

CONDOMINIUM PUBLIC REPORT

Prepared & Gladys Suekawa Takamoto, Kiyoshi Suekawa
Issued by: Developer and Ellen Takano Suekawa
Address: 1846 Makuahine Street, Honolulu, HI 96817

Project Name(*): 1846 Makuahine Street
Address: 1846 Makuahine Street, Honolulu, Hawaii 96817

Registration No. 3229 (Conversion) Effective date: January 3, 1995
Expiration date: February 3, 1996

Preparation of this Report:

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

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

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

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

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

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

* * * * *

SPECIAL ATTENTION

* * * * *

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and does not represent a legally subdivided lot. The dotted lines in the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustration purposes only and should not be construed to be formal subdivision lines.

This public report does not constitute approval of the Project by the Real Estate Commission, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION WITH REGARDS TO THE FOREGOING.

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TABLE OF CONTENTS

	page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer Attorney for Developer General Contractor	
Real Estate Broker Escrow Company Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: PARKING PLAN	
EXHIBIT B: COMPLIANCE WITH BUILDING CODES; NONCONFORMING USES	
EXHIBIT C: CONDITION AND EXPECTED USEFUL LIFE OF COMPONENTS	
EXHIBIT D: ENCUMBRANCES AGAINST TITLE	
EXHIBIT E: ESTIMATE OF MAINTENANCE FEES	
EXHIBIT F: DECLARATION OF PROTECTIVE PROVISIONS	
EXHIBIT G: SUMMARY OF ESCROW AGENT	
EXHIBIT H: SUMMARY OF SALES CONTRACT	
EXHIBIT I:	

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

Gladys S. Takamoto
Kiyoshi Suekawa and
Ellen Takano Suekawa

Phone: 537-1935
(Business)

Developer:

Name
1846 Makuahine Street
Business Address
Honolulu, HI 96817

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

Real Estate
Broker:

NONE. Sales will be made by Developers/Owners without a
Real Estate Broker. Their full names and telephone
number are listed above. Phone: _____

Name (Business)

Business Address

Escrow:

Title Guaranty Escrow Service, Inc. Phone: 521-0211
Name (Business)
235 Queen Street, 1st fl.
Business Address
Honolulu, HI 96813

General
Contractor:

N/A (Project already constructed) Phone: _____
Name (Business)

Business Address

Condominium
Managing
Agent:

(Project to be self managed) Phone: _____
Name by Association of Apartment (Business)
Owners
Business Address

Attorney for
Developer:

John A. Morris, Esq. Phone: 537-1935
Name IWAI GOTO & MORRIS (Business)
820 Mililani St., Ste. 502
Business Address
Honolulu, HI 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2192240

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 1051

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. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2192241

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

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

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

2. Developer:

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

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

Remodel either apartment by adding an additional story or floor area. (Declaration Paragraph 15.)

The Developer also has reserved a general power to amend the Condominium Map, Declaration and Bylaws prior to the conveyance of the first apartment to adjust the plan or description of any apartment. (Declaration Paragraph 16.)

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: 1846 Makuahine Street Tax Map Key: (1) 1-6-28-38
Honolulu, Hawaii 96813 (TMK)

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

Land Area: 9006.0 [X] square feet [] acre(s) Zoning: Residential R-5

Lessor
(Fee Owner): Gladys Suekawa Takamoto
Kiyoshi Suekawa and
Ellen Takano Suekawa
Name
1846 Makuahine Street
Address
Honolulu, Hawaii 96817

Sublessor: Not applicable
Name
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: two Floors Per Building one

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: <u>Duplex</u>	___	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[X] Pets: Small livestock & domestic pets in reasonable numbers
(By-Laws, Section 12.10)

[X] Number of Occupants: As permitted by City and County Housing Code

[] Other: _____

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: NONE Stairways: Three Trash Chutes: NONE

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>1846</u>	<u>1</u>	<u>3/1½</u>	<u>768.91</u>	<u>341</u>
<u>1846A</u>	<u>1</u>	<u>3/1</u>	<u>959.75</u>	<u>49</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

*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: Units 1846 & 1846A: Perimeter walls, foundations, floors, and roofs. Unit 1846A includes patio, laundry area and concrete storage area. Unit 1846 includes covered patio and concrete carport.

Permitted Alterations to Apartments: Units 1846 & 1846A: Material additions and alterations with the consent of 75% of apartment owners; including all directly affected owners. Non-material additions and alterations with written permission of the Board. Both material and non-material require compliance with all applicable laws, ordinances and codes (Article 7, By-Laws). Developers may add additional story or floor area without Board permission, in compliance with all applicable laws, ordinances and codes (Declaration, Section 15). Handicapped occupants: All alterations necessary for use and enjoyment of the property after written request to the Board (By-Laws, Section 7.5).

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:

See letter attached as Exhibit B.

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

None are known - see letter attached as Exhibit B.

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

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

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

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

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

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

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

described in Exhibit _____.

as follows:

All of the land in fee simple, and all pipes, wires, conduits or other utility or service, lines, drains and drainage pipes located outside the buildings and serving more than one apartment.

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 _____.

as follows:

Unit

1846: That portion of the land and improvements surrounding the apartment, comprising approximately 4503 square feet, the boundaries of which are the perimeter of the project lot and the dividing line marked on the condominium map plot plan.

Unit

1846A: That portion of the land and improvements surrounding the apartment, comprising approximately 4503 square feet, the boundaries of which are the perimeter of the project lot and the dividing line marked on the condominium map plot plan.

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

described in Exhibit _____.

as follows:

Unit 1846 - 50%

Unit 1846A - 50%

The common interest has been calculated on the assumption that each unit has approximately 50 percent of the total project.

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

Exhibit D describes the encumbrances against the title contained in the title report dated Oct. 21, 1994 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage (see Exhibit D)	Foreclosure will terminate buyer's interest, but in that event, buyer will be entitled to a refund of all deposits, minus a nominal escrow cancellation fee.

F. Construction Warranties:

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

1. Building and Other Improvements:

NONE

2. Appliances:

NONE

G. Status of Construction and Estimated Completion Date:

Construction completed in 1961 for both units.

H. Project Phases:

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

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

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
Developer plans to use the Deposit Receipt Offer and Acceptance
- Specimen Sales Contract (DROA) form of the Hawaii Association of Realtors.
Exhibit H contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated Oct. 26, 1994
Exhibit G contains a summary of the pertinent provisions of the escrow agreement.
- Other Specimen Apartment Deed; Declaration of Protective Provisions

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.

Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other Declaration of Protective Provisions; Sample Apartment Deed

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 3229 filed with the Real Estate Commission on Nov. 21, 1994

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

yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

The Developer reserves the right to install separate water and sewer lines for Apartment 1846A, along Easement U-1, shown on the Condominium Map, page 1.

- 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.

Gladys S. Takamoto, Kiyoshi Suekawa and Ellen Takano Suekawa
Name of Developer

By: *Gladys S. Takamoto*
Duly Authorized Signatory

10/26/94
Date

Gladys S. Takamoto, Agent for Developers
print name & title of person signing above

Distribution:

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

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813



FRANK F. FAN
MAY 1994

HERBERT K. MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

WILLIAM F. REMULAR
DEPUTY

Ex94-40

April 11, 1994

Mr. Carl H. Suekawa
2056 Makanani Drive
Honolulu, Hawaii 96817

Dear Mr. Suekawa:

Subject: Condominium Conversion Project
1846 and 1846-A Makuahine Street
Tax Map Key: 1-6-28: 38

This is in reply to your letter dated March 13, 1994 requesting confirmation that the one-story two-family detached dwelling located at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the two-family detached dwelling with four off-street parking spaces met all applicable code requirements when it was constructed in 1961.

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 B

Mr. Carl H. Suekawa
Page 2
April 11, 1994

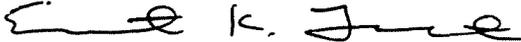
If you have any questions regarding this matter, please
contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,



HERBERT K. MURAOKA
Director and
Building Superintendent

Subscribed and sworn to
before me this 12th day of
April, 1994.



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

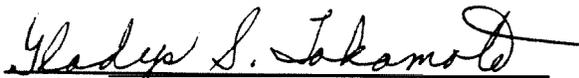
December 30, 1993

To: The Real Estate Commission
State of Hawaii

Re: Condominium Project 1846 & 1846A Makuahine Street, Honolulu (Constructed
1961, Converted 1993)

This letter confirms that:

1. Based on the attached report Maurice H. Yamasato, Registered Professional Architect, the structural components, including the walls and roof, appears to be in reasonably good condition, the mechanical components, also appear to be in reasonably good condition, as does the electrical system.
2. I make no representations about the expected useful life of any of the above items.
3. Based on the attached letter from Herbert K. Muraoka of the Building Department of the City and County of Honolulu:
 - (i) There are no outstanding notices of uncured violations of the building code or other municipal regulations at the project.
 - (ii) The project land and structures conform to present zoning requirements and no non-conforming structures or uses are known to exist.


Gladys S. Takamoto, Agent for Developers,
1846 & 1846A Makuahine Street



Telephone (808) 531-8825
Facsimile (808) 521-0902

ARCHITECTURE PLANNING INTERIORS

Maurice H. Yamasato

Gary S. Fujiwara

Alfred S. Aoki

David W. Iizuka

September 7, 1994

Mrs. Gladys S. Takamoto
Agent for Developers
1846-A Makuahine Street
Honolulu, Hawaii 96817

Re: Condition of Components and Mechanical and Electrical Installations of
Condominium Project 1846 & 1846A Makuahine Street, Honolulu (Constructed
1961, Converted 1993)

Dear Mrs. Takamoto:

We have examined the structural, mechanical and electrical components of Condominium Project 1846 & 1846A Makuahine Street, a single-family home structure built originally in 1961. The following is my report on the condition of those components of that structure:

1. The structural component appear to be in reasonable good condition of building of that age. The foundation is precast concrete footing supporting a wood floor framing system. The exterior and interior walls are one inch by eight inch (1" x 8"), tongue and groove vertical redwood siding which support the wood roof framing system. the roofing is built-up type with gravel ballast. Termite infestation and damage to these components is not evident.
2. The mechanical components appear to be in reasonable condition. The soil and waste system is cast-iron piping and has no visible leads. The hot and cold water system is galvanized pipe and although it has no visible leaks some area show evidence of rusting through the galvanizing. The hot water heater are old and no estimate can be made of their remaining lifespan, although they are in working order.
3. The electrical system appear to be in good condition the wiring is the original copper and is installed in accordance with regulations and codes.

Maurice H. Yamasato
Registered Professional Architect
No. 3488

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
850 SOUTH KING STREET
HONOLULU HAWAII 96813



FRANK F FASI
MAYOR

HERBERT K MURAOKA
DIRECTOR AND BUILDING SUPERINTENDENT

WILLIAM F REMULAR
DEPUTY

Ex94-40

April 11, 1994

Mr. Carl H. Suekawa
2056 Makanani Drive
Honolulu, Hawaii 96817

Dear Mr. Suekawa:

Subject: Condominium Conversion Project
1846 and 1846-A Makuahine Street
Tax Map Key: 1-6-28: 38

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Mr. Carl H. Suekawa
Page 2
April 11, 1994

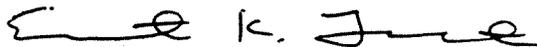
If you have any questions regarding this matter, please
contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,



HERBERT K. MURAOKA
Director and
Building Superintendent

Subscribed and sworn to
before me this 12th day of
April, 1994.



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

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, as may be due and owing. Refer to the City & County of Honolulu, Director of Finance for further information.

Tax Key: 1-6-028-038 (1) Area Assessed: 9,006 sq. ft.

2. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF PROTECTIVE PROVISIONS

DATED : February 24, 1981
FILED : Land Court Document No. 1056655
RECORDED : Liber 15372 Page 359

3. Easement "37" (10 feet wide), as shown on Map 131, as set forth by Land Court Order No. 18310, filed August 16, 1960.

4. GRANT

TO : HAWAIIAN ELECTRIC COMPANY, INC. and GTE
HAWAIIAN TELEPHONE COMPANY INCORPORATED

DATED : April 25, 1960
FILED : Land Court Document No. 261788
GRANTING : an easement over said Easement "37"

5. SETBACK (20 feet wide)

PURPOSE : building
CONTAINED : in DEED dated February 2, 1984, filed as Land Court Document No. 1232291

6. LEASE NO. 11,953

LESSOR : TRUSTEES UNDER THE WILL AND OF THE ESTATE OF
BERNICE PAUAHI BISHOP, DECEASED

LESSEE : ABBIE MANLEY, unmarried

DATED : August 1, 1960

FILED : Land Court Document No. 265757

TERM : 55 years from August 1, 1960

THE LESSEE'S INTEREST BY MESNE ASSIGNMENTS ASSIGNED

ASSIGNOR : IWAO KISHIMOTO and YAEKO KISHIMOTO, husband
and wife

ASSIGNEE : GLADYS SUEKAWA TAKAMOTO, unmarried, as to an
undivided 1/2 interest, and KIYOSHI SUEKAWA
and HATSUKO TAKANO SUEKAWA, husband and wife,
as Tenants by the Entirety, as to an undivided
1/2 interest

DATED : January 30, 1962

FILED : Land Court Document No. 285393

CONSENT : Given by the Trustees under the Will and of
the Estate of Bernice Pauahi Bishop, deceased,
by instrument dated February 1, 1962, filed as
Land Court Document No. 285394

Said Lease is subject to the following:

MORTGAGE

MORTGAGOR : GLADYS SUEKAWA TAKAMOTO, unmarried, and
KIYOSHI SUEKAWA and HATSUKO TAKANO SUEKAWA,
husband and wife

MORTGAGEE : HONOLULU SAVINGS AND LOAN COMPANY, LIMITED, a
Hawaiian corporation, now known as BANK OF
AMERICA, FSB, a federal savings bank

DATED : February 2, 1962
FILED : Land Court Document No. 285295
AMOUNT : \$23,500.00

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
1846	\$58.50	\$702.00
1846A	\$58.50	<u>\$702.00</u>
		\$1,404.00

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning	None		
Electricity	None (electricity for all areas is separately metered -		
	[] common elements only owners pay individually)		
	[] common elements and apartments		
Elevator	None		
Gas	None		
Refuse Collection	Pick up by City and County		
Telephone	Paid individually		
Water and Sewer	\$77 (\$154 bi-monthly)	\$924	

Maintenance, Repairs and Supplies

Building	None - owners are responsible
Grounds	None - owners are responsible

Management

Management Fee	
Payroll and Payroll Taxes	N/A (self-managed)
Office Expenses	

Insurance \$1000 per year funded by annual special assessment (at present, Apartment 1846A pays \$234 per year; Apartment 1846 pays \$750 per year)

Reserves(*) \$40. \$480/yr.

Taxes and Government Assessments - Owners pay individually

Audit Fees None Planned

Other --

TOTAL \$1,404.00

I, Gladys Suekawa Takamoto, as agent and employed by N/A, the condominium managing agent or the developer, for the condominium project 1846 Makuahine Street, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Gladys S. Takamoto
Date: 10/26/94

(*) Mandatory reserves in effect January 1, 1993

RECORDATION RECORDED BY:

DOUBLE SYSTEM.

BISHOP ESTATE

STATE OF HAWAII
DEPARTMENT OF LAND AND NATURAL RESOURCES
REGISTRAR

AFTER RECORDATION, RETURN TO:

81 FEB 26 P 1: 31

BISHOP ESTATE

81- 19667

15372.359
REGISTRAR

RETURN BY: MAIL () PICKUP ()

DECLARATION OF PROTECTIVE PROVISIONS

WHEREAS, the TRUSTEES OF THE ESTATE OF BERNICE PAUANI BISHOP, whose principal place of business and post-office address is 567 South King Street, Suite 200, Honolulu, Hawaii, hereinafter called the "Declarant," own in fee simple the real property situated at Kapalama and Mokauea, Kalihi Valley, City and County of Honolulu, State of Hawaii, more particularly described in Exhibit "A" attached hereto and made a part hereof; and

WHEREAS, the residential lots within the area described in Exhibit "A" are currently leased to various persons by means of residential lot leases; and

WHEREAS, Declarant proposes to offer to sell and convey its fee simple interest in the residential lots to the present holder of, or to the purchaser under an agreement of sale from the present holder of, the residential lease demising each of the residential lots; and

WHEREAS, Declarant is desirous of maintaining the residential character of the residential area and of providing for the preservation of the values and amenities of said area and to preserve the area as an attractive residential district for the advantage of the residents of the district and the community at large, and to this end, Declarant desires to subject the residential lots to the declarations hereinafter set forth, each and all of which is and are for the benefit of the residential lots within the area described in Exhibit "A" and each owner and lessee of such lots.

EXHIBIT F

NOW, THEREFORE, Declarant hereby declares that each of the residential lots within the area described in Exhibit "A" when hereafter sold by Declarant or hereafter leased by Declarant shall thereafter be held, sold, conveyed, encumbered, leased, used, occupied and improved, subject to the following limitations, restrictions, covenants and conditions which are for the purpose of protecting, preserving and maintaining the value, desirability and attractiveness of the residential area, all for and in furtherance of preserving an attractive residential district for the advantage of the residents of the area and the community at large; provided, however, that the benefits and rights set forth in Article III of this Declaration shall be effective from and after the date hereof as to all lessees of Declarant or owners under valid and existing leases of residential lots or of a unit in a duplex (two-family) dwelling on a residential lot for a term of five (5) years or longer, whether they are lessees under leases heretofore or hereafter made. The limitations, restrictions, covenants and conditions contained herein, as they now are or hereafter become effective as above provided, shall run with the residential lots, and shall be binding upon all parties having or acquiring any right, title or interest in and to any of the residential lots within the area described in Exhibit "A", and their respective personal representatives, heirs, successors and assigns, and shall inure to the benefit of Declarant and each owner and lessee thereof as herein set forth. Except as otherwise provided in this Declaration, the limitations, restrictions, covenants and conditions of this Declaration shall not apply to any residential lot within the residential area so long as the lease from Declarant of the residential lot existing on the date hereof shall remain in full force and effect, and title to said residential lot has not been sold by Declarant by deed.

ARTICLE I

Definitions

Section 1. The following words when used in this Declaration (unless the context otherwise specifies or requires) shall have the following meanings:

(a) "Declarant" shall mean and refer to the Trustees of the Estate of Bernice Pauahi Bishop, and their successors in trust.

(b) "Owner" shall mean and refer to the owner, whether one or more persons or entities including Declarant, of all or any part of the fee simple interest in any residential lot within the residential area, but excluding those having such interest merely as security for the performance or repayment of an obligation.

(c) "Residential area" shall mean and refer to the area described in Exhibit "A".

(d) "Residential lot" shall mean and refer to the individual residential parcels of real property described in Exhibit "A".

ARTICLE II

Restrictions

Section 1. Use. All residential lots shall be occupied and used only for residential purposes and only one (1) single-family dwelling or only one (1) duplex (two-family) dwelling, in either case exclusive of outbuildings, shall be erected, placed, maintained or allowed on a residential lot. No building or structure on a residential lot shall be used as a tenement house, rooming house or apartment house or for or in connection with the carrying out of any business of trade whatsoever. The foregoing notwithstanding, only one (1) single-family dwelling (exclusive of outbuildings) shall be erected, placed, maintained or allowed on each of Lots 507 to 513, inclusive, 515 to 525, inclusive, and Lot 591, more particularly described in said Exhibit "A".

Section 2. Subdivision and Consolidation. The existing residential lots shall not be further subdivided or consolidated and resubdivided so as to create any additional residential lots.

Section 3. Setback Lines. From and after the date on which the limitations, restrictions, covenants and conditions contained in this Declaration become effective as to any residential lot, no building shall be erected or placed between any street boundary of such residential lot and any setback line along such boundary as shall from time to time be established by any

Section 4. Repair and Maintenance. All buildings and improvements now or hereafter built on the residential lots shall at all times be well and substantially repaired and maintained.

Section 5. Landscaping. All residential lots, together with all adjacent land between any street boundary of such lot and the established curb line, shall at all times be landscaped and kept in a neat and attractive condition and all trees, shrubs and grass thereon shall be kept in good and neat condition.

ARTICLE III

General Provisions

Section 1. Duration. The limitations, restrictions, covenants and conditions contained in this Declaration shall continue and remain in full force and effect as to each residential lot from the date on which they become effective as to such lot to and including the date on which (a) the owners other than Declarant and (b) the lessees of Declarant (specifically excluding lessees of owners other than Declarant), who together own or lease a total of seventy-five percent (75%) or more of the residential lots, shall cancel and terminate said limitations, restrictions, covenants and conditions by the execution of an instrument or instruments setting forth such cancellation and termination and the recordation and/or filing of the same in each of the places in the State of Hawaii in which this Declaration has been recorded and/or filed of record. PROVIDED, HOWEVER, that said limitations, restrictions, covenants and conditions shall, if not earlier cancelled as aforesaid, automatically terminate as of November 30, 2028, without the necessity of any person or entity to so record and/or file any further instrument evidencing such termination.

Section 2. Enforcement. Declarant, owners and the lessees of Declarant or owners under valid and existing leases of residential lots or of a unit in a duplex (two-family) dwelling on a residential lot within the residential area for a term of five (5) years or longer, shall each have the right, but not the responsibility, to enforce any or all of the limitations, restrictions, covenants and conditions imposed by this Declaration by any

proceeding at law or in equity against any person or persons violating or attempting to violate any such limitation, restriction, covenant or condition, and any judgment for any such violation may require all costs and expenses of such enforcement action, including a reasonable attorney's fee, to be paid by the person who the court finds in violation of any such limitation, restriction, covenant or condition. No failure by Declarant or any of the owners or lessees of Declarant or owners to seek enforcement of the provisions of this Declaration shall entitle any owner, lessee of Declarant or owner, or other person to bring or maintain any action or proceeding in law or equity against the Declarant, owners or lessees of Declarant or owners as a result of such failure.

Section 3. No Waiver. No failure to enforce the provisions of any limitation, restriction, covenant or condition of this Declaration shall constitute a waiver of any right by Declarant, owner or lessee of Declarant or owner to enforce any provisions of this Declaration in another case against or with respect to the same owner or lessee.

Section 4. Severability. The limitations, restrictions, covenants and conditions of this Declaration shall be deemed independent and severable and the invalidity or partial invalidity of any provision or portion thereof or of any such limitation, restriction, covenant or condition shall not affect the validity or enforceability of any other provision.

IN WITNESS WHEREOF, Declarant has executed these presents this 24th day of February, 1981.

APPROVED AS TO FORM
CONTENTS AND AUTHORIZATION

Alan G. Skelton
DOCUMENTARY DEPARTMENT

Raymond B. Thompson

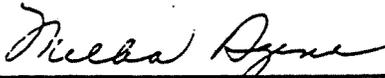
William C. ...

Matthew ...

Trustees of the Estate of,
Berrice Pauahi Bishop

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this _____ day of FEB 24 1981, before me personally appeared Myron B. Thompson, Hung Wo Ching and Aatsuo Takabuki, three of the Trustees of the Estate of Bernice Pauahi Bishop, to me known to be the persons described in and who severally executed the foregoing instrument, and severally acknowledged that they executed the same as their free act and deed as such Trustees.



Notary Public, State of Hawaii
My Commission expires: JULY 31, 1982

EXHIBIT G

SUMMARY OF MAIN, RELEVANT PROVISIONS OF ESCROW AGREEMENT

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

The developer shall pay all money received in connection with the project to escrow, including payments received: (i) under sales contracts; (ii) from lending institutions; and (iii) from any other source. No purchaser's funds shall be disbursed from escrow until: (i) a final public report has been issued; (ii) the purchaser has acknowledged receipt of the final report; (iii) the purchaser's contract has become binding; and (iv) all legal requirements for sale have been met.

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

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

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

Upon notice from the developer, escrow will notify a purchaser of payments which must be made under the sales contract. If the purchaser fails to make any required payments, escrow will notify the developer. If the developer certifies in writing that he has terminated the sales contract with the purchaser, escrow will regard all of the purchaser's funds as belonging to developer. Escrow will not try to resolve any disputes about the funds or the sales transaction but will allow a court to decide the dispute.

Escrow's fee for each escrow processed will be \$250 or its schedule rate minus 30%, plus 4% tax, whichever is greater (present schedule rate for \$400,000 sales prices is \$1040; for \$500,000 it is \$1194).

SUMMARY OF SALES CONTRACT FOR 1846 MAKUAHINE STREET

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

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

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

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

EXHIBIT H