

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Boris, Inc.
Address 3135 Oahu Avenue, Honolulu, Hawaii 96822

Project Name(*): AKIHKII PLACE
Address: 1448 A & B Akiikii Place, Kailua, Hawaii 96734

Registration No. 2981 (Partial Conversion)
Effective date: December 10, 1993
Expiration date: January 10, 1995

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.

X 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:

SEE SPECIAL NOTICE ON PAGE 20

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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: BORIS, INC. Phone: 988-5813
Name (Business)
3135 Oahu Avenue
Business Address
Honolulu, Hawaii 96822

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

Leo Noecker President
Jane Van Schaick Vice-President
Lori Phillips Secretary
Wayson W. C. Chong Treasurer

Real Estate Broker: Not yet designated Phone: _____
Name (See Page 20) (Business)
Business Address

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

General Contractor: Carmen Sylvester dba Phone: 538-3999
Name Cardel Construction (Business)
2050 Nuuanu Avenue
Business Address
Honolulu, Hawaii 96817

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

Attorney for Developer: Sandra J. Loomis Phone: 377-5198
Name (Business)
25 Wailupe Circle
Business Address
Honolulu, Hawaii 96821

**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. 93-167663
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. 1937
 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. 93-167664
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>N/A</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:

The Developer may amend the Declaration pursuant to the provisions of H.R.S. Section 514A-12, after completion of the apartments by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment number and dimensions of the apartments as built.

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: 1448 A & B Akiikii Place Tax Map Key: (1) 4-2-88-27
Kailua, Hawaii 96734 (TMK)

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

Land Area: 14,561 [X] square feet [] acre(s) Zoning: R-5

Lessor
 (Fee Owner): BORIS, INC.
 Name
3135 Oahu Avenue
 Address
Honolulu, Hawaii 96822

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: TWO (2) Floors Per Building Unit A: 2
Unit B: 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

| | No. of <u>Apts.</u> | Use Permitted <u>By Zoning</u> | No. of <u>Apts.</u> | Use Determined <u>By Zoning</u> |
|---|------------------------|--|------------------------|--|
| <input checked="" type="checkbox"/> Residential | <u>2</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: dogs, cats and other household pets permitted in reasonable
number.

[] Number of Occupants: _____

[] Other: _____

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 Trash Chutes: 0

| <u>Apt. Type</u> | <u>Quantity</u> | <u>BR/Bath</u> | <u>Net Living Area (sf)*</u> | <u>Lanai/Patio (sf)</u> |
|------------------|-----------------|----------------|------------------------------|-------------------------|
| <u>A</u> | <u>1</u> | <u>3/2</u> | <u>1,418</u> | <u>261 (decks)</u> |
| <u>B</u> | <u>1</u> | <u>4/3</u> | <u>2,661</u> | <u>0</u> |
| _____ | _____ | _____ | _____ | _____ |
| _____ | _____ | _____ | _____ | _____ |

Total Apartments: TWO (2)

***Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. Net living area does not include the garages included in each apartment.**

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 walls, roofs, windows, doors, ceilings, floors, slabs, footings, foundations and entire structure of each of the two (2) residential dwellings, including the spaces therein.

Permitted Alterations to Apartments:

See EXHIBIT "G"

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>YES</u> | <u> </u> | <u> </u> |
| Structures | <u>YES</u> | <u> </u> | <u> </u> |
| Lot | <u>YES</u> | <u>YES*</u> | <u> </u> |

*10' wide paved driveway

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 A.

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 B.

as follows:

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

described in Exhibit _____.

as follows:

Each apartment shall have a fifty percent (50%) undivided fractional interest in all of the common elements.

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 C describes the encumbrances against the title contained in the title report dated October 13, 199 and issued by Title Guaranty of Hawaii.

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, Security Agreement and Financing Statement | Foreclosure of the mortgage may cause the buyer's interest in the property covered by the sales contract to be cancelled. Buyer will be entitled to a refund of deposit, less any escrow cancellation fee. |

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 "H"

2. Appliances:

See EXHIBIT "H"

G. Status of Construction and Estimated Completion Date:

Unit B was originally constructed in 1972. Construction of Unit A was completed in May, 1993.

H. Project Phases:

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

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

None

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

[X] Specimen Sales Contract

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

[X] Escrow Agreement dated September 27, 1993

Exhibit E 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 _____

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. 2981 filed with the Real Estate Commission on 10/22/93 .

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

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

C. Additional Information Not Covered Above

SPECIAL NOTICES:

1. Disclosure re: Selection of Real Estate Broker: This public report shall not be valid for the sale of any apartment until the Developer submits to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, a copy of which shall be attached to this public report, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, as applicable.

2. The Seller has disclosed that it gives limited warranties itself and will pass on to the Buyer any warranties given by the Contractor, manufacturer or dealer. (See EXHIBIT "H".)

3. The two apartments of this project are designated on the Condominium Map as Unit A and Unit B and are referred to in this report as Apt. type or number A or B, respectively.

4. The apartments in this project are built on one legally subdivided lot. The land of the project is a common element which is owned jointly by all apartment owners in the project. The land area under and adjacent to each dwelling unit is designated as the limited common element for that unit and does not represent a legally subdivided lot.

5. This public report does not constitute an approval of the project by the Real Estate Commission, or any other governmental agency, nor does it ensure that all applicable City and County codes, ordinances and subdivision requirements have necessarily been complied with. The prospective purchaser is cautioned to carefully review the documents for further information with regard to the above.

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.

BORIS, INC.
Name of Developer

By: *Leo J. Noecker*
Duly Authorized Signatory

Oct 4 93
Date

Leo J. Noecker President
print name & title of person signing above

Distribution:

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

EXHIBIT "A"

DESCRIPTION OF COMMON ELEMENTS

The "common elements" include specifically but are not limited to:

- (a) The Land in fee simple;
- (b) All driveways, yards, grounds, landscaping, and amenities thereon;
- (c) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal distribution, if any; and
- (d) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use, including retaining walls.

END OF EXHIBIT "A"

EXHIBIT "B"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Certain parts of the common elements are designated and set aside for the exclusive use of each apartment, as follows:

(a) The land area under and surrounding each respective apartment, including the yard, grounds, landscaping and any amenities located thereon, as outlined in a broken red line on the Condominium Map, shall be appurtenant to and for the exclusive use of that apartment.

(b) All pipes, wires, conduits, and other utility and service lines not contained within an apartment but used exclusively by and servicing only such apartment, shall be appurtenant to and for the exclusive use of that apartment.

(c) One (1) mailbox shall be appurtenant to and for the exclusive use of each apartment, and shall be designated with the street address of the apartment thereon.

END OF EXHIBIT "B"

EXHIBIT "C"

ENCUMBRANCES AGAINST TITLE

1. Real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.
2. Designation of Easement "47" (15 feet wide) for maintenance purposes shown on File Plan No. 1215.
3. Designation of Easement "49" for roadway purposes shown on File Plan No. 1215.
4. Grant to City and County of Honolulu dated April 4, 1972, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9191, Page 123 granting an easement over said Easements "47" and "49".
5. The terms and provisions, including the failure to comply with any covenants, conditions and reservation, contained in that certain DECLARATION dated July 22, 1971, recorded as aforesaid in Liber 7788, Page 453.

NOTE: Developer represents that none of the provisions contained in the Declaration referred to above materially affect the use and/or marketability of the property.

6. That certain Agreement regarding encroachment (wall) dated December 4, 1992 recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-206063 made by LAWRENCE EDWARD SAYRE and FRANCES BROWN SAYRE, Trustees under that unrecorded Living Trust Agreement dated January 27, 1984, and known as "The Sayre Living Trust", and JANE VANSCHAICK, unmarried, and WAYSON W.C. CHONG, unmarried with GALE F. BERENGUE and GAIL P. BERENGUE, husband and wife.
7. That certain Agreement regarding encroachment (wall) dated December 4, 1992 recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 92-206064 made by LAWRENCE EDWARD SAYRE and FRANCES BROWN SAYRE, Trustees under that unrecorded Living Trust Agreement dated January 27, 1984, and known as "The Sayre Living Trust", and JANE VANSCHAICK, unmarried, and WAYSON W.C. CHONG, unmarried with PAUL H. ASANO and LORRAINE A. ASANO, husband and wife.
8. That certain Mortgage, Security Agreement and Financing Statement made by JANE VANSCHAICK and WAYSON W. C. CHONG, as mortgagors, in favor of GECC FINANCIAL CORPORATION, a Hawaii corporation, as mortgagee, dated December 16, 1992 recorded as aforesaid as Document No. 92-206066.

9. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

Declaration of Condominium Property Regime and By-Laws recorded as aforesaid on October 12, 1993 as Document Nos. 93-167663 and 93-167664, respectively. The Condominium Map was filed as Map No. 1937.

END OF EXHIBIT "C"

EXHIBIT "D"

SUMMARY OF PROVISIONS OF SPECIMEN SALES CONTRACT

Developer intends to use the 1993 edition of the Hawaii Association of Realtors' form of Deposit Receipt, Offer and Acceptance (DROA) as the sales contract. The specimen sales contract contains, among other things, the following additional provisions:

1. The warranties set forth in the specimen sales contract are set forth in the attached Final Public Report, Page 16, Section I.

2. All of the rights of Buyer under the sales contract are and shall be subject and subordinate to the lien of any mortgage securing the repayment of the interim loan set forth in the sales contract.

3. (a) All payments to be made by Buyer shall be placed on deposit with Escrow and all checks shall be made payable to Escrow.

(b) All funds received by Escrow may be deposited in an interest bearing account or accounts in a federally insured bank or savings and loan institution, and all interest earned from such account or accounts shall be credited to Seller's account, except as otherwise set forth in the sales contract.

4. If Buyer, within thirty (30) days from the mailing or delivery to Buyer by the Seller of a copy of any Supplementary Public Report, shall fail to acknowledge receipt thereof, or shall fail to give his written approval or acceptance of any said Supplementary Public Report, if the same differs from the Final Public Report in any material respect, then Seller in any such case may, at its sole option, terminate the sales contract and upon such termination, Seller shall cause Escrow to refund to Buyer all payments previously made by Buyer, without interest, and less Escrow's cancellation fee, and Seller shall have no further liability; provided, however, that if Seller shall not exercise this option and Buyer shall have failed to notify Seller in writing within said thirty (30) day period of Buyer's refusal to approve or accept any material changes set forth in such Supplementary Public Report, then and in such event, Buyer's approval and acceptance of any such material changes shall be conclusively presumed to have been given, and the sales contract shall continue as a binding obligation on both parties.

5. Buyer shall be entitled to a refund of all payments to be made pursuant to the sales contract without interest, if there is any material change in the project subsequent to the execution of the sales contract, which directly, substantially, and adversely affects the use or value of (1) Buyer's apartment or appurtenant limited common elements, or (2) those amenities of the project available for Buyer's use. This right of rescission may be waived according to the terms set forth in Hawaii Revised Statutes Section 514A-63.

6. (a) Should Buyer fail to perform any of Buyer's obligations under the sales contract, Seller may (1) bring an action against Buyer for breach of contract, (2) retain Buyer's initial deposit and any additional deposits as liquidated damages, and (3) Buyer shall be responsible for expenses incurred.

(b) Should Seller fail to perform any of Seller's obligations under the sales contract, Buyer may (1) bring an action against Seller for breach of contract, (2) bring an action compelling Seller to perform under contract, and (3) Seller shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

* * * * *

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

END OF EXHIBIT "D"

EXHIBIT "E"

SUMMARY OF PROVISIONS OF ESCROW AGREEMENT

1. All monies received by Escrow shall be deposited, within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a financial institution or institutions in Honolulu, Hawaii, at the prevailing interest rate, and all interest paid thereon shall be credited to the account of the Seller.

2. Upon receipt of notice in writing from Seller that any payments are due under any sales contracts, Escrow shall give notice in writing to each Purchaser under a sales contract held by Escrow and shall call for such payment to be made to Escrow.

3. Purchaser is entitled to a refund of his funds, without interest, if:

(a) Escrow receives a written request from Seller to return to Purchaser the funds; or

(b) There is any material change in the project subsequent to the execution of Purchaser's contract, which directly, substantially, and adversely affects the use or value of (1) Purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for Purchaser's use. The Purchaser's right of rescission under this subsection (b) shall be waived upon (1) delivery to the Purchaser, either personally or by registered or certified mail, return receipt requested, of a disclosure document which describes the material change and contains a provision for the Purchaser's written approval or acceptance of the change, and (2) the Purchaser's written approval or acceptance of the material change, or the lapse of ninety (90) days since the Purchaser has accepted the apartment, or the occupancy of the apartment by the Purchaser; provided that if the Purchaser does not rescind the contract or execute and return the written approval or acceptance of the change as provided in the disclosure document within thirty (30) days from the date of delivery of the disclosure document, the Purchaser shall be deemed to have approved and accepted the change; provided further that the deemed approval and acceptance shall be effective only if at the time of delivery of the disclosure document, the Purchaser is notified in writing of the fact that the Purchaser will be deemed to have approved and accepted the change upon the Purchaser's failure to act within the thirty (30) day period; provided further that if, prior to delivery of the disclosure document, ninety (90) days have lapsed since the Purchaser has accepted the apartment, or the Purchaser has occupied the apartment, then the Purchaser's right of rescission under subsection (b) shall not be waived unless the Purchaser shall execute the written approval or acceptance of the change as provided in the disclosure document within thirty (30) days from the date of delivery of the disclosure document or the Purchaser

EXHIBIT F

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

| <u>Apartment</u> | <u>Monthly Fee x 12 months =</u> | <u>Yearly Total</u> |
|------------------|----------------------------------|---------------------|
| Unit A | \$50.00 x 12 = | \$600.00 |
| Unit B | \$50.00 x 12 = | \$600.00 |

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

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

Maintenance, Repairs and Supplies

Building

Grounds

Management

Management Fee

Payroll and Payroll Taxes

Office Expenses

Insurance

\$100.00 x 12 = \$1,200.00

Reserves(*)

.00 x 12 = 0.00

Taxes and Government Assessments

Audit Fees

Other

TOTAL

\$1,200.00

I, Jane Von Schick, as agent and employed by Boris, Inc., the condominium managing agent or the developer, for the condominium project Akiikii Place, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Jane Von Schick, Vice Pres.
Date: 10/5/93

(*) Mandatory reserves in effect January 1, 1993

EXHIBIT "G"

PERMITTED ALTERATIONS TO APARTMENTS

No apartment owner shall do any work which could jeopardize the soundness or safety of the property, reduce the value thereof, or impair any easement or hereditament, nor may any apartment owner add any material structure or excavate any additional basement or cellar, without in every such case the consent of seventy-five percent (75%) of the apartment owners, together with the consent of all apartment owners whose apartments or the limited common elements appurtenant thereto are directly affected, being first obtained; provided that non-material structural additions to the common elements, including, without limitation, the installation of solar energy devices, or additions to or alterations of an apartment made within such apartment or within a limited common element appurtenant to and for the exclusive use of the apartment shall require approval only by the Board and fifty percent (50%) of the apartment owners.

END OF EXHIBIT "G"

EXHIBIT "H"

CONSTRUCTION WARRANTIES

1. Building and Other Improvements:

Seller makes no warranties itself, but any and all warranties given Seller by the General Contractor for Unit A shall accrue to buyer on closing without further instruments or documents. Seller will cooperate with Buyer in asserting any claims based thereon. Seller is not adopting the contractor's warranty but is merely attempting to pass through to Buyer the benefit of any such contractor's warranty, if any. No building warranties apply to Unit B, which was built in 1972.***

2. Appliances:

Seller warrants that all major appliances, plumbing and electrical and/or gas fixtures will be in working order consistent with their age as of the date of closing or occupancy, if earlier. Seller will assign to buyer the unexpired term, if any, of any manufacturer's or dealer's warranty covering any fixtures and appliances in the apartment. Seller is only passing through to Buyer any such warranties. Except as stated above, Seller is not undertaking to adopt any such warranties or to act as co-warrantor with respect to any fixtures or appliances covered thereby.***

*****EXCEPT AS STATED ABOVE, SELLER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROJECT OR ANYTHING INSTALLED THEREIN, INCLUDING ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR PURPOSE.**

END OF EXHIBIT "H"