



Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report      [X] Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

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

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

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* * * * *
*
*           SPECIAL ATTENTION
*
*   This is a CONDOMINIUM PROJECT, not a subdivision. The
*   land are beneath and immediately appurtenant to each unit
*   is designated a LIMITED COMMON ELEMENT and does not
*   represent a legally subdivided lot. The dotted lines in
*   the Condominium Map bounding the designated number of
*   square feet in each limited common element land area are
*   for illustration purposes only and should not be
*   construed to be formal subdivision lines.
*
*   This public report does not constitute approval of the
*   Project by the Real Estate Commission, or any other
*   governmental agency, nor does it ensure that all
*   applicable County codes, ordinances, and subdivision
*   requirements have necessarily been complied with.
*
*   THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY
*   REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION
*   WITH REGARDS TO THE FOREGOING.
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## General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

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

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

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

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

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

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

## Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: SCOTT M. FUJITA Phone: 537-1994  
Name (Business)  
1020 AUAHI ST., BLDG. 6, BAY 6  
Business Address  
HONOLULU, HI 96814

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

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

NONE: SALES WILL BE MADE BY PROPERTY OWNERS, ANN & SIDNEY FUJITA AS OWNER/DEVELOPERS WITHOUT A REAL ESTATE BROKER, THEIR FULL NAMES, ADDRESS AND TELEPHONE NUMBERS ARE:

Real Estate Broker: ANN M. FUJITA & SIDNEY T. FUJITA Phone: 537-1994  
Name (Business)  
1020 AUAHI ST., BLDG. 6, BAY 6  
Business Address  
HONOLULU, HI, 96814

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: 521-0211  
Name (Business)  
235 QUEEN ST., 1ST FL.  
Business Address  
HONOLULU, HI, 96813

General Contractor: C & N CONSTRUCTION Phone: 734-4988  
Name (Business)  
4206 KILAUEA AVE.  
Business Address  
HONOLULU, HI, 96816

Condominium Managing Agent: NONE/SELF-MANAGED BY ASSOCIATION OF Phone: \_\_\_\_\_  
Name APARTMENT OWNERS (Business)  
Business Address  
\_\_\_\_\_

Attorney for Developer: JOHN A. MORRIS, ESQ. Phone: 537-1935  
Name (Business)  
820 MILILANI ST., SUITE 502  
Business Address  
HONOLULU, HI, 96813

II. CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

- Proposed  
 Recorded - Bureau of Conveyances: Document No. 93-158960  
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. 1933  
 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. 93-158961  
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 has reserved the right to amend the Declaration, Condominium Map and By-Laws to adjust the plan of any apartment or its description prior to its conveyance to a purchaser. Such changes may be required because the developer has reserved the rights to: (i) construct Apartment A in accordance with the plans shown in the condominium map; (ii) construct additional floor area to any apartment, in accordance with all laws and codes, prior to the conveyance of the apartment; and (iii) to demolish Apartments C & D, while the developer still owns them, and erect new apartments in accordance with the plans for Apartment A shown in the condominium map.

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: 1751 10TH AVENUE Tax Map Key: (1) 3-3-34:24  
HONOLULU, HAWAII 96816 (TMK)

[ ] Address [ ] TMK is expected to change because N/A

Land Area: 33,525 [XX] square feet [ ] acre(s) Zoning: R-5

Lessor

(Fee Owner): SIDNEY & ANN FUJITA  
Name  
1020 AUAHI STREET, BLDG. 6, BAY 6  
Address  
HONOLULU, HAWAII 96814

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: 4 Floors Per Building A: 2 FLOORS; B: 3 FLOORS  
C: 2 FLOORS; D: 1 FLOOR

Exhibit \_\_\_\_\_ contains further explanations.    (NOTE: BUILDING A IS TO BE CONSTRUCTED)

3. Principal Construction Material:

Concrete             Hollow Tile             Wood

Other \_\_\_\_\_

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning	No. of Apts.	Use Determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>4</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:

- Pets: SMALL LIVESTOCK AND PETS IN REASONABLE NUMBERS WITH OWNERS' CONSENT ARE PERMITTED.
- Number of Occupants: AS PERMITTED BY CITY AND COUNTY HOUSING CODE.
- Other: \_\_\_\_\_
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -0- Stairways: A & B: 1 Trash Chutes: -0-

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)	
A	1	3/3	1876	NONE	(PROPOSED)
B	1	3/2½	1679	NONE	
C	1	3/3	1158	NONE	
D	1	2/2	848	NONE	

Total Apartments: 4

\*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: PERIMETER WALLS (INTERIOR AND EXTERIOR) FOUNDATIONS, FLOORS, AND ROOFS.

Permitted Alterations to Apartments: SEE EXHIBIT A

MATERIAL ADDITIONS AND ALTERATIONS WITH THE PERMISSION OF 75% OF APARTMENT OWNERS; NON-MATERIAL ADDITIONS AND ALTERATIONS WITHIN AN APARTMENT OR LIMITED COMMON ELEMENT APPURTENANT TO IT WITH THE PRIOR WRITTEN APPROVAL OF THE BOARD. NOTWITHSTANDING THE ABOVE, THE DEVELOPER MAY CONSTRUCT APARTMENT A AND ADD ADDITIONAL FLOOR AREA OR AN ADDITIONAL STORY TO ANY APARTMENT THE DEVELOPER OWNS WITHOUT OWNER OR BOARD APPROVAL BUT IN COMPLIANCE WITH ALL APPLICABLE <sup>11</sup> LAWS AND CODES.

7. Parking Stalls:

Total Parking Stalls: 7

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>7</u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>7</u>
Guest	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>
Unassigned	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>
Extra for Purchase	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>
Other:	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>
Total Covered & Open	<u>7</u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>	<u>   </u>

Each apartment will have the exclusive use of at least 1 parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit B contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool             Storage Area             Recreation Area

Laundry Area             Tennis Court             Trash Chute

Other: \_\_\_\_\_

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

There are no violations.             Violations will not be cured.

Violations and cost to cure are listed below.     Violations will be cured by \_\_\_\_\_

SEE ATTACHED EXHIBIT C.

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations  
(For conversions of residential apartments in existence for at least five years):

SEE ATTACHED EXHIBIT D.

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:

AN EXISTING USE PERMIT PERMITS 4 DWELLING UNITS ON THE PROPERTY, EVEN THOUGH UNDER CURRENT CITY AND COUNTY REQUIREMENTS ONLY 2 DWELLING UNITS WOULD BE PERMITTED ON THE PROPERTY. SEE EXHIBIT C.

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>
	SEE EXHIBIT C.		
Uses	<u>  X  </u>	<u>          </u>	<u>          </u>
Structures	<u>          </u>	<u>      X      </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   E  .

as follows:

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

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

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

[XX] described in Exhibit E.

[ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is 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 \_\_\_\_\_.

[X] as follows:

EACH APARTMENT HAS BEEN ALLOTTED TWENTY-FIVE PERCENT (25%) OF THE COMMON INTEREST FOR THE WHOLE PROJECT ON THE BASIS THAT EACH APARTMENT AND ITS APPURTENANT LIMITED COMMON ELEMENTS COMPRISE APPROXIMATELY TWENTY-FIVE PERCENT (25%) OF THE PROJECT. SINCE EACH APARTMENT OWNER IS RESPONSIBLE FOR MAINTAINING HIS OR HER OWN DWELLING UNIT'S STRUCTURE, THE DIFFERENT SIZE AND MAINTENANCE REQUIREMENTS OF EACH STRUCTURE SHOULD NOT AFFECT THE COMMON EXPENSES OF THE PROJECT.

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 F describes the encumbrances against the title contained in the title report dated NOV. 3, 1993 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>
[SEE ATTACHED] [EXHIBIT F] MORTGAGE	BUYER'S INTEREST MAY BE TERMINATED, BUT IN SUCH EVENT, BUYER WILL BE ENTITLED TO A REFUND OF ALL DEPOSITS <u>LESS</u> A NOMINAL 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:

APARTMENT A: AS PROVIDED BY THE CONTRACTOR WHO CONSTRUCTS IT.\*

APARTMENTS B, C, & D: NONE

(\* NOTE: APARTMENT A IS NOT YET CONSTRUCTED.)

2. Appliances:

APARTMENTS A & B: AS PROVIDED BY THE MANUFACTURERS OF THE APPLIANCES IN THEM. \*

APARTMENTS C & D: NONE

(NOTE: APARTMENT A IS NOT YET CONSTRUCTED. MAJOR APPLIANCES IN APARTMENT B HAVE A 3-YEAR WARRANTY, 15 BEGINNING DECEMBER 1992; ENDING DECEMBER 1995.)

G. Status of Construction and Estimated Completion Date:

APARTMENT B, C, AND D: CONSTRUCTION COMPLETED (APARTMENT B COMPLETED NOVEMBER 21, 1992, APARTMENTS C & D COMPLETED IN 1946 AND 1944, RESPECTIVELY, SEE 8/9/93 LETTER FROM S. NAJITA INCLUDED IN EXHIBIT D).

APARTMENT A: ESTIMATED COMPLETION DATE IS JULY 15, 1994.

[DEVELOPER HAS ALSO RESERVED THE RIGHT TO DEMOLISH APARTMENTS C AND D, PRIOR TO THEIR SALE, AND CONSTRUCT NEW APARTMENTS IN ACCORDANCE WITH THE PLANS FOR APARTMENT A SHOWN IN THE CONDOMINIUM MAP. NEVERTHELESS, WHETHER THE DEVELOPER WILL EXERCISE THAT RIGHT AND THE ESTIMATED DATES OF DEMOLITION AND COMPLETION ARE NOT KNOWN AT THIS TIME.]

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):

[SEE PARAGRAPH G, ABOVE]

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                       the Developer or the Developer's affiliate.  
 self-managed by the Association of Apartment Owners     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                       Electricity                       Gas                       Water  
 Sewer                       Television Cable                       Other \_\_\_\_\_



V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[X ] Notice to Owner Occupants

[X ] Specimen Sales Contract Acceptance (DROA) & Addendums of the Hawaii Association of Realtor  
Exhibit  I  contains a summary of the pertinent provisions of the sales contract.

[X ] Escrow Agreement dated  September 14, 1993   
Exhibit  H  contains a summary of the pertinent provisions of the escrow agreement.

[X ] Other  Apartment Deed

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) ~~Home Index~~
  - 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 APARTMENT DEED

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. 3024 filed with the Real Estate Commission on 12/21/93.

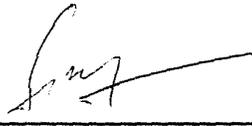
Reproduction of Report. When reproduced, this report must be on:

- yellow paper stock                       white paper stock                       pink paper stock

C. Additional Information Not Covered Above

- (1) Apartments C and D have existing tenants who, in accordance with Hawaii law, are entitled to purchase those apartments for owner-occupancy.
- (2) Apartment A has yet to be constructed. In accordance with Real Estate Commission rules, its completion will be ensured by a material house bond, instead of a performance bond. Since a material house bond is to be used, however, the following conditions apply:
  - 1) All purchasers' funds shall be placed in an escrow account;
  - 2) Purchasers' funds shall not be disbursed to pay for construction costs or other expenses of the project until both the completion of the apartment to be conveyed and the closing of the sale;
  - 3) If closing is to occur prior to the expiration of the applicable mechanic's lien period, the developer shall: (1) provide the purchaser with an owner's title insurance policy with a mechanic's lien endorsement that protects the purchaser against all future mechanic's and materialmen's liens, and (2) provide the commission with a release by the general contractor of the contractor's lien rights.

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.



\_\_\_\_\_  
Name of Developer  
SCOTT M. FUJITA

By: \_\_\_\_\_  
Duly Authorized Signatory  
SCOTT M. FUJITA

12/10/93  
Date

\_\_\_\_\_  
SCOTT M FUJITA, DEVELOPER  
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

The Declaration and By-Laws, respectively, provide the following rights to alter the apartments in the project:

### 15. Right to Alter Apartments.

Notwithstanding anything to the contrary in this Declaration or the By-Laws, the Developer may: construct Apartment A in accordance with the plans shown in the Condominium Map or comparable plans; add an additional story or additional floor area to any apartment which the Developer owns, including Apartment A, as permitted by this section; and demolish and reconstruct Apartments C and D, as long as the Developer owns them and the reconstructed apartments are similar in size and quality to Apartments A and B in accordance with the plans for Apartment A shown in the Condominium Map. The Developer shall not be required to obtain the approval of the Association, nor its Board of Directors, for such demolition or construction, provided:

(i) The Developer notifies the owners of the other apartments in writing before beginning construction and obtains all necessary building permits;

(ii) The construction, including any additional story or floor area to be added, complies with the building code and the height and zoning requirements of the land use ordinance in effect when building plans are approved; and does not adversely affect the structural integrity of the Project.

(iii) The Developer adds no floor area or structure to any apartment which, under the land use ordinance in effect when building plans are approved, causes the apartment to exceed twenty-five percent of the floor area and lot area coverage permitted for the property comprising the Project.

(iv) Except as permitted by this Section 8 of this Declaration, the construction or area to be added does not encroach on the common elements, or any other apartment or its limited common elements; provided that any construction of an apartment may encroach on the limited common elements of the apartment being modified or constructed.

(v) The Developer meets all the requirements of Section 7.2(d) of the By-Laws for apartment owners making additions or alterations to their apartments.

The Developer shall make every effort to minimize the affect of construction on the other apartments and complete construction as quickly as possible. The owners of the other apartments shall make every effort to facilitate construction by the Developer by allowing, if necessary, access to their apartments and their respective limited common elements for construction purposes. Apart from the construction permitted under this section of the Declaration, all other alterations and additions to the apartments or limited common elements shall be subject to Section 7.2 of the By-Laws."

SECTION 7.2 Alterations and Additions to Apartments and Limited Common Elements. (a) No Apartment Owner shall do any work which would jeopardize the soundness or safety of the property, reduce its value, impair any easement or property rights, add any material structure, nor excavate any additional basement or cellar without first obtaining the consent of seventy-five percent of the apartment owners, including all directly affected owners; provided that while the Developer owns any apartment, he shall be permitted to make the additions and alterations authorized by Section 15 of the Declaration, without the consent of the Apartment Owners.

(b) An Apartment Owner may make nonmaterial additions or alterations to his apartment or to the limited common elements appurtenant to and for the exclusive use of his apartment; provided that the Apartment Owner first obtains the written approval of the Board of Directors for the additions or alterations; provided further that while the Developer owns any apartment, he shall be permitted to make the additions and alterations authorized by Section 15 of the Declaration without the approval of the Board.

(c) The Association or Board may condition its consent under the previous subsections on an Apartment Owner:

(i) Providing plans and specifications, including detailed plot plans, if requested, at the Apartment Owner's expense;

(ii) Strictly comply with all applicable laws, ordinances, and regulations of any governmental entity; and

(iii) Obtaining any necessary building permits, at the Apartment Owner's expense.

(d) If the accuracy of any of the plans of the Condominium Map for the Project are affected by an Apartment Owner's additions or alterations, the Apartment Owner, including the Developer, shall amend the plans affected by those additions or alterations. The plans shall be accomplished by amending the Declaration of Condominium Property Regime of the Project. The amendment shall:

(i) Amend the Condominium Map by deleting all sheets relating to the apartment which are affected by the additions or alterations and substituting new sheets reflecting the additions and alterations.

(ii) Include a verified statement of a registered architect or professional engineer that the amended sheets fully and accurately depict the layout and location of the additions and alterations as built.

The amendment need only be signed by the Apartment Owner and shall be effective upon the recording of the same in the Bureau of Conveyances of the State of Hawaii.

EXHIBIT B: PLOT PLAN

(NOTE: EACH APARTMENT/DWELLING HAS TWO PARKING STALLS IN THE APARTMENTS' RESPECTIVE CARPORT OR GARAGE, EXCEPT APARTMENT/DWELLING D, WHICH HAS ONLY ONE PARKING STALL.)

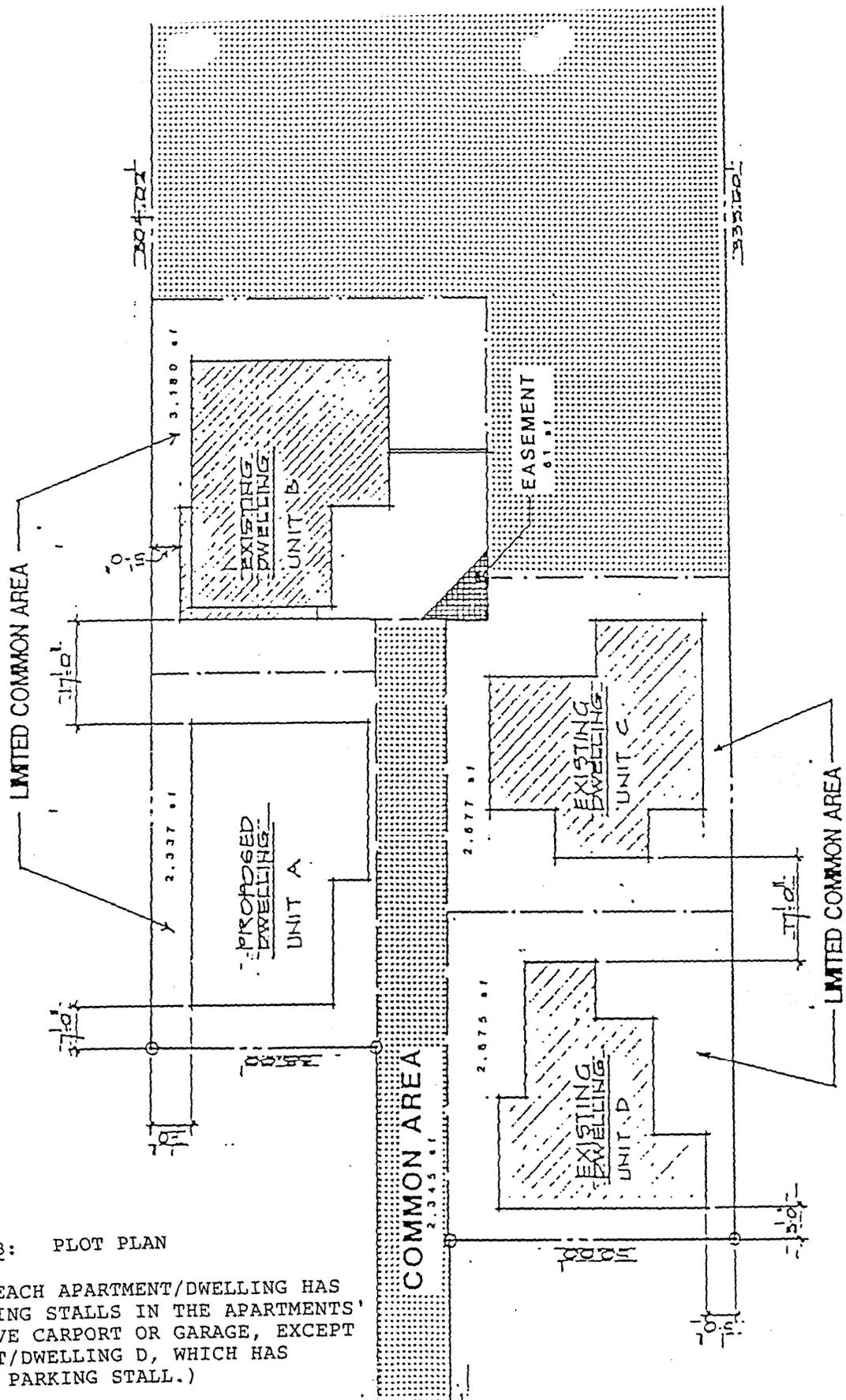


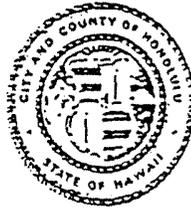
EXHIBIT C

The attached letter indicates that the three dwelling units on the property are non-conforming. The non-conformity results from the fact that because no site-plan has been submitted for the property, City and County requirements would normally permit only 2 dwelling unit on the property. Since three dwelling units already exist, the City and County takes no position on which of the three could normally be re-built if all three were destroyed, so all three are regarded as non-conforming.

Nevertheless, as noted in the letter, the City and County has granted an existing use permit to permit up to 4 dwelling units to exist on the property. Therefore, despite the non-conforming status of the three existing structures and the one to be constructed, the existing use permit allows them on the property.

BUILDING DEPARTMENT  
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING  
650 SOUTH KING STREET  
HONOLULU, HAWAII 96813



FRANK F. FASI  
MAYOR

HERBERT K. MURAOKA  
DIRECTOR AND BUILDING SUPERINTENDENT

WILLIAM F. REMULAR  
DEPUTY

Ex93-71

June 2, 1993

Mr. John A. Morris  
Iwai Motooka Goto & Morris  
Attorneys at Law  
Suite 502, Haseko Center  
820 Mililani Street  
Honolulu, Hawaii 96813

Dear Mr. Morris:

Subject: Condominium Conversion Project  
1751 10th Avenue  
Tax Map Key: 3-3-34: 24

This is in response to your letter dated April 27, 1993 requesting confirmation that the three one-family detached dwellings located at the above address met all applicable code requirements at the time of construction.

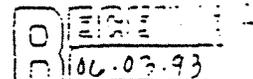
Investigation revealed that the one-story and the two-story dwellings, each with one off-street parking space and located at the makai side of the property, met applicable code requirements when they were constructed prior to 1960. Currently, a two-story single-family dwelling is being constructed at the mauka side of the property under Building Permit No. 316898.

Investigation also revealed that in 1990 Existing Use Permit No. 89/EU-008 was approved for four dwelling units.

For your information, the three dwellings on the property are considered nonconforming.

For your information, the Building Department cannot determine whether this project contains any other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

EXHIBIT "C-1"



Mr. John A. Morris  
Page 2  
June 2, 1993

No other variances or special permits were granted to allow deviations from any applicable codes.

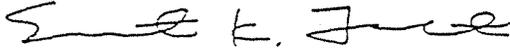
If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,



HERBERT K. MURAOKA  
Director and  
Building Superintendent

Subscribed and sworn to  
before me this 2nd day of  
June, 1993.



Notary Public, First Judicial Circuit  
State of Hawaii  
My commission expires: June 21, 1995

September 14, 1993

TO : THE REAL ESTATE COMMISSION  
STATE OF HAWAII

RE : CONDOMINIUM 1751 10TH AVENUE, HONOLULU, HAWAII 96816

This letter confirms that:

1. Based on the attached report prepared by Mr. Shizuo Najita Registered Professional Architect, concerning Apartments C and D, which were constructed prior to 1960, the structural components, including the walls and roof, appear to be in reasonably good condition. The mechanical components, also appear to be in reasonably good condition, as does the electrical system.

2. I make no representations about the expected useful life of any of the above items.

3. Based on the attached letter from Herbert K. Muraoka, of the Building Department of the City and County of Honolulu:

- (i) There are no outstanding notices of uncured violations of the building code or other municipal regulations at the project.
- (ii) The project land conforms to present zoning requirements. No Non-conforming uses are known to exist. Non-conforming structures exist but Existing Use Permit No. 89/EU-008, has been issued to permit reconstruction of dwelling units on the property if they are more than 50 percent destroyed.

  
\_\_\_\_\_  
SCOTT M. FUJITA  
Developer

MORRIS\CORR\REALEST.LTR

EXHIBIT "D"

# SHIZUO NAJITA & ASSOCIATES

August 9, 1993

Mr. & Mrs. Sidney Fujita  
1020 Auahi Street Bldg 6 Bay 6  
Honolulu, Hawaii 96814

Re: Condition of Components and Mechanical and  
Electrical Installations of Condominium  
Project in Honolulu, Hawaii

Dear Mr. & Mrs. Fujita:

I have examined the structural, mechanical and electrical components of existing units "C" & "D" of the above project. These units are single-family dwelling units built in 1944 and 1946. The following is my observation of the condition of these two (2) units.

A. Existing unit "C" (built in 1946) is a two story wood framed structure.

1. The floor is elevated above the ground and is framed with 4"x6" girders and sills and 2"x6" joists spaced 16" apart. These members are supported by 4"x4" posts which rests on concrete block footings and in some instances on rock footings. There is evidence of termite damage to some members.

The beam above the carport entrance has deflected and an additional 2"x12" member is applied to the existing beam with nails.

2. The exterior walls are 1"x8" T&G siding with evidence of termite damage.
3. The roof is aluminium shingles on 1"x8" shiplap sheathing and 2"x4" rafter system which indicate termite damage.
4. The soil & waste drainage system is a mix of cast-iron (original piping) and ABS (later repairs) and appears to be functioning properly.

The hot and cold water piping system is galvanized iron (original piping) with subsequent repair work done in copper tubing.

## EXHIBIT "D-1"

Mr. & Mrs. Sidney Fujita

Page 2

5. The electrical wiring is knob and tube system, is functioning, however, is very old.
- B. Existing unit "D" (built in 1944) is a one story wood framed structure.
1. The floor is elevated above the ground and is framed with 4"x6" girders and sills and 2"x6" joists spaced 16" apart. These members are supported by 4"x4" posts which rests on concrete block footings. There is evidence of termite damage to some of these wood framing members.
  2. Exterior siding is 1"x12" boards with 1"x2" battens. There is indications of termite damage.
  3. The roof is wood shingles and is severely damaged by dry-rot. The 1"x8" shiplap sheathing on 2"x4" rafters indicates termite damage.
  4. The soil & waste pipes are cast-iron and in fair condition and functioning properly. The hot and cold water piping is galvanized iron with evidence of corrosion at joints and fittings.
  5. The electrical wiring is knob and tube system and functioning, however, very old.
- C. Existing unit "B" is a multi-level wood framed structure and was completed in November of 1992.

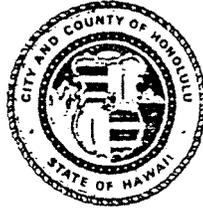
Submitted by,



Shizuo Najita  
Registered Professional Architect  
No. 3484

BUILDING DEPARTMENT  
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING  
650 SOUTH KING STREET  
HONOLULU, HAWAII 96813



FRANK F FASI  
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DIRECTOR AND BUILDING SUPERINTENDENT

WILLIAM F REMULAR  
DEPUTY

Ex93-71

June 2, 1993

Mr. John A. Morris  
Iwai Motooka Goto & Morris  
Attorneys at Law  
Suite 502, Haseko Center  
820 Mililani Street  
Honolulu, Hawaii 96813

Dear Mr. Morris:

Subject: Condominium Conversion Project  
1751 10th Avenue  
Tax Map Key: 3-3-34: 24

This is in response to your letter dated April 27, 1993 requesting confirmation that the three one-family detached dwellings located at the above address met all applicable code requirements at the time of construction.

Investigation revealed that the one-story and the two-story dwellings, each with one off-street parking space and located at the makai side of the property, met applicable code requirements when they were constructed prior to 1960. Currently, a two-story single-family dwelling is being constructed at the mauka side of the property under Building Permit No. 316898.

Investigation also revealed that in 1990 Existing Use Permit No. 89/EU-008 was approved for four dwelling units.

For your information, the three dwellings on the property are considered nonconforming.

For your information, the Building Department cannot determine whether this project contains any other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

EXHIBIT D - 2

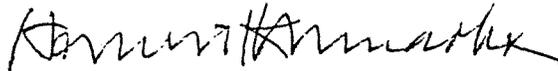
RECEIVED  
06.03.93

Mr. John A. Morris  
Page 2  
June 2, 1993

No other variances or special permits were granted to allow deviations from any applicable codes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,



HERBERT K. MURAOKA  
Director and  
Building Superintendent

Subscribed and sworn to  
before me this 2nd day of  
June, 1993.



Notary Public, First Judicial Circuit  
State of Hawaii  
My commission expires: June 21, 1995

Common Elements. The common elements of the Project consist only of the following:

- (i) All of the Land, in fee simple.
- (ii) The limited common elements described in paragraph 6 below.
- (iii) That portion of the Land, approximately 20,311 square feet, and of the and driveway, approximately 2,345 square feet, which is designated as Common Area and outlined in green on the Plot Plan on Sheet 1 of the Condominium Map.
- (iv) All pipes, wires, conduits, or other utility or service lines, drainage ditches or appurtenant drainage structures, which are located outside the buildings and which are utilized for or serve more than one apartment.

Limited Common Elements. The limited common elements of the Project consist only of the following:

- (i) That portion of the Land, comprising approximately 2,337 square feet, which is designated as limited common area on the Plot Plan of Sheet 1 of the Condominium Map, is reserved for the exclusive use of Apartment A, for the support of the building and other improvements comprising Apartment A and for yard and driveway purposes.
- (ii) That portion of the Land, comprising approximately 3,180 square feet, which is designated as limited common area on the Plot Plan of Sheet 1 of the Condominium Map, is reserved for the exclusive use of Apartment B, for the support of the building and other improvements comprising Apartment B and for yard and driveway purposes.
- (iii) That portion of the Land, comprising approximately 2,677 square feet, which is designated as limited common area on the Plot Plan of Sheet 1 of the Condominium Map, is reserved for the exclusive use of Apartment C, for the support of the building and other improvements comprising Apartment B and for yard and driveway purposes.

(iv) that portion of the Land, comprising approximately 2,675 square feet, which is designated as limited common elements on the Plot Plan of Sheet 1 of the Condominium Map, is reserved for the exclusive use of Apartment D, for the support of the building and other improvements comprising Apartment D and for yard and driveway purposes.

The limited common elements do not include the common elements identified in clauses (iii) and (iv), of the "Common Elements" section above.

Each apartment owner, at his expense, shall maintain the limited common elements appurtenant to his apartment in good order and in a neat and attractive condition,.

All limited common elements costs and expenses, including, but not limited to, maintenance, repair, replacement, additions and improvements of or to the limited common elements, shall be borne by and charged to the owner of the apartment to which the limited common element is appurtenant.

Percentage of Undivided Interest in Common Elements.  
Each apartment shall have an undivided twenty-five percent (25%) interest in the common elements, in all common profits and common expenses of the Project (except as otherwise provided in this Declaration or the By-Laws), and for all other purposes, including voting.

1. ENCUMBRANCES AGAINST TITLE

Tax Key: 3-3-034-024 (1) Area assessed: 33,525 sq. ft.

For information regarding real property taxes due and owing, reference is made to the City & County of Honolulu, Director of Finance.

2. MORTGAGE

MORTGAGOR : MARY YOSHIKO YOKOGAWA

MORTGAGEE : HAWAII COMMERCIAL CREDIT CORP., a Hawaii corporation

DATED : October 17, 1988

RECORDED : Liber 22857 Page 22

FIRST AMENDED STATEMENT OF MORTGAGE DEBT dated February 27, 1989, recorded in Liber 22953 at Page 621, in the amount of \$100,000.00 pursuant to unrecorded Credit Agreement dated October 17, 1988, as amended by instrument dated November 22, 1989, recorded in Liber 23942 at Page 403.

By SUBORDINATION AGREEMENT dated December 4, 1991, recorded as Document No. 91-169772, said above Mortgage was subordinated to the lien of that certain Mortgage recorded as Document No. 91-169770.

3. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : SIDAN, INC., a Hawaii corporation (ANNE MARIKO FUJITA and SIDNEY T. FUJITA, husband and wife, Accommodation Mortgagor)

MORTGAGEE : CENTRAL PACIFIC BANK, a Hawaii corporation

DATED : November 2, 1990

RECORDED : Document No. 90-173985

AMOUNT : Revolving Credit Agreement not to exceed the principal amount of \$50,000.00

By SUBORDINATION AGREEMENT dated December 4, 1991, recorded as Document No. 91-169771, said above Mortgage was subordinated to the lien of that certain Mortgage recorded as Document No. 91-169770.

4. MORTGAGE

MORTGAGOR : ANN M. FUJITA, as Trustee under the unrecorded Ann M. Fujita Revocable Living Trust dated June 1, 1991, and SIDNEY T. FUJITA, as Trustee under the unrecorded Sidney T. Fujita Revocable Living Trust dated June 1, 1991

MORTGAGEE : CENTRAL PACIFIC BANK, a Hawaii corporation

DATED : December 4, 1991  
RECORDED : Document No. 91-169770  
AMOUNT : \$525,000.00

5. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : SIDAN, INC., a Hawaii corporation

MORTGAGEE : CENTRAL PACIFIC BANK, a Hawaii corporation

DATED : January 29, 1992  
RECORDED : Document No. 92-018392  
AMOUNT : \$25,000.00

6. The terms and provisions, including the effect of any failure to comply with the covenants, conditions and reservations contained in that certain unrecorded Ann M. Fujita Revocable Living Trust dated June 1, 1991.

7. The terms and provisions, including the effect of any failure to comply with the covenants, conditions and reservations contained in that certain unrecorded Sidney T. Fujita Revocable Living Trust dated June 1, 1991.

8. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : ANN M. FUJITA, as Trustee under the unrecorded Ann M. Fujita Revocable Living Trust dated June 1, 1991, and SIDNEY T. FUJITA, as Trustee under the unrecorded Sidney T. Fujita Revocable Living Trust dated June 1, 1991

MORTGAGEE : FACTOR-1, N.A., LIMITED, a Hawaii corporation, dba FACTOR ONE FUNDING RESOURCES

DATED : August 26, 1993  
RECORDED : Document No. 93-140452  
AMOUNT : \$625,000.00

9. The terms and provisions, including the failure to comply with the covenants, conditions and reservations, contained in Declaration of Property Regime for "1751 10TH AVENUE" Condominium Project dated September 14, 1993, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-158960, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1933).

10. The terms and provisions, including the failure to comply with the covenants, conditions and reservations, contained in By-Laws of the Association of Apartment Owners of said Condominium Project dated September 14, 1993, recorded in the Bureau of Conveyances of the State of Hawaii, as Document No. 93-158961, as the same may hereafter be amended.

EXHIBIT   G  

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartament</u>		<u>Monthly Fee x 12 months = Yearly Total</u>
A	20	240
B	20	240
C	20	240
D	20	240

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

NONE (INDIVIDUALLY METERED)

Electricity

NONE (INDIVIDUALLY METERED)

common elements only

NONE (INDIVIDUALLY METERED)

common elements and apartments

Elevator

NONE

Gas

NONE (INDIVIDUALLY METERED)

Refuse Collection

NONE

Telephone

INDIVIDUALLY BILLED

Water and Sewer

NONE (INDIVIDUALLY METERED)

Maintenance, Repairs and Supplies

Building

\$40.00 X 12 = \$480.00

Grounds

Management

Management Fee

NONE (SELF-MANAGED)

Payroll and Payroll Taxes

Office Expenses

Insurance

\$1200 (TO BE FUNDED BY ANNUAL  
(÷ 4 = \$300) SPECIAL ASSESSMENT)  
ea

Reserves(\*)

\$40.00 X 12 = \$480.00

Taxes and Government Assessments

NONE (PAID SEPARATELY)

Audit Fees

NONE

Other

NONE

TOTAL

I, SCOTT M. FUJITA, as ~~agent and employed by~~ \_\_\_\_\_ ~~the condominium managing agent~~  
~~or the developer~~, for the condominium project 1751 10TH AVENUE, hereby certify that the  
above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in  
accordance with generally accepted accounting principles.

(\*) Mandatory reserves in effect January 1, 1993

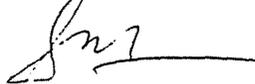
  
\_\_\_\_\_  
Date: 12/10/93

EXHIBIT H

SUMMARY OF MAIN, RELEVANT PROVISIONS OF ESCROW AGREEMENT

Executed sales contracts for either unit shall be delivered to escrow and shall provide that all payments under the contracts must be made to escrow, including the initial deposit.

The developer shall pay all money received in connection with the project to escrow, including payments received: (i) under sales contracts; (ii) from lending institutions; and (iii) from any other source.

No purchaser's funds shall be disbursed from escrow until: (i) a final public report has been issued; (ii) the purchaser has acknowledged receipt of the final report; (iii) the purchaser's contract has become binding; and (iv) all legal requirements for sale have been met; including expiration of the applicable mechanics' lien period (or waiver of such liens and provision of a title report with mechanic's lien endorsement).

A prospective purchaser shall be entitled to return of his funds in escrow if: (i) the developer and purchaser request; or (ii) the developer or purchaser exercise their respective rights to cancel or rescind the sales contract before it becomes binding. No refund will be made unless the developer authorizes the refund to the purchaser, and the purchaser may be charged a reasonable fee of not less than \$25 and not more than \$250 for any work done by escrow. In addition, at the Developer's request, the prospective purchaser's funds shall be refunded if no sale contract has been offered within six (6) months or the prospective purchaser has indicated an inability or unwillingness to become an owner-occupant.

Any unclaimed funds of prospective purchasers shall be deposited in a financial institution if not claimed by purchaser within 60 days of written notice from escrow. The records for such funds will be delivered to the developer.

Escrow will handle the closing for all sales of units and will attempt to complete the closings promptly upon receipt of all necessary documentation, including mortgages and releases, in a recordable form. Escrow will promptly notify developer if any of the documents are defective and cannot be recorded.

EXHIBIT "H"

SUMMARY OF SALES CONTRACT FOR 1751 10TH AVENUE

As a sales contract, the developer plans to use the latest Deposit Receipt, Offer, and Acceptance ("DROA") form of the Hawaii Association of Realtors. That contract allows the developer and any prospective purchaser to agree on the deposit and other payments to be made. (The developer plans to ask for at least \$1,000 deposit.) The contract also allows the parties to agree on a closing date and the appliances, fixtures and other items to be included in the sale.

The standard terms are that the developer, as seller, will convey marketable title, deliver a termite inspection report, and pay for treatment as necessary. The standard terms also provide that time is of the essence, so closing shall be as close as possible to the projected closing date, or sooner.

The form provides that if Buyer defaults, the Seller is entitled to retain all deposits as liquidated damages, sue for damages and obtain recovery of all costs incurred. A condominium addendum provides that the project documents, declaration and by-laws, etc., will be provided, and that the buyer may inspect the parking for the apartment. The addendum also provides that the developer, as seller, will reveal any known information concerning pending or ongoing litigation affecting the project. This addendum will be used only to the extent that the public report does not cover those matters.

A second, general addendum, addresses various matters concerning the sale, such as disclosure, condition of the property, inspection of the property, any warranties, any non-conforming structures or uses, any asbestos disclosure, contingencies and termination of the contract prior to sale and other related matters. Again, this addendum will be used only to the extent that the public report does not cover those matters.

EXHIBIT I