, material or process to the exterior or interior surfaces of the Apartment's windows which may alter the exterior color, appearance or reflectivity of the windows.

Subject to the prior written approval of the Board, an Owner may alter the configuration of the water pipes and other limited common elements appurtenant to the Apartment and contained in the air space above the Apartment's ceiling, and may also alter the ceiling to accommodate such reconfigurations; provided, however, that any building or other permit required for such alterations is first duly obtained and filed with the Board.

Subject to the prior written approval of the Board and the Owner of the Apartment immediately below (if any), an Owner may relocate plumbing or waste disposal pipes which extend through the floor of the Owner's Apartment and into the air space (if any) beneath his Apartment, and make such alterations to the floor of the Apartment as are necessary for such relocation; provided, however, that any building or other permit required for such relocation is first duly obtained and filed with the Board.

Owners may not alter any part of the Project's or the Apartment's fire detection and sprinkler system(s) without the prior written approval of the Board.

Owners may alter or replace the hard-surface floor coverings provided with the Apartment or replace carpeting with hard-surface floor coverings, provided that the original acoustical underlayment provided with the Apartment remains undamaged and intact, or, if the original underlayment is damaged or removed or the floor was originally carpeted, the Owner shall install an acoustical underlayment providing protection against sound and vibration transmission equal or superior to the protection provided by the acoustical underlayment originally installed beneath the Apartment's hard-surface floors.

Article VIII of the Bylaws contains additional information regarding alterations to the Apartments, the common elements and the limited common elements.

EXHIBIT "A"

Page 2

ADDITIONAL PARKING STALL INFORMATION

The initial parking stall assignments are as follows:

<u>Apt.#</u>	<u>Stall(s)</u>	<u>Apt.#</u>	<u>Stall(s)</u>	<u>Apt.#</u>	<u>Stall(s)</u>
PH-1:	1,2,3,4	Suite 13:	21,22	Suite 25:	86,87
PH-2:	12,13,14,15	Suite 14:	39,40	Suite 26:	47,48
PH-3:	6,7,8,92	Suite 15:	31,32,33	Suite 27:	88,89,90
PH-4:	9,10,11,93	Suite 16:	23,24,25	Suite 28:	51,52,53
SubPH 5:	5,19,20	Suite 17:	70,71	Suite 29:	72,73
SubPH 6:	16,17,18	Suite 18:	49,50	Suite 30:	57,58
Suite 7:	28,29,30	Suite 19:	80,81,82	Suite 31:	74,75,76
Suite 8:	34,35,36	Suite 20:	44,45,46	Suite 32:	54,55,56
Suite 9:	26,27	Suite 21:	65,66	Suite 33:	63,64
Suite 10:	37,38	Suite 22:	61,62	Suite 34:	59,60
Suite 11:	83,84,85	Suite 23:	67,68,69	Suite 35:	91,94,95,
Suite 12:	77,78,79	Suite 24:	41,42,43		96,97,98,
					99,100,101,
					102

Parking Stalls no. 103, 104, 105 and 106 are guest stalls.

Owners may transfer assigned parking stalls pursuant to the Declaration, provided that each Apartment shall always have at least one parking stall as an appurtenant limited common element.

As long as the Developer retains ownership of Suite 35, the Developer may (but is not required to) allow some or all of the parking stalls appurtenant to Suite 35 to be used for additional guest parking.

EXHIBIT "B"

COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

A. Common Elements. The common elements, as described in paragraph 4 of the Declaration, are as follows:

1. The Land, in fee simple;
2. The limited common elements described below;
3. All foundations, columns, girders, beams, supports, perimeter walls, load-bearing walls, roofs, stairs and stairways, elevator cars, shafts, doors and related equipment, pumps, ducts, pipes, wires, conduits, or other utility or service lines which are located outside the Apartments and which are utilized for or serve more than one Apartment, and generally all equipment, apparatus, installations and personal property existing for common use in the Building or located on the Land;
4. All pipes, wires, ducts, conduits or other utility or service lines running through an Apartment which are utilized by or serve more than one Apartment;
5. All recreational facilities and other amenities of the Project, including, but not limited to, concierge facilities, a fitness room, a pool and spa area, two roof terraces with spas, an entertainment court with caterer's kitchen, the private park described in the Park Declaration, and a management office;
6. All driveways and other common ways, landscaping, yard areas, fences, gates, retaining walls, mailboxes and mailbox areas, storage rooms in the parking garage, trash areas, accessory equipment areas and all parking stalls and areas on the Land or within the Building;
7. All air conditioning and related climate control equipment and facilities; and
8. All improvements on the Land which are not part of any Apartment.

B. Limited Common Elements. The limited common elements, as described in paragraph 5 of the Declaration, are as follows:

1. Each Apartment shall have appurtenant thereto, as limited common elements, the parking stalls assigned to such Apartment as shown in the Declaration.
2. The mailbox(es) bearing the same number as an Apartment shall be appurtenant to such Apartment as a limited common element.

EXHIBIT "C"

3. Each Apartment shall have appurtenant thereto as a limited common element one or more storage rooms, as shown in the Declaration.

4. Each Apartment shall have appurtenant thereto as a limited common element the exterior decorated or finished surface of the elevator doors opening onto the Apartment's private elevator foyer(s), and the decorated or finished surface of such parts of the frames of such doors as are visible from within the Apartment's elevator foyer(s).

5. The Apartments designated in the Declaration as "PH-1" and "PH-2" shall each have appurtenant thereto as a limited common element a private roof terrace with a spa, as shown on the Condominium Map and designated by the same number as the Apartment.

6. Each Apartment shall have appurtenant thereto as limited common elements all air conditioning and related climate control equipment and components located within such Apartment or serving only such Apartment.

7. Each Apartment shall have appurtenant thereto as limited common elements the ceiling of such Apartment (excluding the decorated or finished interior surface of such ceiling, which is a part of the Apartment), the air space above such ceiling, and all pipes, conduits and electrical wiring located within or running through such air space and serving only the Apartment; excluding, however, any part of a fire sprinkler or detection/warning system contained in such air space or afixed to the ceiling, all parts of any such sprinkler or detection/warning system being common elements.

8. Each Apartment that has air space beneath its floor shall have appurtenant thereto as a limited common element the floor of the Apartment (excluding the decorated or finished surface of the floor, which is part of the Apartment), and all pipes and plumbing running through the floor and into the Apartment, and serving only that Apartment.

9. Any other common element of the Project which is rationally related to only one Apartment shall be deemed a limited common element appurtenant to and for the exclusive use of such Apartment.

COMMON INTERESTS

The common interest for each Apartment is computed by dividing the net living area of the Apartment (excluding lanais) by the aggregate net living area of all the Apartments (excluding lanais) and expressing the resulting fraction as a percentage, rounded to the nearest one-hundredth. The common interests appurtenant to the Apartments are as follows:

PH-1,PH-2:.....	4.84% each	x 2 =	9.68%
PH-3,PH-4:.....	4.24% each	x 2 =	8.48%
SubPH-5,SubPH-6:.....	3.09% each	x 2 =	6.18%
Suites 7,8,11,12,15,16,19, 20,23,24,27,28,31,32:.....	2.89% each	x 14 =	40.46%
Suites 9,10,13,14,17,18,21, 22,25,26,29,30,33,34:.....	2.46% each	x 14 =	34.44%
Suite 35:.....	0.76%	x 1 =	<u>0.76%</u>
		Total=	100.00%

EXHIBIT "D"

ENCUMBRANCES

The Status Title Report dated January 25, 1993 (revised February 11, 1993), issued by Title Guaranty of Hawaii, Inc., discloses the following encumbrances affecting the Project:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Encroachment of a chain link fence, as shown on survey map prepared by James R. Thompson, Registered Professional Land Surveyor, with Walter P. Thompson, Inc., dated August 14, 1990.
3. Possible mechanics' and/or materialmen's liens due to work presently in progress.
4. Mortgage, Security Agreement and Financing Statement in favor of The Mitsui Trust & Banking Co., Ltd., dated January 17, 1992, recorded in the Bureau of Conveyances as Document No. 92-008895.

NOTE: As of the effective date of this Public Report, the encroachment described in item 2 above no longer exists. Prior to transfer of title to an apartment to a purchaser, the apartment will be released from the lien of the mortgage described in item 4 above and from any and all other blanket liens, in accordance with Hawaii law.

EXHIBIT "E"

WARRANTY INFORMATION

Under paragraph E.14 of the Sales Contract, the Developer agrees to require the general contractor of the Project to warrant, in writing, that: (a) the materials and equipment furnished under the contract for construction of the Project will be of good quality and new, unless the construction contract requires or permits that the materials and equipment be otherwise; and (b) the construction and services required by the construction contract (including all labor, materials and equipment to be provided by the general contractor) will be free from defects, except for defects inherent in the quality of the construction and services required or permitted by the construction contract. The Developer also agrees to require the general contractor's written warranties to be effective for one (1) year from the "Date of Completion" (as defined in Section 507-43 of the Hawaii Revised Statutes, as amended) for the Project.

The Developer also will transfer to the Buyer any manufacturer's or dealer's warranties that are transferable covering appliances in the Buyer's apartment.

The Developer agrees, without incurring any legal liability, to cooperate with the Buyer to try to have all the warranties performed by the general contractor for which he is responsible. Paragraph E.14 of the Sales Contract explains that the Developer makes no warranties, express or implied, other than the limited warranty contained in paragraph E.14 of the Sales Contract. Prospective purchasers should read paragraph E.14 carefully for further warranty information.

EXHIBIT "F"

EXHIBIT "G"

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>
PH 1	\$1,282.02	\$15,384.24
PH 2	1,282.02	15,384.24
PH 3	1,123.09	13,477.08
PH 4	1,123.09	13,477.08
SubPH 5	818.48	9,821.76
SubPH 6	818.48	9,821.76
Suite 7	765.50	9,186.00
Suite 8	765.50	9,186.00
Suite 9	651.61	7,819.32
Suite 10	651.61	7,819.32
Suite 11	765.50	9,186.00
Suite 12	765.50	9,186.00
Suite 13	651.61	7,819.32
Suite 14	651.61	7,819.32
Suite 15	765.50	9,186.00
Suite 16	765.50	9,186.00
Suite 17	651.61	7,819.32
Suite 18	651.61	7,819.32
Suite 19	765.50	9,186.00
Suite 20	765.50	9,186.00
Suite 21	651.61	7,819.32
Suite 22	651.61	7,819.32
Suite 23	765.50	9,186.00
Suite 24	765.50	9,186.00
Suite 25	651.61	7,819.32
Suite 26	651.61	7,819.32
Suite 27	765.50	9,186.00
Suite 28	765.50	9,186.00
Suite 29	651.61	7,819.32
Suite 30	651.61	7,819.32
Suite 31	765.50	9,186.00
Suite 32	765.50	9,186.00
Suite 33	651.61	7,819.32
Suite 34	651.61	7,819.32
Suite 35	201.31	2,415.72
<hr/>		
35	<u>\$27,016.00</u>	<u>\$324,192.00</u>

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

SALES CONTRACT AND ESCROW AGREEMENT SUMMARY

The Sales Contract provides for the sale of a condominium apartment (the "Residence") by the Developer to a Buyer. The Escrow Agreement provides how the funds paid by the Buyer under the Sales Contract to Escrow are to be held and released. Both the Sales Contract and Escrow Agreement contain many important provisions which are not set out here and should be carefully reviewed by every prospective Buyer. Both documents have been written in language intended to be easier for Buyers to read than that used in traditional legal documents. Some of the important provisions of the Sales Contract are described elsewhere in this Public Report (for example, section II.E.2 and Exhibit "F") and are not included in this summary.

The Sales Contract provides for the number, amount and timing of payments the Buyer is to make to Escrow. The Escrow Agreement provides that Escrow is to collect these payments and hold them in accounts with banks or savings institutions that are federally insured. The Sales Contract and Escrow Agreement provide who gets to keep interest that may be earned on the funds with Escrow. The Sales Contract may be cancelled by the Developer, among other reasons, if the Buyer is obtaining financing and fails to obtain a lender commitment within certain time limitations or if the Buyer is a cash buyer and fails to furnish satisfactory evidence of ability to pay within other time periods, if the Buyer's deposit check bounces, or if one of the Buyers dies. In certain cases, the Buyer may be responsible for cancellation fees.

The Escrow Agreement provides for the closing or settlement of the sale. Under certain conditions set out in the Escrow Agreement, after an effective date is issued for a Final Public Report and before the Project is complete, funds may be released by Escrow to pay certain costs of developing the Project as permitted by Hawaii law. Escrow collects all payments and other amounts owed under the Sales Contract, including closing costs which are shared between the Developer and the Buyer as set forth in the Sales Contract.

If the Buyer defaults under the Sales Contract after an effective date is issued for a Final Public Report for the Project and the Final Public Report is "accepted" by the Buyer, the Buyer may lose all of the deposits with Escrow and the Developer, at its option, may pursue other legal remedies. If the Developer defaults under the Sales Contract, the Buyer shall be entitled to specific performance of the Sales Contract, or shall have the right to cancel and terminate the Sales Contract. If the Buyer cancels and terminates the Sales Contract because of the Developer's default, the Developer shall repay to the Buyer all sums the Buyer has paid to the Developer or to Escrow under the Sales Contract, and the Buyer may sue the Developer for damages or

EXHIBIT "H"

pursue other legal or equitable remedies. If the Buyer has signed an "owner-occupant" affidavit, the Sales Contract explains the Developer's rights if the Buyer does not reaffirm at closing the Buyer's intention to be an owner-occupant of the Residence.

The Sales Contract confirms that the Buyer has had the opportunity to read and approve certain important legal documents for the Project, including the Declaration, Bylaws, and Rules and Regulations. The Sales Contract also provides that the rights of any construction lender with a mortgage against the Project will be superior to the rights of the Buyer under the Sales Contract.

The Sales Contract limits the Buyer's right to assign the Sales Contract and provides for a consent fee for any transfer. The Sales Contract and Escrow Agreement provide for "pre-closing," signing of the Apartment Deed and other closing documents by the Buyer before the Residence is ready for occupancy. Escrow then handles the closing, the transfer of title in accordance with the Escrow Agreement. The Residence must be conveyed to the Buyer free and clear of any blanket liens, such as mortgages covering more than one apartment.

The Sales Contract provides that certain disputes between the Buyer and the Developer or certain parties involved in development of the Project must be arbitrated. The Buyer acknowledges that sales and construction activity at the Project by the Developer may continue after closing of the Buyer's purchase.

The Escrow Agreement provides certain protections to Escrow in the event of a dispute between the Buyer and the Developer. These rights include filing an "interpleader" and the right to recover certain fees and costs. In an interpleader action the escrow deposit is given to the court to decide what action to take. The Escrow Agreement sets out escrow fees, escrow cancellation fees and the fees for certain policies of title insurance.

This summary is not complete and will not control in the event of any conflict with a provision in the Sales Contract or the Escrow Agreement. Prospective Buyers are cautioned and encouraged to read carefully the Sales Contract and Escrow Agreement.

EXHIBIT "H"

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