



Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

**I. PERSONS CONNECTED WITH THE PROJECT**

**Developer:**

KUAKINI DEVELOPMENT CORP.  
**Name** C/O Marcus & Associates, Inc.  
1045 Mapunapuna Street  
**Business Address** Honolulu, Hawaii 96819

**Phone:** 839-7446  
**(Business)**

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

Gary K. Kajiwara (President); Walter M. Saito (Chairman);  
Raymond T. Abe (Secretary, Treasurer and Director);  
Arthur Yamamoto (Director)

**Real Estate  
Broker:**

MARCUS & ASSOCIATES, INC.  
**Name**  
1045 Mapunapuna Street  
**Business Address**  
Honolulu, Hawaii 96819

**Phone:** 839-7446  
**(Business)**

**Escrow:**

Long & Melone Escrow, Ltd.  
**Name** Dennis K.K. Ching  
810 Richards Street, Suite 644  
**Business Address**  
Honolulu, Hawaii 96813

**Phone:** 523-2358  
**(Business)**

**General  
Contractor:**

N/A  
**Name**  
**Business Address**

**Phone:** \_\_\_\_\_  
**(Business)**

**Condominium  
Managing  
Agent:**

MARCUS & ASSOCIATES, INC.  
**Name**  
1045 Mapunapuna Street  
**Business Address**  
Honolulu, Hawaii 96819

**Phone:** 839-7446  
**(Business)**

**Attorney for  
Developer:**

Carol Y. Asai-Sato  
Stephen K.C. Mau or  
Caroline S. Otani  
**Name** RUSH MOORE CRAVEN SUTTON MORRY & BEH  
745 Fort Street, 20th Fl.  
**Business Address**  
Honolulu, Hawaii 96813

**Phone:** 521-0400  
**(Business)**

**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. 94-086503  
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]:

First Amendment to Declaration of Condominium Property Regime of Pensacola Vista dated May 27, 1994, recorded in the Bureau of Conveyances as Document No. 94-91550.

- 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. 2034  
 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. 94-086504  
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]: First Amendment to By-Laws of the Association of Apartment Owners of Pensacola Vista dated June 16, 1994, recorded in the Bureau of Conveyances as Document No. 94-102988.

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

The House Rules for this condominium are:

Proposed                       Adopted                       Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>majority vote of the Board of Directors</u>

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

2. Developer:

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

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

See Exhibit "J"

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: 1562 Pensacola Street Tax Map Key: (1) 2-4-18-3  
Honolulu, Hawaii 96822 (TMK)

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 9,147  square feet  acre(s) Zoning: A-2

Lessor  
 (Fee Owner): KUAKINI DEVELOPMENT CORP.  
Name  
C/O Marcus & Associates, Inc.  
Address  
1045 Mapunapuna Street  
Honolulu, Hawaii 96819

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: 1 Floors Per Building 4

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete     Hollow Tile     Wood

Other Masonry, Glass

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>	<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>	<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>15</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:

No livestock, poultry, rabbits or other animals, except household  
 Pets: pets of reasonable size and number, and certified guide dogs,  
service dogs and signal dogs.

Number of Occupants: \_\_\_\_\_

Other: No transient or hotel use or time-sharing

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0      Stairways: 2      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>6</u>	<u>1/1</u>	<u>519</u>	<u>none</u>
<u>B</u>	<u>6</u>	<u>1/1</u>	<u>519</u>	<u>none</u>
<u>C</u>	<u>3</u>	<u>2/1</u>	<u>669</u>	<u>none</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 15      See Exhibit "A" for description of apartments

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

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

Boundaries of Each Apartment:

See Exhibit "B"

Permitted Alterations to Apartments:

See Exhibit "C"

7. Parking Stalls:

Total Parking Stalls: 15

	<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>0</u>	<u>0</u>	<u>0</u>	<u>15</u>	<u>0</u>	<u>0</u>	<u>15</u>
Guest	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Unassigned	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Extra for Purchase	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
Other:	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>

Total  
Covered & Open 0 15 0

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 A contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

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

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

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

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

(For conversions of residential apartments in existence for at least five years): The Developer makes no representations regarding the condition and expected useful life of the structural components or mechanical and electrical installations of the project. See the letters attached as Exhibit "B" to the Disclosure Abstract, a copy of which will be given to each prospective buyer with this Public Report.

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	X _____	_____	_____
Structures	X _____	_____	_____
Lot	X _____	_____	_____

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project 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 D.

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 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 A.

as follows:

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

Exhibit F describes the encumbrances against the title contained in the title report dated May 23, 1994 and issued by Long & Melone Escrow, Ltd.

**Blanket Liens:**

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

[ ] 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	Buyer's contract will be cancelled and Buyer's deposit will be returned. Buyer may lose all rights to acquire the apartment.

**F. Construction Warranties:**

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

**1. Building and Other Improvements:**

None. See Exhibit "G"

**2. Appliances:**

None. See Exhibit "G"

G. Status of Construction and Estimated Completion Date:

Construction of the improvements was completed in 1979.

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):



V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "H" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated May 13, 1994

Exhibit "I" 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, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- 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. 3113 filed with the Real Estate Commission on 06-22-94.

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C. Additional Information Not Covered Above

The deficiencies noted in letter dated February 7, 1994 from the City and County of Honolulu Building Department, attached to the Disclosure Abstract as Exhibit "C", have been corrected.

Section 5.8 of the Declaration reads:

SECTION 5.8. Each apartment owner shall have an easement to have portions of any automobile or other motor vehicle parked in the parking space assigned to an apartment occupy the airspace over the planter area or yard area fronting the assigned parking space, provided that the wheels of any automobile or motor vehicle shall be located entirely within the assigned parking space.

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.

KUAKINI DEVELOPMENT CORP.

Name of Developer

By:

Gary K. Kajiwara  
Duly Authorized Signatory

June 1, 1994

Date

Gary K. Kajiwara, 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"APARTMENTS

<u>Apt. No.</u>	<u>Bedrooms/ Bath</u>	<u>Interior Floor Area</u>	<u>Total Floor Area</u>	<u>Common Interest</u>	<u>Parking Stall*</u>
201	2/1	669 sq ft	669 sq ft	8.1238%	1
202	1/1	519 sq ft	519 sq ft	6.3024%	2
203	1/1	519 sq ft	519 sq ft	6.3024%	3
204	1/1	519 sq ft	519 sq ft	6.3024%	9
205	1/1	519 sq ft	519 sq ft	6.3024%	10
301	2/1	669 sq ft	669 sq ft	8.1237%	6
302	1/1	519 sq ft	519 sq ft	6.3024%	7
303	1/1	519 sq ft	519 sq ft	6.3024%	8
304	1/1	519 sq ft	519 sq ft	6.3024%	11
305	1/1	519 sq ft	519 sq ft	6.3024%	12
401	2/1	669 sq ft	669 sq ft	8.1237%	4
402	1/1	519 sq ft	519 sq ft	6.3024%	5
403	1/1	519 sq ft	519 sq ft	6.3024%	13
404	1/1	519 sq ft	519 sq ft	6.3024%	14
405	1/1	519 sq ft	519 sq ft	6.3024%	15

\* all stalls are compact

EXHIBIT "B"BOUNDARIES OF APARTMENTS

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

EXHIBIT "C"PERMITTED ALTERATIONS TO APARTMENTS

Section 16 of the Declaration contain the following provisions regarding alterations of the apartments:

Except as otherwise provided by the Fair Housing Act, 42 U.S.C. § 3601, et seq., as amended by the Fair Housing Amendments Act of 1988, and Chapter 515, Hawaii Revised Statutes, and the rules and regulations promulgated thereunder, as the same may be amended from time to time, restoration or replacement of the Project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, duly executed by or pursuant to a vote of at least seventy-five percent (75%) of the apartment owners and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement, construction, alteration or addition the Association shall duly record or file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. Provided, however, that notwithstanding any provision in this Declaration to the contrary other than the provisions of Section 19, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall require only the written approval thereof, including the plans therefor, by the holders of mortgages covering such apartment(s) (if the mortgagees require such approval), the Board, and all other apartment owners thereby directly affected (as determined by the Board), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered.

Non-material additions to the common elements, including, without limitation, the installation of solar energy devices as defined by Section 468B-1, Hawaii Revised Statutes, as amended, shall require approval only by the Board and by sixty-five percent (65%) of the apartment owners, together with the consent of all other apartment owners thereby directly affected (as determined by the Board). For so long as a statutory definition of "non-material structural additions to the common elements" shall be prescribed by Section 514A-89, Hawaii Revised Statutes, as amended, as it may be amended from time to time or by any substitute or successor statute, said statutory definition shall be applied in interpreting the foregoing sentence.

EXHIBIT "D"COMMON ELEMENTS

The common elements of the Project include the following:

1. The land of the Project;
2. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roof, entries, stairways, walkways, entrances and exits of the building;
3. All yards, grounds, landscaping and fences or walls, if any;
4. All driveways and parking areas;
5. The laundry room situated on the ground floor of the building;
6. The utility closet situated on the ground floor of the building;
7. 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
8. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "E"

LIMITED COMMON ELEMENTS

The limited common elements of the Project include the following:

1. One (1) parking space, as set forth on Exhibit "A" to this Public Report, shall be appurtenant to and for the exclusive use of each apartment.

2. One (1) mailbox bearing the same number as each apartment shall be appurtenant to and for the exclusive use of each apartment.

EXHIBIT "F"ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing reference is made to the Director of Finance, City and County of Honolulu.
2. Reservation of all mineral and metallic mines in favor of the State of Hawaii as reserved in Royal Patent Grant No. 3440.
3. Proposed road widening of Pensacola Street being Parcel 46, area 1,055 square feet, as set forth in Deed dated November 15, 1977, recorded in the Bureau of Conveyances in Book 12554, Page 651.
4. Easement for Driveway purposes as contained in Deed dated June 30, 1911, recorded in the Bureau of Conveyances in Book 348, Page 167, and Deed dated September 16, 1988, recorded in the Bureau of Conveyances in Book 22529, Page 638, to-wit:

ALL of that certain parcel of land (being a portion of Grant 3440 to Eli J. Crawford) situated at Makiki, Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

Beginning at the most Southerly corner of this easement, on the Northwesterly side of Pensacola Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "PUNCHBOWL" being 1931.80 feet South and 2531.13 feet East and running by azimuths measured clockwise from true South:

- |    |      |     |       |  |
|----|------|-----|-------|--|
| 1. | 133° | 35' | 98.12 | feet along remainder of Grant 3440 to Eli J. Crawford; |
| 2. | 88°  | 35' | 2.66  | feet along remainder of Grant 3440 to Eli J. Crawford; |
| 3. | 178° | 35' | 8.00  | feet along remainder of Grant 3440 to Eli J. Crawford; |
| 4. | 268° | 35' | 8.00  | feet along remainder of Grant 3440 to Eli J. Crawford; |
| 5. | 358° | 35' | 2.66  | feet along remainder of Grant 3440 to Eli J. Crawford; |

6. 313° 35' 98.12 feet along remainder of Grant 3440 to Eli J. Crawford;
7. 43° 35' 7.55 feet along the Northwesterly side of Pensacola Street to the point of beginning and containing an area of 791 square feet.
5. Mortgage, Security Agreement and Financing Statement in the amount of \$1,500,000.00, dated September 28, 1988, by Kuakini Medical Development Corp., a Hawaii corporation, as Mortgagor, and Central Pacific Bank, a Hawaii corporation, as Mortgagee, recorded in the Bureau of Conveyances of the State of Hawaii in Book 22529, Page 644.
6. Easement for sewer line purposes in favor of parcels of land covered by Tax Map Keys: 2-4-18-2, 2-4-18-14; and 2-4-18-16; as per survey of Tadaka Nakahata, Registered Land Surveyor, dated December 10, 1979.
7. Covenants, conditions, restrictions, reservations, agreements, obligations and provisions set forth in the Declaration of Condominium Property Regime dated May 13, 1994, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 94-086503, as amended by document dated May 27, 1994, recorded as aforesaid as Document No. 94-091550, Condominium Map No. 2034.
8. Terms and provisions contained in the By-Laws of the Association of Apartment Owners for Pensacola Vista, adopted May 13, 1994, recorded as aforesaid as Document No. 94-086504.

EXHIBIT "G"CONSTRUCTION WARRANTIES

Paragraph G.3 of the Deposit Receipt and Sales Agreement used for the sale of the apartments of the Project provides:

"As Is" Condition; Warranties. The Project is a conversion of an existing building constructed in 1979. The Apartment and the Common Elements are being sold and will be transferred in their current "AS IS" condition with "ALL FAULTS". This means that Seller will not correct any defects in the Apartment, the Project or anything installed or contained therein. Buyer acknowledges that Buyer has inspected the Apartment and the Project. Buyer also acknowledges that Buyer has received and read copies of the Final Public Report and Seller's Disclosure Abstract for the Project and all the exhibits attached to them.

It is expressly understood and agreed by and between Seller and Buyer that SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROJECT OR ANYTHING INSTALLED THEREIN, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR USE OR PURPOSE OR FOR SUFFICIENCY OF DESIGN. SELLER WILL NOT BE LIABLE FOR ANY CONSTRUCTION OR OTHER DEFECTS, INCLUDING ANY LATENT OR HIDDEN DEFECTS IN THE PROJECT, THE APARTMENTS OR ANYTHING INSTALLED THEREIN. THIS MEANS THAT NO PERSON WILL HAVE THE RIGHT TO FILE ANY LAWSUIT FOR DAMAGES AGAINST SELLER FOR ANY DEFECTS IN THE PROJECT, THE APARTMENTS OR ANYTHING INSTALLED THEREIN.

EXHIBIT "H"SUMMARY OF SALES CONTRACT

Copies of the form of Deposit Receipt and Sales Agreement ("Sales Contract") to be used in connection with the sale of the apartments of the Project have been submitted to the Real Estate Commission and are available for inspection at the Seller's office. The following is a summary of some of the provisions of the Sales Contract. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES CONTRACT IN FULL SINCE THIS SUMMARY IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF THE PROVISIONS THEREIN.

1. If the Apartment covered by a particular Sales Contract is an Owner-Occupant Designated Apartment, and Buyer has executed an affidavit stating Buyer's intent to become an owner-occupant of the Apartment, then Buyer agrees when signing the Sales Contract that Buyer will occupy the Apartment as Buyer's principal residence. Any such Buyer shall be required to reaffirm his or her intent to be an owner-occupant no earlier than the Buyer's receipt of the Final Public Report and no later than the Closing Date. Failure to sign the reaffirmation upon the reasonable request of Seller shall constitute a default under the Sales Contract by such Buyer and Seller shall have the remedies provided in the Sales Contract.

2. Seller makes no warranties regarding the Project and the apartment is being sold in its current "as is" condition with "all faults."

3. Buyer agrees that all payments required by the Sales Contract will be deposited with Escrow and that all checks will be made payable to Escrow. Buyer also agrees that any money that Buyer deposits with Escrow may be deposited together with other Buyers' money in a federally insured interest bearing account, and that Escrow may distribute the money in this account according to an Escrow Agreement between Seller and Escrow. Buyer also agrees that all the interest earned from the funds deposited by Buyers will be credited to Seller.

In case Buyer is late in making payments due under the Sales Contract, the late payment will bear interest at the rate of one percent (1%) per month until paid.

4. All taxes, assessments, and charges of any kind assessable against the Apartment or the land of the Project will be prorated as of the Closing Date. This means that Buyer will have to pay Buyer's share of these taxes and assessments at the

Closing Date. In addition, Buyer will be responsible for paying all closing costs in connection with the purchase of the Apartment, including all costs related to any mortgages, all notary fees, recording fees, escrow fees, title insurance, conveyance taxes and fees, and preparation of the Apartment Deed to Buyer.

5. In addition to all other funds due, Buyer must deposit with Escrow at Preclosing a nonrefundable "start-up" fee for the Condominium Association. This start-up fee is an initial contribution to the Association common expenses reserve. The minimum amount of the start-up fee will be equal to two (2) months of estimated assessments for common expenses. This amount is separate from the purchase price and closing costs for the Apartment.

6. Buyer may not assign Buyer's rights under the Sales Contract without the prior written consent of Seller. Under no circumstances may Buyer assign Buyer's rights to the Sales Contract after the Preclosing or the Closing Date. If Buyer attempts to assign the Sales Contract without Seller's written consent, Buyer shall be in default under the Sales Contract.

7. The Seller may, at its option, preclose the sale of Apartments by requiring the Buyer to deliver all documents necessary for closing and certain funds to Escrow up to sixty (60) days prior to the Closing Date. Buyer will have ten (10) days notice of the Preclosing. Buyer must deposit all funds other than the proceeds of Buyer's first mortgage loan or the balance of the purchase price for a cash sale with Escrow, including the advanced payment for a maintenance assessment fund. Buyer must also sign all documents required for closing.

8. Buyer shall not be able to occupy the Apartment until the Closing Date, except that if Buyer is the tenant of the Apartment, Buyer shall be entitled to possession of the Apartment pursuant to the terms and provisions of Buyer's lease or rental agreement. Seller or Escrow will notify Buyer of when the Closing Date will take place. Buyer will not be able to take occupancy until all payments required by the Sales Contract have been made. Keys will not be issued for the Apartment unless all payments have been made. If Buyer attempts to take occupancy of the Apartment prior to the Closing Date, then Buyer will be in default of the Sales Contract, and Seller has the right to remove Buyer from the Apartment using any lawful means.

9. By signing the Sales Contract, Buyer represents that Buyer is financially capable of paying the purchase price for the Apartment. Buyer also represents that any financial

data he has given Seller is accurate. If Buyer does not notify Seller that Buyer's financial situation has changed as of the Closing Date, Seller will assume that the information Seller has is accurate. If the Seller discovers that any important financial data provided by Seller is not accurate and Buyer failed to notify Seller of this inaccuracy, Seller has the right to cancel the Sales Contract.

If Buyer intends to finance the purchase of an Apartment, Buyer must apply for financing within five (5) days of the Seller's acceptance of the Sales Contract. Buyer agrees to do everything possible and/or necessary to successfully obtain a loan once applied for. Buyer agrees to immediately provide Seller with a copy of any loan commitment Buyer receives.

If Buyer tries to obtain financing but is unsuccessful in doing so within fifty (50) days after Seller's acceptance of the Sales Contract, Seller may notify Buyer that Seller is cancelling the Sales Contract. Upon cancellation in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and minus any costs incurred by Seller, Escrow, or any lending institution in processing the Sales Contract or the Buyer's loan application(s).

If Buyer is making a cash purchase of an Apartment, Buyer shall provide proof to Seller that Buyer is financially capable of making all payments under the Sales Contract within ten (10) days after Seller accepts the Sales Contract. Seller has the option to terminate the Sales Contract if Seller determines that Buyer is unable to make the required payments. If the Sales Contract is cancelled in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and less an escrow cancellation fee and any other escrow charges incurred by Seller. Seller will give Buyer notice of any such cancellation.

10. If Buyer defaults, Seller may cancel the Sales Contract by notifying Buyer in writing. The Seller may keep any amounts previously paid by Buyer as compensation for Seller's damages. In addition, Seller may also pursue any other appropriate means in order to be compensated for damages incurred by Buyer's default. .

If Seller defaults, Buyer is entitled to cancel the Sales Contract and have all of Buyer's money refunded, if the Buyer cannot legally cause the Seller to fulfill Seller's obligations.

If, after the Closing Date for the sale of an Apartment, Buyer claims that Seller has violated certain federal

or state securities or disclosure laws, Buyer may cancel the Sales Contract and is entitled to a refund from Escrow of all money Buyer paid to Escrow, together with a statutory rate of interest. Cancellation as described above will be Buyer's only remedy for violations of this nature.

11. By entering into the Sales Contract, Buyer acknowledges that Buyer has never received any information of representations from Seller or any of Seller's agents regarding rental income from the Apartment or other economic or tax benefits that Buyer may receive from ownership of the Apartment. The Buyer further agrees that he or she will not participate in any rental pool for the renting of the Apartment. Buyer may be required to sign documents which satisfy the Seller that no such representations have been made.

EXHIBIT "I"SUMMARY OF ESCROW AGREEMENT

A copy of the Escrow Agreement between the Developer and Long & Melone Escrow, Ltd. ("Escrow"), has been submitted to the Real Estate Commission and is available for inspection at the Developer's office. The following is a summary of some of the provisions of the Escrow Agreement.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS IN FULL AS THIS SUMMARY DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS IN THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.

1. A signed copy of each sales contract for an Apartment in the Project must be given to Escrow.

2. All purchasers who are to be owner-occupants as defined in Section 514A-103, Hawaii Revised Statutes, must submit an affidavit to Escrow affirming their owner-occupant status. The affidavit setting forth the purchasers' intent to be owner-occupants must be reaffirmed no earlier than their receipt of the final public report but no later than the closing of escrow for the Apartment and all prospective owner-occupants must submit the reaffirmed affidavit and proof of receipt of the final public report to Escrow.

3. All money received by the Developer from buyers under sales contracts for apartments in the Project must be given to Escrow. Escrow, in accordance with written instructions from the Developer, shall deposit all money so received in accounts at a federally insured bank, savings and loan association or other financial institution which pays interest on deposits. Any interest earned on funds deposited into Escrow will accrue to the credit of the Developer unless otherwise provided.

4. Escrow may not make any disbursements of funds until certain conditions, including the issuance of a Final Public Report of the Project by the Real Estate Commission, have been met.

5. Under certain conditions, a buyer shall be entitled to a refund. Escrow shall pay this refund to the buyer without interest less a reasonable escrow cancellation fee.

However, no escrow cancellation fee will be deducted from refunds to individuals on the Developer's owner-occupant reservation list to whom no Sales Contract was ever offered.

6. If a buyer fails to claim a refund for a cancelled sales contract, Escrow shall deposit the refund in a special account in a bank or other depository selected by Escrow, in the name of the Developer as trustee for the benefit of the buyer. Escrow will then attempt to notify the buyer about the refund.

7. If a buyer is to make a payment under a sales contract directly to Escrow, Escrow shall promptly give the buyer notice of the amount and due date of the payment. If the buyer fails to make a payment to Escrow in a timely manner, Escrow will notify Developer. If the Developer subsequently notifies Escrow in writing that Developer has terminated the sales contract and provides Escrow with copies of all notices of termination sent to the buyer, Escrow will then treat any funds the buyer has already paid as though they belong to the Developer. Upon written request by the Developer, Escrow will pay all such sums to Developer minus any escrow cancellation fee.

EXHIBIT "J"DEVELOPER'S RESERVED RIGHTS

1. VA/FHA APPROVAL. Notwithstanding any other provision in the Declaration to the contrary, the Developer reserves the right, but shall not be obligated to, obtain the approval of the Project from the Veterans' Administration ("VA") in order that loans secured by mortgages on apartments in the Project can be guaranteed through the VA Home Loan Guarantee Program and other federal housing assistance programs, including those administered by the Federal Housing Administration ("FHA"). In exercise of this reserved right, the Developer may, in its sole discretion, amend the Declaration to satisfy any VA or FHA requirements which the Developer deems necessary or convenient without being required to obtain the approval, consent or joinder of any person or group of persons, including without limitation, the Association of Apartment Owners, any apartment owner or any mortgagee, lien holder or any other person who may have an interest in the Project or any apartment, and may on behalf of the Association of Apartment Owners, execute and record as an amendment to the Declaration a Regulatory Agreement in form and substance meeting FHA requirements.

2. GRANTING OF EASEMENTS. The Developer reserves the right for itself and its agents to grant to any public utility or governmental authority easements for electricity, gas, sewer, drainage, water and other utilities over, under, along, across and through the Project, under the usual terms and conditions required by the grantee of such easement rights; to grant to any other person or entity any easements for ingress, egress or roadway purposes over, under along, across and through the Project (provided, however, that such easement rights shall be granted and exercised in such a manner as not to unreasonably damage the improvements of the Project or unreasonably interfere with the use of the land or the improvements of the Project by the apartment owners); to quitclaim any easements in favor of the Project which are not required for the Project; and to amend the Declaration, the By-Laws and the Condominium Map consistent with the granting or quitclaiming of such easement rights. Each apartment owner agrees that such apartment owner and any person claiming an interest in the Project by, through or under such apartment owner, shall, upon request, join in and execute any and all documents designating, granting and quitclaiming any such easement rights.

## PENSACOLA VISTA CONDOMINIUM PROJECT

DISCLOSURE ABSTRACT1. Name and Address of Project:

"Pensacola Vista"  
1562 Pensacola Street  
Honolulu, Hawaii 96822

2. Name, Address and Telephone Number of Developer:

Kuakini Development Corp.  
C/O Marcus & Associates, Inc.  
1045 Mapunapuna Street  
Honolulu, Hawaii 96819  
(808) 839-7446

3. Maintenance Fees: The breakdown of the estimated annual maintenance fees and the estimated monthly fees for each apartment, representing the common expenses of the Project allocated to each apartment, which are hereby certified to be based on generally accepted accounting principles, are set forth in Exhibit "A" attached hereto and made a part hereof. The Developer advises that the costs and expenses of the maintenance and operation of a condominium project are difficult to estimate initially, and even if such costs and expenses have been accurately estimated, that such costs and expenses will tend to increase with price increases and the increased age of the Project. The estimated maintenance fees and monthly fees for each apartment are based on the latest information available to the Developer and are subject to revision based on actual costs for the items listed. The costs and expenses can vary depending on the services desired by apartment owners. Each buyer should review the attached Exhibit "A" to see what services are included.

4. Warranties: The Project, the apartments and anything installed or contained in the apartments and/or the project are being sold in their current "AS IS" condition with "ALL FAULTS", without any warranties whatsoever, express or implied, from the Developer. Paragraph G.3 of the Deposit Receipt and Sales Agreement used in connection with the Project provide as follows:

3. "As Is" Condition; Warranties.

The Project is a conversion of an existing building constructed in 1979. The Apartment and the Common Elements are being sold and will be transferred

in their current "AS IS" condition with "ALL FAULTS". This means that Seller will not correct any defects in the Apartment, the Project or anything installed or contained therein. Buyer acknowledges that Buyer has inspected the Apartment and the Project. Buyer also acknowledges that Buyer has received and read a copy of Seller's Disclosure Abstract, including all the exhibits attached to it, for the Project.

It is expressly understood and agreed by and between Seller and Buyer that SELLER MAKES NO REPRESENTATIONS OR WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, CONSUMER PRODUCTS INSTALLED THEREIN, THE PROJECT OR ANYTHING INSTALLED THEREIN, INCLUDING BUT NOT LIMITED TO ANY IMPLIED WARRANTY OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS OF THE APARTMENT FOR A PARTICULAR USE OR PURPOSE OR FOR SUFFICIENCY OF DESIGN. SELLER WILL NOT BE LIABLE FOR ANY CONSTRUCTION OR OTHER DEFECTS, INCLUDING ANY LATENT OR HIDDEN DEFECTS IN THE PROJECT, THE APARTMENTS OR ANYTHING INSTALLED THEREIN. THIS MEANS THAT NO PERSON WILL HAVE THE RIGHT TO FILE ANY LAWSUIT FOR DAMAGES AGAINST SELLER FOR ANY DEFECTS IN THE PROJECT, THE APARTMENTS OR ANYTHING INSTALLED THEREIN.

5. Number of Residential Apartments; Use. The Project consists of fifteen (15) residential apartments contained in a four-story building which was constructed in 1979. The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose. The apartments shall not be rented for transient or hotel purposes, which are defined as (a) rental for any period less than thirty (30) days, or (b) any rental in which the occupants of the apartments are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen service, or bellboy service. Except for such transient or hotel purposes, the owners of the respective apartments shall have the absolute right to rent or lease such apartments subject to all provisions of the Declaration of Condominium Property Regime and the By-Laws of the Association of Apartment Owners; provided, however, that no apartment owner may rent or lease less than the entire apartment. The apartments in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership", or

"time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.

The Developer and all entities, persons and agents related to or affiliated with the Developer, have no program at this time, nor is any program planned or contemplated, to offer a rental service of any kind to the owners of apartments, either individually or in any form of pooling arrangement, nor have any representations been made by the Developer or its agents as to the feasibility of renting the apartments. Owners of apartments who desire to rent their apartments must therefore make their own rental arrangements. Each Buyer hereby acknowledges that use of the apartments for time-sharing is expressly prohibited in the Project.

Neither the Developer nor its agents have made any representation regarding either economic benefits to be derived from rentals or tax treatment of any owner of an apartment. The tax treatment and economic benefits may vary with individual circumstances and the Developer, and its agents, recommend that Buyer consult Buyer's own attorney, accountant or other tax advisor for advice regarding appropriate tax treatment.

Each apartment owner hereby acknowledges that the Developer has not authorized any agents, salesmen or brokers for the Project to make any representations as to rentals of an apartment, income from an apartment or any other economic benefit to be derived from the rental of an apartment in said Project, and if any such representations are made, they are hereby expressly disclaimed by the Developer.

6. Extent of Non-Residential Development. The Declaration of Condominium Property Regime for the Project does not authorize any commercial or non-residential use in the Project.

7. Existing Structures. The current condition of the Project, the structural components and the mechanical and electrical installations material to the use and enjoyment of the Project are described in reports from an architect and engineers attached hereto as Exhibit "B". The reports state that the building appears to be in good condition considering the age of the building.

The Developer does not represent or warrant that the reports attached as Exhibit "B" are correct or complete. The reports should not be relied upon as the opinion of the Developer. No representations or warranties are made by the Developer with respect to the current condition of the Project or expected useful life of the structural components or the mechanical and electrical installations in the Project.

Because the Project is being converted from an existing building and the apartments are being sold in their current "AS IS" condition with "ALL FAULTS", Buyers should carefully review this Disclosure Abstract and the attached Exhibit "B" in its entirety. Furthermore, Buyers should inspect the Project or have the Project inspected by Buyer's own experts to Buyer's complete satisfaction.

8. Notices. As of February 7, 1994, no outstanding notices of uncured violations of building code or other municipal regulations exist.

9. Compliance with Codes. To Developer's knowledge, information and belief, based upon a letter from the Building Department of the City and County of Honolulu attached hereto as Exhibit "C", the building of the Project was in compliance with all zoning and building ordinances and codes of the City and County of Honolulu in force at the time of their construction and no variances or special permits were granted to allow deviations from any applicable codes. The Building Department cannot determine whether the Project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

Dated: May 27, 1994.

KUAKINI DEVELOPMENT CORP.

By Joey G. Kajium  
Its President Developer

EXHIBIT A

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS  
FOR PENSACOLA VISTA

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
201	\$172.23	\$2,066.76
202	\$133.61	\$1,603.32
203	\$133.61	\$1,603.32
204	\$133.61	\$1,603.32
205	\$133.61	\$1,603.32
301	\$172.23	\$2,066.76
302	\$133.61	\$1,603.32
303	\$133.61	\$1,603.32
304	\$133.61	\$1,603.32
305	\$133.61	\$1,603.32
401	\$172.22	\$2,066.64
402	\$133.61	\$1,603.32
403	\$133.61	\$1,603.32
404	\$133.61	\$1,603.32
405	<u>\$133.61</u>	<u>\$1,603.32</u>
	\$2,120.00	\$25,440.00

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: Pensacola Vista

Monthly x 12 months = Yearly Total

Utilities and Services

Electricity (common elements only)	\$250.00	\$3,000.00
Enterphone	50.00	600.00
Refuse Collection	260.00	3,120.00
Water and Sewer	380.00	4,560.00

Maintenance, Repairs and Supplies

Building	150.00	1,800.00
Grounds	100.00	1,200.00

Management

Management Fee	235.00	2,820.00
Office Expenses	25.00	300.00
Insurance	350.00	4,200.00
Reserves (*)	210.00	2,520.00

Taxes and Government Assessments

Audit Fees	35.00	420.00
Other	75.00	900.00
<b>TOTAL</b>	<b>\$2,120.00</b>	<b>\$25,440.00</b>

I, Keith K.T. Ching, CPM, as agent and employed by Marcus & Associates, Inc., the condominium managing agent or the developer, for the condominium project Pensacola Vista, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Keith K.T. Ching  
Date: 4/18/94

(\*) Mandatory reserves in effect 1/1/93.  
g:\users\public\pensa2.doc



ERNEST M. UMEMOTO AIA  
ARCHITECT INC.

442 Kaleimamahu Street, Honolulu, HI 96825-2338 • Phone (808) 395-3744

January 31, 1994

Craig Nakamura  
Kuakini Development Corp.  
c/o Marcus & Associates, Inc.  
1045 Mapunapuna Street  
Honolulu, Hawaii 96819

Subject: 1562 Pensacola Street Apartments

Dear Craig:

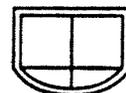
Site Visits for visual observation of the Apartments at 1562 Pensacola Street were conducted on December 23, 1993 and January 4, 1994. Units 201, 305, and 402 were seen. The 4-story 15 units apartment building with masonry construction and flat built-up roof fronts Pensacola Street.

The following were observed:

1. A public payphone on the front wall is not ADA accessible from the sidewalk.
2. The asphalt paving shows signs of weathering and should be maintained with periodic surface resealing. The parking stalls are partially under the building.
3. The concrete walkways had minimal debris and algae/fungus growth. Care should be taken to maintain a non-slip surface.
4. No evidence of flooding or standing water was seen. The site appears to be sloped for drainage. The neighboring apartment building is higher and storm drainage may run into the property from that direction. The adjacent streets do not appear to pose a problem for storm drainage. No topo was available for examination to make a definitive Engineering Statement on this matter.
5. Exterior lighting is minimal. Street lighting adds to the site illumination but no high security lighting is present.
6. There are remote dark areas in the rear of the project and security measures should be considered by the Management.
7. There are no blind spots in the parking lot but no speed bumps were present to discourage speeding.
8. There is no sidewalk from all stalls to the building entry requiring pedestrians to walk in driveways.
9. The project is entirely non-conforming to current ADA accessibility requirements.

Craig Nakamura  
1562 Pensacola Street Apartments  
January 31, 1994

10. Marcus & Associates, Inc. informs us that an Environmental Study was done in the past and no hazardous materials(asbestos) were found.
11. The roof required periodic re-coating. A roof leak to at least one of the units was reportedly fixed. The scuppers are higher than 2" above the roof drain and seemed inadequate in size and numbers for the area served. The roof drain screen was of the wrong type and will deteriorate rapidly. Crickets on the roof do no lead to scuppers. The roof has a parapet. The roof is not used for occupancy.
12. Flashing for roof-top exhaust fans were rusted and broken.
13. The roof access hatch was locked as required.
14. The roof drains through downspouts, some which required repair.
15. Stairwells do not have natural ventilation and lighting. Doors are propped open to provide some lighting. Lighting must be left on at all times.
16. Doors are not equipped with high security hardware.
17. Paint and other flammables cannot be stored in common areas.
18. The water heater under the front stair landing was not ventilated.
19. No dry standpipe. The building has a fire alarm system but it was not examined.
20. Fire extinguishers were not visible through the locked cabinet and were not examined. Fire extinguishers require periodic inspection.
21. A few light bulbs were burnt out along exit corridors. Immediate replacement required. Exit sign illumination not observed.
22. All apartments have entry to two exit routes and no dead-end corridor over 20 ft. exists.
23. Stair landings are too narrow. The 3'-0" depth should be 3'-8".
24. The top of the handrails are at 32" high above the nosing of the treads. They should be between 34" to 38". The handrails should terminate with returns at the ends.
25. The stair riser and treads exceed current standards and vary more than permitted by Code. No nosing provided.
26. Wire mesh was added to the southeast corner 2nd floor walkway to discourage illegal entry from the trashcan enclosure to the walkway above. The wire does not solve the problem, and may cause injury and should be removed.
27. Electrical panel boxes were rusted and some covers frozen shut.
28. Dryer exhaust vent must be repaired.
29. Electrical panel not fully labeled.
30. There are guardrails from the higher areas on adjacent mauka(north) and west side boundary.
31. Guardrail to front stair entry door has openings larger than 5".
32. Electric meters and panels are adjacent to main entry walkway and should be shielded from damage by installing a screen wall.
33. Driveway easement on mauka side adjacent to front entry stair door not paved. This is the access path from side and could lead to tripping as it is rough ground and not well lighted.
34. Concrete spalling on exterior concrete walkways caused by rusting rebars require repair.



Craig Nakamura  
1562 Pensacola Street Apartments  
January 31, 1994

35. Smoke detector present but not tested.
36. Bathroom & kitchen electrical outlets adjacent to tub and sinks should be GFI type.
37. Planting area on both mauka and makai corner at rear of property should be secured by fencing for security.
38. Wall behind range not non-combustible finish.
39. Storage under both stairs should not be permitted at the bottom level.
40. No termite damage was observed, however, continual inspection and re-treatment is recommended.
41. The guardrails openings are larger than the permitted 5". The anchorage and structural rigidity of the connection of all members require continued inspection.
42. Recommend that a commercial grade smoke detector wired to the fire alarm system be installed in the laundry and under stairs. Also, a fire extinguisher should be installed in the rooms.
43. No guest parking or loading stalls provided.
44. Cracks and chips in walks and stairs should be repaired to prevent falls. Surface texture should be consistent and uniform.
45. Parking stalls vary in size. Most are compact and partially uncovered.

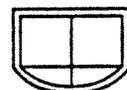
The units were not designed for individual washers, dryers, window air conditioners, and dishwashers. The addition of the appliances would severely impact the building's capacity to provide for its basic utility needs.

This report plus the reports of the Consultant Engineers are based on site observation that does not involve input from Regulatory Agencies and other specialties such as Soils, Civil(drainage, parking, traffic), Environmental, Security and Fire Safety and other special technologies. The items observed are items of concern noted on the date of the visit. It is possible that a safety hazard may become evident after the visit, and other items may be non-conforming to the Building Code and other regulations. The report may not address remedial actions nor does it state standards that must be met because a complete test of whether an item is "grandfathered" or in compliance would involve research, design studies, drawings, as-built documentation, and ultimately submittal to Regulatory Agencies for review and approvals. The items are stated as that which require further or continued attention of the Owners or their Managing Agents.

The building is well-maintained and presents the expected wear and tear that requires periodic repair and maintenance. The complex is clean and functionally able to provide for the needs of typical apartment use as intended.

Very truly yours,

  
Ernest M. Umemoto, AIA



# **NAGAMINE ENGINEERS INC.**

CONSULTING STRUCTURAL ENGINEERS

220 South King Street  
Suite 1280  
Honolulu, Hawaii 96813  
Ph: (808) 536 2626  
FAX: (808) 536 3926

January 10, 1994

Kuakini Development Corp.  
c/o Marcus & Associates, Inc.  
1045 Mapunapuna St.  
Honolulu, Hawaii 96819

Attention: Craig Nakamura

Subject: 1562 Pensacola Street Apartments Due Diligence

Dear Craig,

As requested we have performed a cursory visual structural inspection of the Apartments at 1562 Pensacola Street on January 4, 1994. This inspection involved a walk-through of the building which included a parking area, Rooms 201, 205, 402, and the Laundry Room. No calculations or testing of any kind were performed. Architectural, mechanical, electrical and other nonstructural aspects are not addressed. Existing structural drawings prepared by Richard M. Sato dated January 1979 were available.

The building is a 4 story structure constructed in 1979. The suspended slabs consist of 5 1/2 inches thick cast in place concrete slab (5 inches thick slabs at the corridors), concrete beams, columns and CMU walls. The lateral force resisting system consists of CMU shearwalls. The foundations consist of concrete spread footings. There are concrete slab on grade for the ground floor parking areas. A CMU fence wall surrounds the building on the south, west and part of the north side.

## Observations and Comments

1. In general, no sign of major structural distress was observed, except for the minor items as follows.
2. Corridor walkway slabs: cracks were observed (hairline to 1/16 inch wide) in the top surface of these slabs. The direction of the cracks were predominately parallel to the length of the corridor. These cracks are normal and due to the cantilever action of the slab.
3. Stairwell walls and L-shaped walls at north-east corner: There are indications of old diagonal cracks which seems to have been patched. These old cracks are probably due to the post-tensioning effect\*. The cracking probably occur within a year or two after

being constructed. This is a normal occurrence for post-tensioning buildings. No repair is required other than painting.

\*Post-tensioning stresses steel strands in the slab. This causes the slab length to shorten slightly.

4. Slab edges and beam sides along East and South sides of building: Parts of the slab edges are rusting. The post-tensioned strand anchor outline is visible in many locations, and in one location the concrete plug has spalled out. This is due to inadequate concrete cover (as little as 3/8 inch) over the reinforcing steel bars and anchors, which allows moisture to corrode the steel. Because rust occupies a greater volume than unrusted steel the rusting causes the concrete cover to crack and spall off. This is a common problem for this type of building.
5. North-east stairwell: On the north wall face on the 2nd Floor, a vertical crack 2 feet long was observed. Also efflorescence was observed on the east wall, inside face. This may indicate the moisture is passing through the CMU in these areas. Also, the vertical crack may be caused by rusting of the vertical reinforcing steel.
6. Top of dry wall or window along corridor: At several locations, a crack or gap (1/16 +/- inch) was observed between the top of the dry wall and the concrete slab above. This is probably due to movement caused by the post-tensioning effect. The structural integrity is not affected.
7. Slab on grade: At the ground level, minor cracks were observed on the slab on grade. Cracks appear to be normal.
8. Wood door: Termite droppings were observed below the entry door of unit 402. This indicates that termites were present. Since the structure members consist of concrete or CMU, the termites do not affect the structural integrity.
9. Parking Area columns: The column corners have steel angles to protect the columns. These angles appear to be rusting.
10. Roof Slab capacity: The existing structural drawings indicate that the live load capacity is 100 pounds per square foot, which is above the code required 40 pounds per square foot capacity.

Possible Repairs to the items noted above are:

**Corridor Walkway Slab:** The cracks in the top surface should be patched, and the top surface of the slab sealed or coated to minimize moisture penetrating the slab and corroding the reinforcing steel.

**Corridor Slab Edges & Beam Sides:** The rusting, cracking and spalling should be repaired. Chip all loose concrete to sound concrete. Remove all rust on the reinforcing bars. Apply an anticorrosive coating to the steel

surfaces, such as SikaTop 108. Patch spalls with a mortar such as SikaTop 122. Fill cracks at slab edge with a structural crack filler such as Sikadur 35 Himod LV, using low pressure injection methods. As a minimum, the concrete slab edges should be sealed to minimize moisture penetration into the concrete. (Follow Sika Spec Builder S3-4)

- Post-tensioned  
Strand Anchors: All loose concrete or loose grout plugs should be removed. All rust should be removed. Use care - do not disturb the anchor. Patch with SikaTop 122. If any strand has detensioned, consult with a structural engineer prior to performing any fix. Seal concrete and provide additional protective coating over anchor areas.
- Stairwell Wall: Where vertical cracks and efflorescence occurs, patch cracks and paint exterior and interior surfaces.
- Parking Columns: Remove all rust from the corner angles. Repaint.

#### Conclusions and Recommendations

The structure for this building appears to be in good condition with minor exceptions to the slab edge and CMU wall. The cracking and spalling at the slab edge should be repaired immediately to prevent further deterioration. Slab repair in other undetected areas may be a future maintenance item. The structure can be expected to continue to perform well with normal maintenance and up keep.

If you have any comments or questions, please do not hesitate in calling.

Very truly yours,

NAGAMINE ENGINEERS, INC.



Norman Nagamine, SE  
President

January 11, 1994

Marcus & Associates, Inc.  
1045 Mapunapuna St.  
Honolulu, Hawaii

Project: 1562 PENSACOLA STREET  
Honolulu, Hawaii  
TMK: 2-4-18:3

\*\*\*\*\*  
**MECHANICAL OBSERVATION REPORT**  
\*\*\*\*\*

A cursory site observation of typical units for the above project was conducted on January 4, 1994 specifically for the observable mechanical systems as requested.

Existing original construction mechanical plans furnished were designed by Mechanical Engineer, Randolph H. Murayama with Architect, James M. Takahashi. Mechanical Plans M-1 and M-2 were provided.

This multi story building has one complete ground floor parking level and three floors above for apartment units. The building was indicated to be about 14 years old.

The observation team visited three typical apartment units which were selected by the Realtor, two being a one bedroom unit numbers 205 and 402 and the other a two bedroom unit number 201.

The typical bathroom consisted of three fixtures. The bathtub was a standard white bathtub with a dual handle, diverter valve faucet and a shower head with wall escutcheon. The lavatory was a white oval countertop type with dual handle faucet and a pop-up drain. The water closet was a floor mounted tank type with an elongated bowl and seat with cover.

The typical kitchen consisted of a stainless steel double compartment sink with a dual handle swing spout faucet, garbage disposal, electric range, and re-circulating type range hood.

The typical water heater was located under the kitchen counter next to the range as indicated on the plans. Circuit breaker size for the heater was noted as 20 amps/240 volts.

Observations for Apartment no. 205 noted that the lavatory pop-up drain was missing and not operational with a rubber plug being used. Lavatory and bathtub finish was dull and scratched. Shower pop-up drain missing and not operational with rubber plug being used. Shower head escutcheon plate was rusted. The water closet was operational. The kitchen sink drain coupling is bad and needs replacement. The present tenant noted that the kitchen sink drain occasionally gurgles and suds foams up even without sink use. After



Mechanical Engineers - 826 Kiahuna St. - Suite 305 - Honolulu, HI 96814 - (808) 946-7774

maintenance cleaning of the drain pipes, this condition seems to go away. Tenant also indicated that at times there is a lack of hot water. The heater could be small or a very low recovery type having a 20 amps breaker.

Observations for Apartment no. 402 noted that the lavatory pop-up drain was missing and not operational. Lavatory and bathtub finishes were dull and scratched. Bathtub pop-up drain was missing and not operational. Shower head escutcheon plate was rusted. The lavatory and shower faucets looked old with no handle screw caps. The water closet was operational. The kitchen sink faucet spout strainer was missing. The garbage disposal was a 1/2 HP, ISE Model 333. Unoccupied unit.

Observations for Apartment no. 201 noted that the lavatory pop-up drain was missing and not operational. Lavatory faucet was dripping and the strainer drain was showing possible signs of a gasket leak. Lavatory and bathtub finishes were dull and scratched. Shower pop-up drain was missing and not operational. Shower head escutcheon plate was rusted. The water closet was operational. The kitchen sink drain coupling was taped and needs replacement. The garbage disposal was a high speed, 1/2 HP, GE Model GFC 300.01.

These apartment units were not designed to have clothes washers and dryers, dishwashers, and air conditioners. Apartment owners cannot install these appliances.

A laundry area was located on the ground floor in the parking level. There were two clothes washers and two clothes dryers and one laundry tray available for tenant's use. The dryer vent flex ducts all terminated in a wall exhaust opening. It was observed that the screen on this exhaust was rusted and needs to be considered for replacement. The electric water heater for this area was located in the stairwell storage room. The heater was an American Appliance Model MEUR-50B size. Generally the Laundry Room is in useable condition.

The Roof Deck had modified roof/deck drains and will be covered by other team member's report. All plumbing vent through roof pipes were raised about seven feet above deck. The deck area seems to have had a new coating recently. .

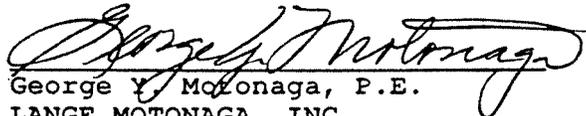
Generally the plumbing system observed was in usable condition but does require on going repairs and replacements to keep it working properly. Replacement or repair of plumbing fixtures, faucets and piping have been taking place on a as-needed basis and will have to continue. The fixtures looked used and obsolete by age and may not meet today's water conservation code, but seem functional. The waste pipe systems serving the kitchen sinks may have to be cleaned more often by routing to reduce the back-up and sudings into the bottom last connected sink. Lavatory sink and bathtub pop-up drains need repairs or replacement. Sink drain pipe couplings need replacing. Replace missing kitchen sink faucet strainers. Repair non operational disposals and range hoods as required.

The fire protection system for this building consists of fire hose cabinets with a fire extinguisher inside, dry standpipe systems, and wall mounted fire extinguishers in cabinets. One fire hose cabinet was located on each exterior corridor wall of the apartment floors. One fire extinguisher (2A:10-B:C) in a cabinet was provided for the parking level. A dry standpipe was located in each of the stairwells for generally the second thru the roof. The fire inspection tags indicated that they were tested about February 1992. Visually the systems seem in fair condition. The Fire Protection Systems should be tested by a Certified Fire Inspector and maintained as required by code and Fire Marshall to verify if they are working properly.

Overall, the mechanical system maintenance for this building has been fair. Due to its age of about 14 years and above normal use, higher maintenance and replacements should be anticipated as it is functioning past half of its economic life of 25 years. With the repairs indicated above, proper management, constant maintenance and high replacements, the plumbing, and fire protection systems could provide a minimum of 10 years more of service. This project seems to be adequately served by the principle utilities of water, and sewer. The plumbing system may not meet today's codes, and as major repairs, or as current code compliances are required, the cost of compliance maybe great. Other systems may not also meet current codes and regulations, but seem functional.

The above comments should generally apply to all of the units within this building since they are all typical and of the same age and maintenance level.

Submitted by:

  
George Y. Motonaga, P.E.  
LANGE MOTONAGA, INC.  
Consulting Mechanical Engineers

RS ENGINEERING  
3408 Waiialae Avenue  
Honolulu, Hawaii 96816  
January 13, 1994

Kuakini Development Corp.  
c/o Marcus & Associates, Inc.  
1045 Mapunapuna Street  
Honolulu, Hawaii 96819

Attn: Mr. Craig Nakamura

Gentlemen:

Subject: 1562 Pensacola Condo Conversion

On Tuesday, January 4, 1994, a cursory inspection was performed on the subject property to evaluate the condition of its electrical system.

#### GENERAL

The subject property consists of a four-story structure (three living and one parking) and lawn areas. The building is approximately 15 years old and is of wood and masonry construction. There are a total of fifteen units, five on each of three floors.

#### ELECTRICAL SERVICE SYSTEM

The building is fed by overhead lines from a HECO pole on Pensacola Street and underground from the property line to the service equipment. The overhead portion of the service feeder conductors appears to be in good condition.

The main disconnect for the building is rated at 2P800 amps, 3 wires. The switch enclosure is starting to rust and should, as a minimum, be brushed and painted.

There are two meter banks, one with nine meters next to the service equipment and another with six meters in the rear of the parking area. Each apartment unit has its own electrical meter and is fed through a 2-pole 70 amp circuit breaker. These pieces of equipment should also be brushed and painted.

#### SECURITY LIGHTING

There are two sets of stairs, one on each side of the building. There is a light fixture at the each of stair

landing on each floor and two fixtures on each floor along each walkway. We recommend that a study be made to insure that there is a minimum of 1 foot candle as required by code is maintained throughout the exit ways and that a maintenance program be adopted keep these fixtures operational at all times.

There are 4 emergency lighting units with battery packs in each set of stairs. These are located on the mid-floor landing of the stairs. These were not checked to see if they were in operating condition. We recommend that monthly checks be made to ensure operability in case of emergency.

#### FIRE ALARM SYSTEM

There is a central fire alarm system by Simplex for the building but is only operated from the pull stations. Current codes also require that smoke detectors be connected to the central fire alarm system.

There are 8 pull stations, one at each door to the stairway. This is in compliance with current code requirements.

Individual battery-operated smoke detectors were noted in the units which were inspected.

#### LAUNDRY AREA

A laundry area, located in the front of the building, has two washers and two dryers. The washers and dryers are electrical and are fed from the house panel. The wiring for this area appears to be in fair condition. The duplex receptacle for used for the washer is within 6 feet of the wash basin and is GFI protected.

#### APARTMENT UNITS

Three units were inspected. Two were one bedroom units and one was a two bedroom unit. The following general observations were made:

The panelboard for each unit is located on the back wall of the kitchen area. The panelboards are sixteen circuit, 100 amp units.

Two spaces are used by the 2-pole 70 amp main circuit breaker. A 2-pole 40 amp circuit breaker feeds the range, a 2-pole 30 amp circuit breaker feeds the water heater, a 1-pole 20 amp breaker feeds the garbage disposer, a 1-pole 20 amp breaker feeds the refrigerator and three 1-pole 20 amp circuit breakers feed the circuits for lights and

receptacles. The panelboard and the wiring at the panelboard appear to be in good condition.

The number of existing outlets in the bedroom and the living room meets the current minimum standards. The kitchen has an adequate number of receptacles. However, the two receptacles within 6 feet of the sink needs to be GFI protected. The receptacle in the bathroom is GFI protected.

A smoke detector is located in the living room, above the bedroom door. There are telephone outlets in the bedroom and the kitchen. There is a CATV outlet in the living room.

The electric water heater is located under the kitchen counter. There is no disconnect at the water heater as required by current codes.

#### CONCLUSIONS

The existing electrical service is adequately sized for the present loads. Any significant additions to the present loads such as air conditioning units, however, may require an upgrading of the service.

The electrical system does not comply with all the present codes. However, the system appears to have been in compliance to codes existing at the time of construction and, therefore, would not have to be upgraded until such time that changes are made to the system. Some minor electrical repairs are required to such as brushing and painting exterior enclosures to improve the life expectancy of the equipment. We recommend that safety and security items be addressed immediately, however.

The general condition of the building is good and, with normal replacement and upkeep, a life of ten years or more can be expected.

Very truly yours,

  
Samuel S. Matsuo  
Ph.D., P.E.

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

Ex94-14

February 7, 1994

Mr. Craig T. Nakamura  
c/o Marcus & Associates, Inc.  
1045 Mapunapuna Street  
Honolulu, Hawaii 96819

Dear Mr. Nakamura:

Subject: Condominium Conversion Project  
1562 Pensacola Street  
Tax Map Key: 2-4-018: 003

This is in response to your letter dated December 21, 1993 requesting verification that the building located at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the 4-story 15-unit apartment building with 16 off-street parking spaces met all applicable code requirements when it was constructed in 1979. However, investigation also revealed the following deficiencies:

1. Portions of the Diamond Head end of the 3rd floor concrete walkway are spalling, exposing rusted steel rods.
2. Portions of the Diamond Head end of the 4th floor concrete walkway are spalling, exposing rusted steel rods.

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

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

Exhibit "C"

Mr. Craig T. Nakamura  
Page 2  
February 7, 1994

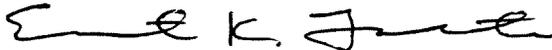
If you have any questions regarding this matter, please  
contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,



HERBERT K. MURAOKA  
Director and  
Building Superintendent

Subscribed and sworn to  
before me this 8th day of  
February, 1994.



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