

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer MIKEL KEONAONA GILLILAND  
Address 44-119C Kahinani Way, Kaneohe, Hawaii 96744

Project Name(\*): 190A PAUKAHI  
Address: 44-119C Kahinani Way, Kaneohe, Hawaii 96744

Registration No. 3261

Effective date: October 2, 1998  
Expiration date: November 2, 1999

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.  
(yellow)

  X   FINAL:              The developer has legally created a condominium and has filed complete information with the Commission.  
(white)  
[ ] No prior reports have been issued.  
[ X ] 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  
as Exhibit "F"

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:

The initial report described Apartment Unit 2 as a single-family structure with two covered garage stalls and ample parking in the common driveway area for two uncovered stalls. The current report changes Apartment Unit 2 to a lawn shed building of approximately 44 square feet. The condominium documents and the Condominium Map and File Plan were also changed to reflect the modifications to Apartment Unit 2. During the interim, construction of Apartment Unit 1 was completed.

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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: MIKEL KEONAONA GILLILAND Phone: (808) 235-1968  
Name (Business)  
44-119C Kahinani Way  
Business Address  
Kaneohe, Hawaii 96744

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

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker: GRACE M. KOREYASU Phone: (808) 235-8700  
Name Prudential Locations, Inc. (Business)  
45-681 Kamehameha Highway  
Business Address  
Kaneohe, Hawaii 96744

Escrow: OLD REPUBLIC TITLE & ESCROW OF Phone: (808) 566-0100  
Name HAWAII (Business)  
55 Merchant Street, 16th Floor  
Business Address  
Honolulu, Hawaii 96813

General Contractor: N/A Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Condominium Managing Agent: N/A (Self-managed by Phone: \_\_\_\_\_  
Name Association of Apartment Owners) (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Attorney for Developer: PITLUCK KIDO SATO & STONE Phone: (808) 523-5030  
Name (Business)  
701 Bishop Street  
Business Address  
Honolulu, Hawaii 96813  
Attention: Alan T. Kido, Esq.

II. CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

Proposed

Recorded - Bureau of Conveyances: Document No. 94-211057

Filed - Land Court: Document No. 2206837

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to the Declaration of Condominium Property Regime of 190A Paukahi dated April 18, 1995, Land Court Doc. No. 2235066, B.O.C. Doc. No. 95-058866; Second Amendment to the Declaration of Condominium Property Regime of 190A Paukahi dated May 19, 1995 as Land Court Doc. No. 2238323, B.O.C. Doc. No. 95-067144; Third Amendment to the Declaration of Condominium Property Regime of 190A Paukahi recorded July 22, 1997 as Land Court Doc. No. 2392924 and B.O.C. Doc. No. 97-096669; Fourth Amendment to the Condominium Property Regime of 190A Paukahi recorded February 18, 1998 as Land Court Doc. No. 2438751 and B.O.C. Doc. No. 98-021054; and Fifth Amendment to the Condominium Property Regime of 190A Paukahi recorded August 19, 1998 as Land Court Doc. No. 2479370 and B.O.C. Doc. No. 98-122800.

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. 1063

Filed - Land Court Condo Map No. 2178

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: Second Amendment to the Declaration of Condominium Property Regime of 190A Paukahi dated May 19, 1995 as Land Court Doc. No. 2238323, B.O.C. Doc. No. 95-067144; Third Amendment to the Declaration of Condominium Property Regime of 190A Paukahi recorded July 22, 1997 as Land Court Doc. No. 2392924 and B.O.C. Doc. No. 97-096669; Fourth Amendment to the Condominium Property Regime of 190A Paukahi recorded February 18, 1998 as Land Court Doc. No. 2438751 and B.O.C. Doc. No. 98-021054.

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. 94-211058

Filed - Land Court: Document No. 2206838

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to the Declaration of Condominium Property Regime of 190A Paukahi dated April 18, 1995, Land Court Doc. No. 2235066, B.O.C. Doc. No. 95-058866

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>75%</u>
House Rules	---	<u>51%</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: Developer reserves the right to modify the Declaration, Bylaws and Exhibits, Condominium Map, Apartment Deed and Escrow Agreement, as may be required by law, an title company or any institutional mortgagee, except as follows:

- a. increase percentage of common expenses;
- b. increase the cost of the unit;
- c. require a substantial physical change of the unit;
- d. substantially impair or modify any of the obligations given or undertaken by the Owner/Developer; or
- e. increase obligations under the unit deed.



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: 44-119C Kahinani Way Tax Map Key (TMK): (Oahu) 4-4-13-45  
Kaneohe, Hawaii 96744

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

Land Area: 37,118  square feet  acre(s) Zoning: R 7.5

Fee Owner: Mikel Keonaona Gilliland & Diane Kawaguchi Rangel Gilliland

Name  
44-119C Kahinani Way  
Address  
Kaneohe, Hawaii 96744

Lessor: N/A  
Name  
\_\_\_\_\_  
Address  
\_\_\_\_\_

C. Buildings and Other Improvements:

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

2. Number of Buildings: two (2) Floors Per Building Unit #1 - two (2); Unit #2 - one(1)

Exhibit B contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other glass, aluminum, masonry, steel and allied building materials

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
<input checked="" type="checkbox"/> Residential	<u>1</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 checked="" type="checkbox"/> Other: <u>Lawn Bldg</u>	<u>1</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:

- Pers: Reasonable numbers\*; no commercial use; no livestock or poultry.  
\*no more than three (3) animals per unit.
- Number of Occupants: \_\_\_\_\_  
(1) Agreement with the Board of Water Supply, City & County of
- Other: Honolulu dated 6/19/84, Land Court Doc. No. 1288902; (2) Decl. of Restrictive Covenants dated 7/6/93, Land Court Doc. No. 2051332;
- There are no special use restrictions./and (3) Road Declaration dated 7/2/93, Land Court Doc. No. 2051333.

6. Interior (fill in appropriate numbers):

Elevators: none Stairways: one (1) Trash Chutes: none

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>1</u>	<u>one (1)</u>	<u>3/2 1/2</u>	<u>2,666</u>	<u>472</u>	<u>Lanai/Patio</u>
<u>2</u>	<u>one (1)</u>	<u>0</u>	<u>0</u>	<u>44</u>	<u>Lawn building</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: two (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: Each apartment includes the exterior surfaces of the perimeter walls and structure. See Condominium Map for plot plan which delineates the boundaries of each apartment.

Permitted Alterations to Apartments: Any alterations and additions within a home or within a limited common element appurtenant to and for the exclusive use of a home, or certain, shall require only the written notice to the Board of Directors. The owner(s) shall cause the Declaration, Condominium File Plan and Condominium Map to be amended. Unit #2 is a shed apartment and a change to a residential apartment is permitted. The owner(s) of Unit #2 shall cause the Declaration, Condominium File Plan and Condominium Map to be amended. 11

7. Parking Stalls:

Total Parking Stalls   8  

	<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>  2  </u>		<u>  2  </u>				<u>  8  </u>
Guest Unassigned Extra for Purchase Other:							
Total Covered & Open:	<u>  8  </u>						<u>  8  </u>

Each apartment will have the exclusive use of at least   4   parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Unit #1 has ample room within its limited common element to accomodate two (2) uncovered parking stalls. Unit #2 has ample room within its limited common element to accomodate two (2) covered and two (2) uncovered parking stalls

Commercial parking garage permitted in condominium project.

Exhibit        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:   common driveway entrance  

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):

N/A

11. Conformance to Present Zoning Code

a.  No variance to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

Variance No. 95/ZA-007 has been granted to exceed the allowable building height requirement of Unit #1.

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 does not now conform to present zoning requirements.

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

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: driveway from street boundary to the individual home garage; all yards, grounds and landscaping, refuse and service areas not designated as a limited common element; utility facilities serving more than one (1) home; and other apparatus and installation of common use. The common elements contain approximately 1,778 square feet.

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: That certain portion of the property upon which each home is situated and being approximately 12,447 square feet for Unit #1 and 22,137 square feet for Unit #2; one (1) mailbox for each home; and all utility facilities not contained in a home, but used exclusively by and servicing only such home.

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

described in Exhibit \_\_\_\_\_.

as follows: Each unit shall have an undivided fifty percent (50%) interest in all of the common elements.

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

Exhibit C describes the encumbrances against the title contained in the title report dated September 21, 1998 and issued by First American Long & Melone Title Co., 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.
- 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	If the owner/developer defaults or the mortgage lien is foreclosed prior to conveyances, the buyer's interest may be terminated and deposits forfeited. However, buyer is entitled to a refund of all buyer's deposits in the event owner/developer defaults on the mortgage prior to conveyance to buyer.

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: owner/developer makes no warranties other than assigning any warranties received in the construction of the project from contractors, subcontractors and suppliers.
  
2. Appliances: owner/developer makes no warranties other than assigning any warranties received through the purchase of appliances.

G. Status of Construction and Date of Completion or Estimated Date of Completion:

Unit #1 was completed in July 1996.

Unit #2 was completed in August, 1997. Unit #2 is a lawn building.

H. Project Phases:

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

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

IV. CONDOMINIUM MANAGEMENT

- A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- [ ] not affiliated with the Developer [ ] the Developer or the Developer's affiliate.
[ X] self-managed by the Association of Apartment Owners [ ] Other: \_\_\_\_\_

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit A contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- [ X] None [ ] Electricity ( Common Elements only Common Elements & Apartments)
[ ] Gas ( Common Elements only Common Elements & Apartments)
[ ] Water [ ] Sewer [ ] Television Cable
[ ] Other \_\_\_\_\_

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract  
Exhibit D contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated May 19, 1995  
Exhibit E contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
  - 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; AND
  - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); AND
- C) One of the following has occurred:
  - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
  - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
  - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

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

- A) Condominium Public Reports issued by the developer which have been issued 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, if any.
- E) Condominium Map, as amended.
- 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. 3261 filed with the Real Estate Commission on December 29, 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**

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

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.

MIKEL KEONAONA GILLILAND

Printed Name of Developer

By: *Mikel Keonaona Gilliland*  
Duly Authorized Signatory

August 8, 1997  
Date

MIKEL KEONAONA GILLILAND, owner/developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu  
Planning Department, City & County of Honolulu

EXHIBIT A

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 = Yearly Total</u>
Unit #1	\$126.67 x 12 = \$ 1,520.04
Unit #2	\$126.67 x 12 = \$ 1,520.04

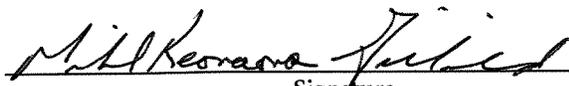
Note: The roadway servicing the property is subject to the Roadway Declaration dated July 2, 1993, a copy of which is filed at Index No. 11. The Roadway Declaration states, in part, that the cost of repaving shall be shared and assessed in equal one-fourth (1/4) shares among the "Benefited Lots". (190A Paukahi Condominium is one of the "Benefited Lots".) An approximate amount of the cost and the date such cost will be assessed cannot be determined at this time. However, such cost will, at sometime in the future be assessed against the project and each owner will be required to share in the burden of the expenses in proportion to their respective percentage common interest.

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:

	<u>Monthly</u> x 12 months =	<u>Yearly Total</u>
Utilities and Services	\$ 0.00	\$ 0.00
Air Conditioning	-----	-----
Electricity		
<input type="checkbox"/> common elements only	-----	-----
<input type="checkbox"/> common elements and apartments	-----	-----
Elevator	-----	-----
Gas	-----	-----
<input type="checkbox"/> common elements only	-----	-----
<input type="checkbox"/> common elements and apartments	-----	-----
Refuse Collection	-----	-----
Telephone	-----	-----
Water and Sewer	-----	-----
Maintenance, Repairs and Supplies	\$ 0.00	\$ 0.00
Building	-----	-----
Grounds	-----	-----
Management	\$ 0.00	\$ 0.00
Management Fee	-----	-----
Payroll and Payroll Taxes	-----	-----
Office Expenses	-----	-----
Insurance	\$ 0.00	\$ 0.00
Reserves (*)	\$ 0.00	\$ 0.00
Taxes and Government Assessments	\$ 85.00	\$ 1020.00
Audit Fees	\$ 41.67	\$ 500.04
Other <sup>2</sup>	-----	-----
TOTAL	\$ 126.00	\$ 1520.04

I, Mikel Keonaona Gilliland, developer, for the 190A Paukahi condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
 \_\_\_\_\_  
 Signature

8/18/98  
 \_\_\_\_\_  
 Date

(\*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

<sup>2</sup> Assessment for insurance premiums for insurance coverages of the common elements is a possibility in the future by action of the Association.

I, Mikel Keonaona Gilliland, as developer of the 190A Paukahi condominium project, hereby certify that the developer has not conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Mikel Keonaona Gilliland  
Signature

8/18/98  
Date

## EXHIBIT "B"

The Project is described in the Condominium File Plan and Condominium Map and consists of two (2) buildings comprising two (2) separate fee-simple units. The buildings and other improvements are constructed principally of wood, concrete, glass, aluminum, masonry, steel and allied building materials.

### DESCRIPTION OF THE APARTMENTS

Two (2) separate condominium units are hereby designated in the Condominium Map, which spaces are referred to herein as "units". The location of the units are further described and numbered in Exhibit "D" below. Each apartment has a different floor plan, Unit #1 and Unit #2. Unit #1 is a three (3) bedrooms/two and one half (2 1/2) bathroom dwelling unit with a dining room, two (2) living rooms, a family room, a kitchen, garage and a lanai. Unit #2 is a single room galvanized steel structure on a concrete pad.

### INTERIOR AREA OF EACH APARTMENT

Unit #1 has approximately 2,666 square feet of living area with approximately 472 square feet of lanai area.

Unit #2 has approximately 44 square feet of living area with no lanai or patio.

EXHIBIT "C"

ALL of the premises comprising a portion of that certain condominium project known as "190A PAUKAHI" (hereinafter called the "Project"), consisting of that certain parcel of land situate at Kaneohe, District of Koolaupoko, City and County of Honolulu, State of Hawaii, and the improvements and appurtenances thereof, all as described in and established by the Declaration of Condominium Property Regime (hereinafter called the "Declaration"), dated December 20, 1994, filed December 23, 1994, in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Land Court Document No. 2206837, as amended, described as follows:

FIRST: Unit No. \_\_\_\_\_ as shown on the plans of the Project in said Office as Condominium Map No. 2178.

Together with appurtenant easements as follows:

(a) An non-exclusive easement to common driveway area as shown on said Condominium Map.

(b) Non-exclusive easements in the common elements designed for such purposes for ingress to, egress from, utility services for and support of said unit; in the other common elements for use according to their respective purposes.

(c) Exclusive easements to use other limited common elements appurtenant thereto designated for its exclusive use by the Declaration, as amended.

SECOND: An undivided fifty percent (50%) interest in all common elements of the Project and in the land on which said Project is located as established for said unit by the Declaration, or such other interest as hereinafter established for said unit by any amendment of the Declaration, as tenants in common with the other owners and tenants thereof.

Being the real property conveyed to Mikel Keonaona Gilliland and Diane Kawaguchi Rangel Gilliland, husband and wife, as Tenants by the Entirety by Limited Warranty Deed dated July 5, 1994, filed July 8, 1994, in said Office as Document No. 2162511, affecting Transfer Certificate of Title No. 440,794.

SUBJECT, HOWEVER, to the following:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. Terms and provisions of that certain Agreement made by and between Harold Bernhardt Mechler, Trustee under that certain unregistered Trust Agreement dated September 29, 1975, as to an undivided one-half (1/2) interest, and Julene Halvary Mechler, Trustee under that unregistered Trust Agreement dated September 29, 1975, as to an undivided one-half (1/2) interest, "first party",

and the Board of Water Supply, City and County of Honolulu, "second party", dated June 19, 1984, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1288902, to which reference is hereby made.

3. Restrictions, covenants and conditions as contained in the Declaration of Restrictive Covenants dated July 6, 1993, filed in said Office as Land Court Document No. 2051332, to which reference is hereby made, but deleting restrictions, if any, based on race, color, religion or national origin.

4. Restrictions, covenants and conditions as contained in Roadway Declaration dated July 2, 1993, filed in said Office as Land Court Document No. 2051333, to which reference is hereby made, but deleting restrictions, if any, based on race, color, religion or national origin.

5. Condominium Map No. 1178, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii; and File Plan No. 1063, recorded in the Bureau of Conveyances of the State of Hawaii.

6. Restrictions, covenants and conditions as contained in the Declaration of Condominium Property Regime of 190A Paukahi dated December 20, 1994, recorded in the Bureau of Conveyances, State of Hawaii as Document No. 94-211057 and, and filed with the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2206837, and noted on Transfer Certificate of Title No. 440,794. The Declaration states, among other provisions, that the dwellings of the Project shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and social guest and for no other purpose. The foregoing Declaration was amended by the following: First Amendment to the Declaration of Condominium Regime of 190A Paukahi filed on May 3, 1995 in said Office as Land Court Document No. 2235066, said Bureau as Document No. 95-058866; Second Amendment to the Declaration of Condominium Regime of 190A Paukahi filed on May 19, 1995, in said Office as Land Court Document No. 2238323, and said Bureau as Document No. 95-067144; Third Amendment to Declaration of Condominium Property Regime of 190A Paukahi filed July 22, 1997 in said Office as Land Court Document No. 2392924, and said Bureau as Document No. 97-096669.

7. Restrictions, covenants, agreements, obligations, conditions and other provisions set forth in By-Laws of the Association of Apartment Owners of 190A Paukahi dated December 20, 1994, recorded on December 23, 1994 in said Office as Land Court Document No. 2206830, and in said Bureau as Document No. 94-211058.

8. All exclusive and non-exclusive easements mentioned in said Declaration, as amended, and/or as shown on Condominium Map No. 1178 and File Plan No. 1063.

LAND UPON WHICH SAID CONDOMINIUM IS LOCATED:

All of that certain parcel of land situate at Kaneohe, District of Koolaupoko, City and County of Honolulu, State of Hawaii, described as follows:

Lot 190-A, area 37,118 square feet, as shown on Map 157, filed in the Office of Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 743 of Bruce Cartwright, Trustee under the Will and of the Estate of Emma Kaleleonalani, deceased.

Together with a non-exclusive, perpetual easement over, under, through, under and across Easement 134, area 6,280 square feet, affecting Lot 190-E, as shown on said Map 157, for ingress, egress and utility purposes.

Being a portion of the land described in:

(a) Transfer Certificate of Title No. 440,794 issued to Mikel Keonaona Gilliland and Diane Kawaguchi Rangel Gilliland, husband and wife.

TAX MAP KEY NO.: (OAHU) 4-4-013-045 (CPR No. \_\_\_\_\_)  
"190A Paukahi" Condominium, Unit No. \_\_\_\_\_

EXHIBIT "D"

Summary of the Pertinent Provisions of Sales Contract

1. **Reservation Agreement.** The Sales Contract shall not constitute a binding contract until such time as (a) a true copy of the Final Public Report is delivered to Buyer, (b) Buyer has an opportunity to read the Final Public Report, and (c) Buyer has signed the receipt for the Final Public Report.

2. **Escrow.** All monies paid by Buyer shall be deposited with Old Republic Title and Escrow of Hawaii, as escrow agent, and held pursuant to the terms and conditions set forth in the Escrow Agreement.

3. **Closing Costs.** Except as otherwise agreed upon by Seller and Buyer, all costs and expenses connected with the sale are to be paid by Buyer.

4. **Closing.** Closing shall be the date of filing of the conveyance instrument, which shall occur within a reasonable time after escrow is notified that Buyer's mortgage lender(s) is read to fund the purchase.

5. **Prepayment of Costs.** In addition to payment of closing costs, Buyer may be required to prepay maintenance fees for a period of up to two (2) months, prepay real property taxes for the tax year and pay a nonrefundable startup fee.

6. **Possession.** Delivery of actual possession of the unit shall be on the date of closing.

7. **Risk of Loss.** Seller bears the risk of loss until the closing date or the date Buyer takes actual possession, whichever occurs sooner. Thereafter, Buyer bears the risk of loss.

8. **Seller's Right to Make Minor Changes.** Seller reserves the right to modify the Declaration, Bylaws and Exhibits, Condominium Map, conveyance instrument and escrow agreement, as necessary, as long as such modification does not (a) increase Buyer's percentage of common expenses, (b) increase the cost of the unit, (c) require a substantial physical change of the unit, (d) substantially impair or modify any obligation given by Seller, or (e) increase Buyer's obligation under the conveyance instrument.

9. **Seller's Warranties.** Seller makes no warranties, express or implied, with respect to the property or any of the common elements or anything installed therein, except Seller assigns any warranties that have been given to Seller by the general contractor, subcontractors or materialmen.

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9. **Seller's Warranties.** Seller makes no warranties, express or implied, with respect to the property or any of the common elements or anything installed therein, except Seller assigns any warranties that have been given to Seller by the general contractor, subcontractors or materialmen.

10. **Time is of the Essence.** Time is of the essence in the Sales Contract and Buyer's timely performance of all obligations is necessary to avoid default, termination of the Sales Contract and other damages which may be suffered by Seller.

11. **Seller's Right to Purchase Unit.** Seller reserves the right to retain or acquire the ownership of units in the project.

12. **Buyers Deposit.** Buyers deposit will be treated as liquidated damages to be kept by Seller in the event Buyer defaults.

13. **Late Charges.** The Seller may charge a late charge of one percent (1%) per month on the amount of any payment which is not paid in the manner specified in the Sales Contract.

14. **Buyer's Financing Time Restrictions.** If Buyer requires financing, Buyer shall, within ten (10) days after receiving notice of Seller signing the Sales Contract, apply to one or more lending institutions and proceed in good faith to obtain a mortgage loan as more specifically set forth in the Sales Contract.

15. **Default Provisions.** If Buyer shall default in any payment when required, or fail to perform any other obligation required of Buyer under the Sales Contract, Seller shall notify Buyer of the default and if such default is not cured within ten (10) days after mailing of the notice, the Sales Contract may, at Seller's option, be terminated and all sums paid by Buyer shall belong absolutely to Seller as liquidated damages or Seller may pursue any other remedy at law or equity.

16. **Building Completion Date.** Seller shall complete construction of the Project so as to permit normal occupancy within two (2) years of the date this Sales Contract becomes binding, subject to extensions for reasons set forth in the Sales Contract.

17. **Restrictions on Assignment.** This Sales Contract shall not be assigned by Buyer without the prior written consent of Seller, which consent may be withheld at Seller's sole discretion. Any assignment without the prior written consent of Seller shall constitute a material breach of the Sales Contract and Seller, at Seller's option, may terminate the Sales Contract and retain all sums paid as liquidated damages.

EXHIBIT "E"

Summary of the Pertinent Provisions of Escrow Agreement

1. **Escrow Agent.** The escrow agent ("Escrow") is Old Republic Title and Escrow of Hawaii, a Hawaii corporation, duly organized under the laws of the State of Hawaii. Escrow agent is not affiliated with the Owners/Developers.

2. **Escrow Procedures.** As and when Owners/Developers enter into sales contracts for the sale of a unit in the project, Owners/Developers shall deliver an executed copy of the contract to Escrow, containing the correct names and addresses of the Purchasers, and requiring that all payments be made directly to Escrow.

3. **Deposit of Funds, Interest.** Owners/Developers shall pay over to Escrow any monies received from Purchasers. Escrow shall receive and hold all such monies in escrow and disburse those monies as set forth in the Escrow Agreement. Escrow shall deposit all funds it receives within a reasonable time and in reasonably convenient sums, in an interest-bearing account or accounts in a federally insured bank or savings and loan institution. **All interest earned from such interest-bearing account or accounts shall be for the benefit of Owners/Developers and shall be held in escrow by Escrow and disbursed as set forth in the Escrow Agreement. Escrow shall not be liable to either Owners/Developers or any Purchaser for loss or diminution in funds invested in accordance with instructions contained in the Escrow Agreement.**

4. **Disbursement of Funds.** The following conditions must be met before any disbursement of funds held in escrow:

a. The Real Estate Commission shall have issued an effective date for a Final Public Report, and to the extent a sales contract is entered into prior to the effective date for a Final Public Report, no disbursement shall be made until (i) an effective date for such Final Public Report is issued, and (ii) the Purchaser is given a copy of said Final Public Report and acknowledged receipt of the report;

b. The Owners/Developers' attorney shall have delivered a written opinion to Escrow stating that the Purchaser's sales contract has become effective;

c. The Owners/Developers or their attorney shall have delivered a written opinion to Escrow stating that statutory requirements under Sections 514A-40, 514A-62 and 514A-63, Hawaii

Revised Statutes, as applicable, have been met;

c. The Owners/Developers shall have given Escrow a written waiver of any option to cancel the sales contract; and

d. If Owners/Developers are to perform any construction for the Purchaser, up to 25% of the purchase price received from the Purchaser as a non-refundable deposit may be used by the Owners/Developers to pay costs of the construction of the project in strict accordance with the Escrow Agreement, the requirements of Chapter 514A, Hawaii Revised Statutes, and any other applicable ordinances, statutes, regulations or other requirements of any governmental authority. In addition, within 5 days of the Owners/Developers' request for disbursement of funds held by Escrow, Escrow shall release such funds for approved costs, provided there the Escrow Account contains sufficient funds and the aggregate amount of funds disbursed does not exceed the 25% limitation.

e. There will be no disbursements by Escrow for payment of construction costs, unless bills are submitted with the request for disbursements that have been approved or certified by the project lender or any otherwise qualified financially disinterested person.

f. There shall be no disbursement from the balance of the trust fund after payment of construction costs until construction of the project is completed and Escrow receives satisfactory evidence that all mechanics' and materialmen's liens have been cleared or a sufficient amount of funds is set aside for any dispute.

5. **Refunds.** Purchaser shall be entitled to a return of funds, without interest, if any of the following occurs:

a. Owners/Developers and Purchaser shall have requested Escrow in writing to return to Purchaser the funds of Purchaser held by Escrow;

b. Owners/Developers shall have notified Escrow of the exercise of the option to cancel or rescind the sales contract as provided in the sales contract or otherwise available to Owners/Developers;

c. With respect to funds obtained from Purchaser prior to the issuance of an effective date for a Final Public Report, Purchaser has exercised the right to cancel the sales contract pursuant to Section 514A-62, Hawaii Revised Statutes;

d. A Purchaser has exercised his or her right to rescind the contract pursuant to Section 514-63 of the Act; or

e. It is determined that Purchaser has a right to void the sales contract pursuant to Section 514A-69, Hawaii Revised Statutes, and the Purchaser elects to do so.

Unless Purchaser has waived or has been deemed to have waived the right to a refund, Escrow shall pay said funds to Purchaser less a cancellation fee of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to the cancellation, whichever is greater, but not greater than that which is permitted under Chapter 514A, Hawaii Revised Statutes. No refund shall be made to a Purchaser prior to receipt by Owners/Developers of written notice from Escrow of its intent to make such refund.

f. If the Purchaser indicated Purchaser's intention to be an owner-occupant, Escrow will refund Purchaser's deposit upon the occurrence of one or more of the following events:

i. No sales contract has been offered to Purchaser within 6 months of the issuance of an effective date for the first public report or within 6 months of a public lottery. In this case only, no cancellation fees will be subtracted from the refund amount; or

ii. Before signing a sales contract, Purchaser requests that Purchaser's name be removed from the final reservation list; or

iii. Purchaser chooses not to sign a sales contract; or

iv. Purchaser is unable to obtain a loan or loan commitment within the time allowed and either Purchaser or Owners/Developers chooses to cancel the sales contract; or

v. Purchaser is required by statute to rescind the sales contract because Purchaser will not or cannot reaffirm Purchaser's intention to be an owner-occupant, and Owners/Developers may elect to retain what remains of Purchaser's deposits.

6. **Unclaimed Funds.** Escrow shall give each Purchaser entitled to refund notice by registered, certified or regular mail, postage prepaid. If Purchaser has not claimed the funds within 60 days, Escrow shall deposit such funds into a special account in the name of the Owners/Developers for the benefit of such Purchaser.

7. **Closing.** Except for the sales contract and any note or mortgage, Escrow shall arrange for and supervise the execution of all documents related to the project, shall close the transaction and perform such services as are necessary or proper.

Upon receipt by Escrow of the conveyance document, all necessary releases of encumbrances, the full amount of the purchase price, any mortgage or other financing instruments, and Purchaser's share of the closing costs, Escrow will act with diligence and cause the recording of the conveyance document, and the recording or release of any mortgage, and deliver a copies of such documents to the appropriate parties and disburse all sums to Owners/Developers after deduction of Owners/Developers' share of the closing costs.

8. **Defects in Documents.** If for any reason it is determined that any document necessary to close the transaction is defective or cannot be filed or recorded, Escrow shall proceed promptly to correct such defects as are within its capacity. If the necessary documents cannot be filed or recorded within 5 business days from the established date of closing, Escrow shall file or record the same within 5 days of removing the defect.

9. **Purchaser's Default.** If Purchaser fails to make payments to Escrow on or before the due date or if the Purchaser fails to perform in any matter which is being handled by Escrow, Escrow shall promptly notify Owners/Developers of such failure. If Owners/Developers subsequently certify in writing to Escrow that the sales contract is terminated due to a default, and provides Escrow with copies of all such notices of termination sent to Purchaser, then, Escrow shall treat all funds of Purchaser as funds of Owners/Developers.

10. **Protection of Escrow.** Escrow is relieved from all liability for acting in accordance with the Escrow Agreement. Escrow shall not be responsible for the validity or sufficiency of any sales contract or other document. If any conflicting demand is made upon Escrow, Escrow shall not be required to determine the outcome or take any action, but may await settlement by final appropriate legal proceeding or otherwise. Escrow may also file a suit in interpleader with the courts and deposit any monies with the court for adjudication of rights. Upon institution of such interpleader suit or other action, depositing such monies with the court and giving notice to the parties, Escrow shall be fully released and discharged from all further obligations with respect to the monies so deposited.

11. **Termination.** The Escrow Agreement may be terminated by either Owners/Developers or Escrow upon 15 days written notice to the other, provided that all transactions in process shall be completed under the terms of the Escrow Agreement.

12. **Compensation of Escrow.** Compensation of Escrow shall be by separate letter between Owners/Developers and Escrow.

190A PAUKAHI  
**DEVELOPER'S DISCLOSURE ABSTRACT**

Name and Address Project:           **190A PAUKAHI**  
  44-119C Kahinani Way  
  Kaneohe, Hawaii 96744

Name, Address and Telephone Number of Owner/Developer:

Mikel Keonaona Gilliland  
Diane Kawaguchi Rangel Gilliland  
44-119C Kahinani Way  
Kaneohe, Hawaii 96744  
Telephone: (808) 235-1968

Mikel K. Gilliland and Diane K. R. Gilliland are the owners and developers of the condominium, and the easements and interests in the common elements appurtenant thereto, described in Exhibit "C" attached hereto and incorporated herein by reference.

Name, Address and Telephone Number of Managing Agent:

190A Paukahi will be a self-managed project. Management will be by the Board of Directors. Initial communications will be by the owners and developers of the condominium:

ASSOCIATION OF HOME OWNERS  
OF 190A PAUKAHI  
c/o Mikel Keonaona Gilliland  
44-119C Kahinani Way  
Kaneohe, Hawai`i 96744  
Telephone: (808) 235-1968

Agreement with Board of Water Supply: Water pressure available at the property may be lower than is considered normal. See, Agreement with Board of Water Supply, dated June 19, 1984, filed at Index No. 20.

Declaration of Restrictive Covenants: The prior owners of land upon which the condominium is situated entered into an agreement with adjoining landowners to impose several restriction covenants for various purposes which were intended to inure to the benefit of these adjoining landowners and to burden the land upon which the condominium is situated. The restrictive covenants include the following:

1. Lot 190A shall be used for single family residential purposes only. No more than 2 single family residences shall be allowed on the land;
2. Lot 190A may not be further subdivided except that it may be resubdivided and consolidated only with the adjoining

lots benefitting from this Declaration;

3. Roadway and utility access for the condominium shall be by means of Easement 134, as shown on File Plan No. 157;

4. Each single family residence shall have an enclosed 2 car garage and uncovered parking for 2 vehicles.

5. No external structures, such as solar tanks, antennas and satellite dishes, shall be permitted on the roof area of any improvement with Lot 190A; and

6. All roof finishes shall be non-reflective and limited to "warm" colors, such as brown, green or red. White and blue roof finishes are not permitted.

The restrictive covenants are to continue in perpetuity and run with the land, unless cancelled or terminated by the Declarants or their successors by written instrument recorded with the State of Hawaii. The Declarants and each lot owner benefitting from this Declaration shall have the right to enforce this Declaration. See Declaration of Restrictive Covenants (Affecting Lot 190-A), dated July 6, 1993, filed at Index No. 11.

Roadway Agreement: Lot 190E (roadway parcel) is subject to a nonexclusive, perpetual easement over, under and through Easement 134, as shown on File Plan No. 157, in favor of the land upon which the condominium is situated and other lots. The cost of repaving shall be shared and assessed in equal one-fourth ( $\frac{1}{4}$ ) shares between Lots 190A, 190B, 190C and 190D. Any installation, replacement or repair of utility lines in Lot 190E shall be allocated in equal shares to those Lots benefitting from the installation, replacement or repair. The covenants contained in this Agreement shall continue in perpetuity and run with the land, unless the owner of Lot 190E dedicates the parcel to any governmental authority.

Estimated Annual Maintenance Fees and Monthly Estimated Cost for Each Apartment:

See attached Exhibit "A".

The estimated budget is subject to review and revision annually and at the time of completion of construction. The estimated budget and monthly maintenance fees for each apartment unit (the "common expenses") is an estimated budget prepared on the basis of generally accepted accounting principles. The actual budget and actual expenses will vary depending on various factors such as inflation, casualty loss or damages, apartment owner delinquencies, changes in types and quantity of service, normal wear and tear on the project, everyday use and the passage of time, and other such factors.

THE FIGURES CONTAINED HEREIN ARE ESTIMATES AND ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY OWNERS, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION AS TO THE ACCURACY OF SUCH ESTIMATES.

Description of Warranties for the Units:

Seller shall assign to Buyer any and all warranties given to Seller by the general contractor, subcontractors or materialmen. Seller agrees to cooperate with Buyer during the effective period of such warranties in asserting any claims. Buyer shall have direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartment. Seller gives no other warranties, express or implied.

EXCEPT FOR THE WARRANTIES SET FORTH ABOVE, THE SELLER MAKES NO EXPRESS WARRANTIES. SELLER DISCLAIMS ANY IMPLIED WARRANTY OF HABITABILITY, ANY IMPLIED WARRANTY OF MERCHANTABILITY, ANY IMPLIED WARRANTY OF FITNESS FOR A PARTICULAR PURPOSE OR USE, ANY IMPLIED WARRANTY OF WORKMANSHIP AND ANY OTHER EXPRESS OR IMPLIED WARRANTIES WITH RESPECT TO THE UNIT, THE PROPERTY, THE COMMON ELEMENTS OR THE PROJECT.

Number of Units to be used for Residential Purposes:

The project presently contains one (1) fee-simple residential unit and is intended for two (2) fee-simple residential units.

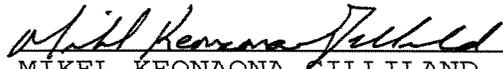
Park Dedication Requirements

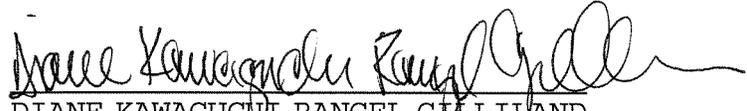
The Owners/Developers have applied for a park dedication fee and the Department of Parks and Recreation has determined that the payment of \$2,362.50 is acceptable based on a fair market value of \$6.75 per square foot. Payment is due on or before April 8, 1998. If payment is not made within the specified time period, an updated current fair market value of the land will be determined. The Owners/Developers intend to make payment of the required park dedication fee by April 8, 1998.

Please sign this Disclosure Abstract and return the yellow copy to the undersigned. Your signature acknowledges your

receipt of this Disclosure Abstract.

DATED: Honolulu, Hawaii, AUG 18 1998.

  
MIKEL KEONAONA GILLILAND

  
DIANE KAWAGUCHI RANGEL GILLILAND

Owners/Developers

UNIT NO. 2  
Receipt is hereby acknowledged this  
\_\_\_ day of \_\_\_\_\_, 19\_\_.

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