

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer LEILEHUA DEVELOPMENT CORPORATION
Business Address 1144 10th Avenue, Honolulu, Hawaii 96816

Project Name (*): 54-269 KAMEHAMEHA HIGHWAY
Address: 54-269 Kamehameha Highway, Hauula, Hawaii 96717

Registration No. 3287 (Conversion)

Effective date: August 14, 2008

Expiration date: September 14, 2009

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)

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

 SECOND
 x **SUPPLEMENTARY:** This report updates information contained in the:
(pink)
[] Preliminary Public Report dated: _____
[x] Final Public Report dated: October 5, 1995
[x] Supplementary Public Report dated: October 30, 2006

And [x] 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

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

See pages 2a and 2b attached

Summary of Changes from Earlier Public Reports:

[x] Changes made are as follows:

1. The name of the Developer's attorney has changed to Alan J. Ma, Esq.
[See page 5 of this Public Report]
2. The Declaration of Condominium Property Regime dated December 17, 1994, recorded as Land Court Document No. 2211668, as amended by Restated and Amended Declaration of Condominium Property Regime dated September 29, 2006, filed in said Office as Document No. 3492532, has been further amended by First Amendment to Restated and Amended Declaration of Condominium Property Regime dated May 13, 2008, and filed in said Office as Document No. 3752046.
[See page 6 of this Public Report]

Summary of changes in First Amendment to Restated and Amended Declaration of Condominium Property Regime dated September 29, 2006, filed as Document No. 3492532 are listed in paragraphs 4, 5, 6 and 7 below.

3. The By-Laws of the Association of Apartment Owners dated December 17, 1994, filed in said Office as document No. 2211669, and restated and amended by instrument dated September 29, 2006, filed in said Office as Document No. 3492533, has been further amended by First Amendment to Restated and Amended By-Laws of the Association of Apartment Owners dated June 6, 2008, filed in said Office as Document No. 3757021.
[See page 6 of this Public Report]

Summary of changes in First Amendment to Restated and Amended By-Laws of the Association of Apartment Owners June 6, 2008, filed as Document No. 3757021 are as follows:

- (1) The first sentence in Section 10.7 on page 41 was amended by substituting the following sentence:

"Unless the Apartment Owners agree otherwise and express their agreement in a written instrument signed by all owners, a maximum of two (2) dogs or cats or a reasonable number of other generally recognized household pets which are caged or confined as part of its normal maintenance, such as, but not limited to, birds, fish, and turtles, may be kept by occupants in their respective Apartments or on the Dwelling Areas appurtenant thereto."

4. References to the Units are amended, and a notice to handicapped occupants included.
[See page 11 of this Public Report]
5. Each Unit is provided with one (1) guest parking stall.
[See page 12 of this Public Report]
6. Individual septic systems serving the respective Units.
[See Exhibit C attached to this Public Report]
7. A free-standing wooden deck, being approximately 10-ft. wide by 16-ft. long, that abut each Unit, shall be a limited common element appurtenant to each Unit.
[See Exhibit C attached to this Public Report]

8. The Developer has obtained an updated title report on the Project. The encumbrances affecting title to or the use of the Project are set forth in Exhibit D attached to this Public Report.
9. The annual operating expenses for the Project have been re-estimated and the monthly common expenses assessable to each Unit have been recalculated based on such estimates.
[See Exhibit E attached to this Public Report]

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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: LEILEHUA DEVELOPMENT CORPORATION Phone: (808) 247-2657
Name* (Business)
1144 10th Avenue, Suite 201
Business Address
Honolulu, Hawaii 96816

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

The officers and directors of Leilehua Development Corporation are:
Lawrence A. Redmond (Pres/Treas/Director)
Stephanie Redmond (VP/Sec/Director)

Real Estate Broker*: Global Investment Counselors Inc. dba
First Hawaiian Realty Phone: (808) 524-3522
Name (Business)
2255 Kuhio Avenue, #771
Business Address
Honolulu, Hawaii 96815

Escrow: Old Republic Title & Escrow of Hawaii, Ltd. Phone: (808) 566-0100
Name (Business)
733 Bishop Street, Suite 2700
Business Address
Honolulu, Hawaii 96813

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

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

Attorney for Developer: Alan J. Ma, Esq. Phone: (808) 526-0892
Name (Business)
841 Bishop Street, Suite 702
Business Address
Honolulu, Hawaii 96813

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**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:

<input type="checkbox"/>	Proposed			Document No. _____
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:		Book _____ Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:		Document No. <u>2211668</u>

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

1. Amendment No. 1 to Declaration dated 08/14/95, filed as Doc. No. 2256277.
2. Restated and Amended Declaration dated 09/29/06, filed as Doc. No. 3492532.
3. First Amendment to Restated and Amended Declaration dated 05/13/08, filed as Doc. No. 3752046.

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:

<input type="checkbox"/>	Proposed			
<input type="checkbox"/>	Recorded -	Bureau of Conveyances	Condo Map No. _____	
<input checked="" type="checkbox"/>	Filed -	Land Court	Condo Map No. <u>1064</u>	

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment to Restated and Amended Declaration dated 05/13/08, filed as Doc. No. 3752046.

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:

<input type="checkbox"/>	Proposed			Document No. _____
<input type="checkbox"/>	Recorded -	Bureau of Conveyances:		Book _____ Page _____
<input checked="" type="checkbox"/>	Filed -	Land Court:		Document No. <u>2211669</u>

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

1. Restated and Amended By-Laws dated 09/29/06, filed as Doc. No. 3492533.
2. First Amendment to Restated and Amended By-Laws dated 06/06/08, filed as Doc. No. 3757021.

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%*	_____ 75% _____
Bylaws	65%	_____ 65% _____
House Rules	---	<u>Board of Directors</u>

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

2. **Developer:**

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

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

1. To grant easements for utility easements (see paragraph 8(d) of the Declaration).
2. To amend the Declaration by filing an "as built" certificate (see paragraph 20(a) of the Declaration).
3. To amend the Declaration to comply with the requirements imposed by law, title insurers, lenders, etc. (see paragraph 20(b) of the Declaration).
4. To amend the By-Laws to comply with the requirements of any federal or State governmental agency (see Section 10.2(a) of the By-Laws).

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: 54-269 Kamehameha Highway Tax Map Key (TMK): (1) 5-4-011-006

Address TMK is expected to change because the City and County of Honolulu may assign new CPR numbers for each Unit

Land Area: 1.62 square feet acre(s) Zoning: R-5

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:

A maximum of two (2) dogs or cats. No livestock or poultry except

Pets: for animals customarily kept as pets

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: _____ Stairways: _____ Trash Chutes: _____

<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>A-H</u>	<u>8</u>	<u>3/1</u>	<u>761</u>	_____	_____
<u>I</u>	<u>1</u>	<u>4/2</u>	<u>1,064</u>	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 9

*** 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:

Boundaries of each Apartment: See Exhibit A

Permitted Alterations to Apartments:

Subject to restrictions in the Declaration and the By-Laws, an apartment owner may make additions to or alterations of his/her apartment or limited common elements appurtenant to such apartment. *(Continued below)

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has _____ elected to provide the information in a published announcement or advertisement.

*Furthermore, handicapped occupants may make reasonable modifications to their apartments, the limited common elements appurtenant thereto, and/or the common elements, at their own expense.

7. Parking Stalls:

Total Parking Stalls:	<u>27</u>			
	<u>Regular</u>	<u>Compaci</u>	<u>Tandem</u>	
	<u>Covered</u>	<u>Covered</u>	<u>Open</u>	TOTAL
Assigned (for each unit)	<u>2</u>	_____	_____	<u>18</u>
Guest	<u>1</u>	_____	_____	<u>9</u>
Unassigned	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____
Total Covered & Open:	<u>27</u>	_____	_____	<u>27</u>

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: _____

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

There are no violations. Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

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

See Exhibit I

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
 Variance(s) to zoning code was/were granted as follows:

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

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

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

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

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

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

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

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

described in Exhibit B.

as follows:

*Note: Existing Use Permit No. 94/EU-9 was issued by the Department of Land Utilization (now Department of Planning and Permitting) of the City and County of Honolulu (See Exhibit J). Prospective purchasers must carefully review and note the terms and conditions set forth in the Existing Use Permit as they affect all "new work". The terms and conditions of the Existing Use Permit constituted covenants that run with the land.

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 c .

as follows:

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

described in Exhibit _____.

as follows: The percentage of common interest, expressed as a fraction, appurtenant to each apartment in the Project is 1/9th.

- 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 June 5, 2008 and issued by Old Republic Title & Escrow of Hawaii, Ltd.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Buyer's interest is subordinate to mortgagee's and is subject to termination. Buyer is entitled to return of any deposits paid, less escrow cancellation fees.

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. Units to be conveyed "as is".

2. Appliances:

None. Appliances sold "as is".

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

Units A through I were constructed in 1974 and 1976.

H. **Project Phases:**

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit F contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated September 29, 2006
Exhibit G 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 or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 3287 filed with the Real Estate Commission on October 30, 2006.

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

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C. **Additional Information Not Covered Above**

1. **Not a Subdivision.** This is a condominium project which should not be confused with a subdivision. A purchaser of an apartment will be conveyed an apartment unit together with and "undivided" interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or area, but is not a separate, legally subdivided lot.

2. **Reserves.** Developer discloses that no "reserve study" was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

3. **Insurance.** Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the Project, and that the premiums for the such insurance be common expenses. Developer anticipates that the Association will elect, pursuant to Paragraph 15(e) of the Declaration, to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses. Prospective purchasers should consult with their own insurance professionals to obtain an estimate for individual fire and hazard insurance.

4. **Disclosure Regarding "AS-IS" Sale.** The apartments will be conveyed in their present "as is" condition. Prospective purchasers are strongly urged to have a professional home inspection to ascertain the exact condition of the property.

5. **Hazardous Materials.** The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The Developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Purchaser acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Purchaser should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Purchaser expressly releases the Developer from any liability to Purchaser if any hazardous materials are discovered.

6. **Lead Warning Statement.** Pursuant to federal law, 42, U.S.C. 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

7. **Special Management Area.** The Project is within the Special Management Area ("SMA"). This may impact a purchaser's ability to utilize the unit for certain purposes. Prospective purchasers should consult with the Department of Planning and Permitting of the City and County of Honolulu before purchasing a unit in the Project to determine what impact, if any, this may have on the purchaser's ownership of the unit.

8. **Special Flood Hazard Area.** The Project is within a special flood hazard area as delineated on the Flood Insurance Rate map issued by the Federal Emergency Management Agency. This may impact a purchaser's ability to utilize the unit for certain purposes. Prospective purchasers should consult with the Department of Planning and Permitting of the City and County of Honolulu before purchasing a unit in the Project to determine what impact, if any, this may have on the purchaser's ownership of the unit.

9. Wastewater System. The units have individual septic systems instead of being connected to the County sewer system. The Department of Health of the State of Hawaii have regulations that may impact a purchaser's ability to utilize the unit for certain purposes. Prospective purchasers should consult with the Department of Health before purchasing a unit in the Project to determine what impact, if any, this may have on the purchasers ownership of the unit.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

LEILEHUA DEVELOPMENT CORPORATION

Printed Name of Developer

By:  June 19, 2008
 Duly Authorized Signatory* Date

Lawrence A. Redmond, President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

****Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

EXHIBIT A

Description of Apartments

The Project consists of five (5) principal buildings ("Buildings"), with four (4) "two-family detached dwelling" structures each containing two (2) residential dwelling units (being Units A, B, C, D, E, F, G and H) and one (1) "single-family dwelling" structure containing one (1) residential dwelling unit (being Unit I), for a total of nine (9) residential dwelling units in the Project, with parking appurtenant thereto. Each dwelling contains one (1) residential apartment (hereinafter referred to as "apartment", "unit" or "dwelling") and the location of each Building and unit is delineated on the Condominium Map. The Buildings containing Units A, B, C, D, E, F, G and H, are one-story structures, without basement, and the Building comprising Unit I is a two-story structure, without basement. The Units are constructed principally of wood and allied building material, and are more particularly described below:

Units A to H, inclusive, have one (1) story, consisting of a kitchen, a living/dining room, three (3) bedrooms, and one (1) bathroom. Units A and B are located in a Building which is referred to in the Declaration as "Building 1"; Units C and D are located in a Building which is referred to in the Declaration as "Building 2"; Units E and F are located in a Building which is referred to in the Declaration as "Building 3"; and Units G and H are located in a Building which is referred to in the Declaration as "Building 4".

Unit I is a two-story building with the lower level being open with a laundry area. The upper level has a living/dining room, a kitchen, four (4) bedrooms, and two (2) bathrooms. Unit I is located in a Building which is referred to in the Declaration as "Building 5".

Parking for Units A to H, inclusive, is provided by a parking pad as shown on the Condominium Map. Parking for Unit I is provided on the lower level of the unit and is considered part of the unit.

Each Unit is provided with one (1) guest parking as shown on the Condominium Map.

The apartments have access to a public street from a common element driveway as shown on the Condominium Map.

The apartments are numbered in the manner shown on said Condominium Map. All apartment areas are approximate and are based on the net living area, as measured from the interior surface of the apartment perimeter walls.

The apartments by number, net living area, limited common area ("Dwelling Area"), and parking stall assignments are as follows:

Unit No.	Net Living Area	Dwelling Area	Parking Stall No.
A	760.95 sq. ft.	9,009 sq. ft.	1 & 2
B	760.95 sq. ft.	5,041 sq. ft.	3 & 4
C	760.95 sq. ft.	4,769 sq. ft.	5 & 6
D	760.95 sq. ft.	4,899 sq. ft.	7 & 8
E	760.95 sq. ft.	4,899 sq. ft.	9 & 10
F	760.95 sq. ft.	4,886 sq. ft.	11 & 12
G	760.95 sq. ft.	4,886 sq. ft.	13 & 14
H	760.95 sq. ft.	3,978 sq. ft.	15 & 16
I	1,063.63 sq. ft.	10,116 sq. ft.	17 & 18

With respect to Units A, B, C, D, E, F, G and H, those units shall not be deemed to include: (a) all structural components of the Buildings in which the units are located such as foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and party walls, and roofs, (b) the undecorated or unfinished interior surfaces of the perimeter or party walls, (c) the undecorated or unfinished surfaces of floors and ceilings surrounding each unit, or (d) any pipes, shafts, wires, ducts, pumps, cables, conduits, or other utility or service lines running through such unit which are utilized for or serve both units in the Building in which the units are located, the same being deemed limited common elements appurtenant to the two units in that Building as more particularly described in paragraph 6 in the Declaration. Units A, B, C, D, E, F, G and H shall be deemed to include: (1) all walls and partitions within its perimeter or party walls, (2) all pipes, shafts, wires, ducts, pumps, cables, conduits, or other utility or service lines running through such unit which are utilized for or serve only that unit, (3) the inner decorated or finished surfaces of all walls, floors, and ceilings, (4) all doors and door frames, windows (including but not limited to sliding glass doors, windows, panes, jalousies, or panels along the perimeters) and window frames, and (5) all fixtures, appliances, built-in cabinets, carpets and floor coverings, and furnishings installed therein.

With respect to Unit I, that unit consists of: (a) all footings, floors, foundations, perimeter walls and roofs of Building 5 and all other improvements from time to time located upon the Dwelling Area appurtenant to Unit I, (b) all of the space, fixtures, walls and other improvements located within such footings, floors, foundations, perimeter walls and roofs, (c) all exterior surfaces and finishes of such footings, floors, foundations, perimeter walls and roofs; (d) all decks, lanais, porches, steps, stairs or other improvements physically attached to Building 5, and (e) all portions of any carport or garage physically attached to, or contained in, Building 5 or located on the Dwelling Area appurtenant to the Unit I and for the exclusive use of the owner and occupants of said unit. Unit I shall not be deemed to include any pipes, wires, ducts, conduits, or other utility or service lines running through said unit (or the Dwelling Area appurtenant thereto) which are utilized by or serve any other unit.

END OF EXHIBIT A

EXHIBIT B

Description of Common Elements

The common elements include the following located within the Project

- (a) The Land in fee simple;
- (b) The driveway access to the units labeled "Common Element" on the Condominium Map;
- (c) All pipes, cables, wires, ducts, conduits, electrical equipment, or other utility or service lines, drainage ditches or appurtenant drainage structures and retaining walls (if any), which are located outside the units and which are utilized for or serve more than one unit;
- (d) All pipes, cables, wires, ducts, conduits, electrical equipment, or other utility or service lines running through a unit which are utilized by or serve more than one unit;
- (e) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.
- (f) The waterfront park, as shown on the Condominium Map.

END OF EXHIBIT B

EXHIBIT C

Description of Limited Common Elements

The limited common elements include the following located within the Project:

(a) Units A and B.

(i) The respective sites on which Units A and B are located, consisting of the land beneath and immediately adjacent to said units (including any yard areas, landscaping, driveways, walkways, and access areas), as shown and delineated on the Condominium Map (including the airspace above such site), is for the exclusive benefit of the respective units. Said site is referred to in the Declaration as the "Dwelling Area", and the square footages of the respective Dwelling Area appurtenant to Units A and B are set forth in Exhibit A attached hereto.

(ii) The breezeway of Building 1.

(iii) All structural components of Building 1 such as foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and party walls, and roofs; the undecorated or unfinished interior surfaces of the perimeter or party walls of Building 1; the undecorated or unfinished surfaces of floors and ceilings surrounding each unit; or any pipes, shafts, wires, ducts, pumps, cables, conduits, or other utility or service lines running through each unit which are utilized for or serve both units in Building 1.

(b) Units C and D.

(i) The respective sites on which Units C and D are located, consisting of the land beneath and immediately adjacent to said units (including any yard areas, landscaping, driveways, walkways, and access areas), as shown and delineated on the Condominium Map (including the airspace above such site), is for the exclusive benefit of the respective units. Said site is referred to in the Declaration as the "Dwelling Area", and the square footages of the respective Dwelling Area appurtenant to Units C and D are set forth in Exhibit A attached hereto.

(ii) The breezeway of Building 2.

(iii) All structural components of Building 2 such as foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and party walls, and roofs; the undecorated or unfinished interior surfaces of the perimeter or party walls of Building 2; the undecorated or unfinished surfaces of floors and ceilings surrounding each unit; or any pipes, shafts, wires, ducts, pumps, cables, conduits, or other utility or service lines running through each unit which are utilized for or serve both units in Building 2.

(c) Units E and F.

(i) The respective sites on which Units E and F are located, consisting of the land beneath and immediately adjacent to said units (including any yard areas, landscaping, driveways, walkways, and access areas), as shown and delineated on the Condominium Map (including the airspace above such site), is for the exclusive benefit of the respective units. Said site is referred to in the Declaration as the "Dwelling Area", and the square footages of the respective Dwelling Area appurtenant to Units E and F are set forth in Exhibit A attached hereto.

(ii) The breezeway of Building 3.

(iii) All structural components of Building 3 such as foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and party walls, and roofs; the undecorated or unfinished interior surfaces of the perimeter or party walls of Building 3; the undecorated or unfinished surfaces of floors and ceilings surrounding each unit; or any pipes, shafts, wires, ducts, pumps, cables, conduits, or other utility or service lines running through each Unit which are utilized for or serve both units in Building 3.

(d) Units G and H.

(i) The respective sites on which Units G and H are located, consisting of the land beneath and immediately adjacent to said units (including any yard areas, landscaping, driveways, walkways, and access areas), as shown and delineated on the Condominium Map (including the airspace above such site), is for the exclusive benefit of the respective units. Said site is referred to in the Declaration as the "Dwelling Area", and the square footages of the respective Dwelling Area appurtenant to Units G and H are set forth in Exhibit A attached hereto.

(ii) The breezeway of Building 4.

(iii) All structural components of Building 4 such as foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and party walls, and roofs; the undecorated or unfinished interior surfaces of -the-perimeter or party walls of Building 4; the undecorated or unfinished surfaces of floors and ceilings surrounding each unit; or any pipes, shafts, wires, ducts, pumps, cables, conduits, or other utility or service lines running through each unit which are utilized for or serve both units in Building 4.

(e) Unit I.

The site on which Unit I is located, consisting of the land beneath and immediately adjacent to said unit (including any yard areas, landscaping, driveways, walkways, and access areas), as shown and delineated on the Condominium Map (including the airspace above such site), is for the exclusive benefit of said unit. Said site is referred to in the Declaration as the "Dwelling Area", and the square footage of the Dwelling Area appurtenant to Unit I is set forth in Exhibit A attached hereto.

(f) The individual septic system, septic tank, and any improvements, equipment and leach fields or beds related thereto, serving the respective units.

(g) Any other common element of the Project which is rationally related to fewer than all the units shall be deemed a limited common element appurtenant to and for the exclusive use of such unit to which it is rationally related.

(h) The free-standing wooden deck, being approximately 10 ft. wide by 16 ft. long, that abut each Unit, shall be a limited common element appurtenant to each Unit.

END OF EXHIBIT C

EXHIBIT D

List of Encumbrances Against Title

Encumbrances against the title as contained in the Status Report dated June 5, 2008, and issued by Old Republic Title & Escrow of Hawaii, Ltd. are as follows:

1. Real property taxes due and payable. For more information contact the City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

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

3. As to the portion of the land herein described bordering on the ocean:

The effect of Sections 205A-41 to 205A-49, inclusive, Hawaii Revised Statutes, as now or hereafter amended, pertaining to shoreline setbacks.

Any adverse claim of the State of Hawaii based upon the contention that some portion of the land herein described lies seaward of the line of vegetation, pursuant to the ruling of County vs. Sotomura (1973) 55 H. 176, 517 P. 2d 57.

4. Any possible claim of the State of Hawaii in and to any portion of the land herein described which may constitute an accretion belonging to said State of Hawaii.

5. Mortgage dated October 15, 1993 in favor of First Hawaiian Creditcorp., Inc., a Hawaii corporation, now known as First Hawaiian Bank, filed in the Office of the Assistant Registrar of the Land Court as Document No. 2080344.

Said Mortgage was amended by that certain instrument dated July 27, 1999, filed in said Office as Document No. 2564488.

By Assumption Agreement dated July 27, 1999, filed in said Office as Document No. 2564486, Leilehua Development Corporation, a Hawaii corporation, and Lawrence A. Redmond, married, assumed all obligations under said Mortgage.

Said Mortgage was further amended by that certain instrument dated January 28, 2003, filed in said Office as Document No. 2895665, and also recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2003-033131.

Said Mortgage was further amended by that certain instrument dated March 30, 2005, filed in said Office as Document No. 3249993.

6. Condominium Map No. 1064 filed in said Office.

7. The terms and provisions as contained in the Declaration of Condominium Property Regime dated December 17, 1994, filed in said Office as Document No. 2211668,

Said Declaration was amended by that certain instrument dated August 14, 1995, filed in said Office as Document No. 2256277.

Said Declaration was further amended by that certain Restated and Amended Declaration of Condominium Property Regime dated September 29, 2006, recorded in said Office of the Assistant Registrar of the Land Court as Document No. 3492532.

Said Restated and Amended Declaration of Condominium Property Regime was amended by instrument dated May 13, 2008, filed in said Office as Document No. 3752046.

8. By-Laws of the Association of Apartment Owners dated December 17, 1994, filed in said Office as Document No. 2211669.

Said By-Laws were amended by that certain Restated and Amended By-Laws of the Association of Apartment Owners dated September 29, 2006, filed in said Office as Document No. 3492533.

Said Restated and Amended By-Laws of the Association of Apartment Owners was amended by instrument dated June 6, 2008, filed in said Office as Document No. 3757021.

9. Financing Statement (UCC-1) in favor of First Hawaii Bank, recorded April 5, 2005 in said Bureau as Document No. 2005-066074.

10. Absolute Assignment of Sale Contracts, Escrow Deposits, Escrow Agreements and Net Sales Proceeds dated March 30, 2005, recorded in said Bureau as Document No. 2005-066075.

END OF EXHIBIT D

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 = Yearly Total</u>
A	\$ 147 x 12 months = \$ 1,764.00
B	\$ 147 x 12 months = \$ 1,764.00
C	\$ 147 x 12 months = \$ 1,764.00
D	\$ 147 x 12 months = \$ 1,764.00
E	\$ 147 x 12 months = \$ 1,764.00
F	\$ 147 x 12 months = \$ 1,764.00
G	\$ 147 x 12 months = \$ 1,764.00
H	\$ 147 x 12 months = \$ 1,764.00
I	\$ 147 x 12 months = \$ 1,764.00

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

EXHIBIT F

Summary of Pertinent Provisions of Sales Contract

The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

1. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.
2. That a buyer's deposits will be held in escrow until the sales contract is closed or cancelled.
3. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. That in the event of default:
 - If buyer defaults:
 - (1) Seller may bring an action for breach of contract;
 - (2) Seller may retain the deposits as liquidated damages;
 - (3) Buyer is responsible for any costs incurred under the sales contract.
 - If seller defaults:
 - (1) Buyer may bring an action for breach of contract;
 - (2) Buyer may bring an action for specific performance;
 - (3) Seller is responsible for any costs incurred under the sales contract.

The prevailing party is entitled to recover all costs incurred including reasonable attorney's fees. Escrow fees incurred shall be deducted before disbursement to the prevailing party.

THE SALES CONTRACT CONTAINS VARIOUS OTHER PROVISIONS WHICH THE BUYER SHOULD BECOME ACQUAINTED WITH. THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE SALES CONTRACT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE SALES CONTRACT AND READ IT THOROUGHLY.

END OF EXHIBIT F

EXHIBIT G

Summary of Pertinent Provisions of Escrow Agreement

The following is a summary of the pertinent provisions of the Escrow Agreement dated September 29, 2006, and entered into by and between OLD REPUBLIC TITLE & ESCROW OF HAWAII, LTD. ("Escrow") and LEILEHUA DEVELOPMENT CORPORATION ("Seller"), which Escrow Agreement is referred to herein as the "Agreement".

The escrow agreement establishes an arrangement under which the deposits a buyer makes under a Deposit, Receipt, Offer and Acceptance ("sales contract") will be held by a neutral party (i.e., Escrow). Under the escrow agreement these things will or may happen:

- (a) Signed copies of the sales contract will be provided to Escrow.
- (b) Escrow will collect payments due pursuant to the sales contract.
- (c) Seller will notify Escrow who in turn will notify buyer when payments are due.
- (d) Escrow will accept buyer's payments pursuant to the sales contract and will hold the funds or make payments according to the escrow agreement.
- (e) The escrow agreement states under what conditions escrow will disburse buyer's funds. Escrow will disburse upon receipt of the following:
 - 1. the conveyance document;
 - 2. all necessary releases of encumbrances;
 - 3. the full amount of the purchase price;
 - 4. any mortgage or other instrument securing payment and
 - 5. purchaser's share of the closing costs.
- (f) Under the escrow agreement buyer shall be entitled to a refund, if buyer makes a written request for a refund and Escrow has received a written request from Seller to return buyer's funds. In addition, by law, (under Sections 514A-62 and 63, Hawaii Revised Statutes) buyer has a right to rescind a sales contract.
- (g) The escrow agreement states what will happen to a buyer's funds upon default under the sales contract. Seller is required to certify to Escrow in writing that buyer defaults and that Seller is terminating the contract. Escrow will notify buyer by certified mail that Seller has cancelled contract. Escrow will treat the buyer's funds as belonging to the Seller subject to the provisions relating to dispute and conflicting demands.
- (h) Escrow will coordinate and supervise the signing of all necessary documents.
- (i) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

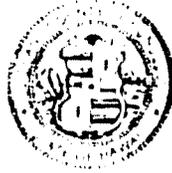
THE ESCROW AGREEMENT CONTAINS VARIOUS OTHER PROVISIONS AND ESTABLISHES CERTAIN CHARGES WITH WHICH THE PURCHASER SHOULD BECOME ACQUAINTED. THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE AGREEMENT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE AGREEMENT AND READ IT THOROUGHLY.

END OF EXHIBIT G

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE (808) 523-4432 • FAX (808) 527-6743
DEPT. INTERNET www.honolulu.gov/dpp • INTERNET www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

2004/ELOG-1258(LT)

September 27, 2006

Bradley R. Pulice, Esq.
Stanton Clay Chapman Crumpton & Iwamura
Attorneys at Law
Topa Financial Center, Bishop Street Tower
700 Bishop Street, Suite 2100
Honolulu, Hawaii 96813

Dear Mr. Pulice:

Re: Condominium Conversion Project
54-269 Kamehameha Highway
Tax Map Key: 5-4-011: 006

This is in response to your letter dated May 28, 2004, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story single-family detached dwelling and the four (4) one-story two-family detached dwellings with eighteen (18) all-weather-surface off-street parking spaces met all applicable code requirements when they were constructed in 1974 and 1976 on this 70,567 square-foot R-5 Residential District zoned lot.

On November 17, 1994, an existing use permit (File No. 94/EU-9) was approved with conditions for the existing use of one (1) single-family unit and four (4) two-family detached dwelling units.

Inspection revealed the deficiencies mentioned in the letter dated December 14, 1994 have been corrected.

For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

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

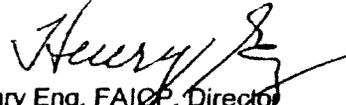
EXHIBIT "H"

Bradley R. Pulice, Esq.
Stanton Clay Chapman Crumpton & Iwamura
September 27, 2006
Page 2

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 527-6341.

Very truly yours,

A handwritten signature in black ink, appearing to read "Henry Eng", with a stylized flourish at the end.

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:ft

doc482351

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813



JEREMY HARRIS
MAYOR

RANDALL K. FURUKI
ACTING DIRECTOR AND BUILDING SUPERINTENDENT

Ex94-132

December 14, 1994

Mr. Donald A. Crichton
Project Coordinator
Abe Lee Development, Inc.
2752 Woodlawn Drive, Suite 5-205
Honolulu, Hawaii 96822

Dear Mr. Crichton:

Subject: Condominium Conversion Project
54-269 A-I Kamehameha Highway
Tax Map Key: 5-4-011: 006

This is in response to your letter dated September 19, 1994 requesting verification that the four one-story two-family detached dwellings and the one-story single-family detached dwelling located at the above address met all code requirements at the time of construction.

Investigation revealed that the five dwellings with 18 off-street parking spaces met the applicable code requirements when they were constructed in 1974 and 1976.

However, inspection also revealed the following deficiencies:

54-269B Kamehameha Highway

1. Several jalousies are missing from the bathroom window.
2. Approximately 75% of the makai wall boards (1x8 T&G) of the living room are damaged by rot and termites.
3. The door in the Laie wall of the kitchen is damaged by rot and termites.
4. The handrail of the exterior Punaluu stairway is shaky.

Mr. Donald A. Crichton
December 14, 1994
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5. Approximately 25% of the landing of the exterior Punaluu stairway is damaged by rot and termites.
6. The 2 x 6 treads of the exterior Laie stairway are damaged by rot and termites.

54-269C Kamehameha Highway

Exterior Punaluu Stairway

1. Approximately 50% of the landing is damaged by rot and termites.
2. The handrail and guardrail are shaky.

54-269E Kamehameha Highway

The handrail of the exterior Punaluu stairway is shaky.

54-269F Kamehameha Highway

1. The center portion of the exterior makai wall is bulging approximately 4" in the makai direction.
2. Approximately 50% of the 2 x 6 girt is damaged by rot and termites.
3. Makai Eaves (Plywood)
Approximately 25% of the makai plywood eave sheathing is damaged by rot and termites.
4. The bathroom floor covered with vinyl tile has a hole measuring 6" x 11" adjacent to the bath tub.
5. Several jalousies on the Laie wall of the mauka-Laie bedroom are missing.

54-269I Kamehameha Highway

1. The canec ceiling in the Laie-makai bedroom is watermarked, indicating roof leakage.
2. The ceiling in the living room is watermarked, indicating roof leakage.
3. The makai-Punaluu wall of the living room is watermarked, indicating roof leakage.

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Exterior - Mauka Risers (15 risers)

1. The handrail of the exterior mauka stairway is shaky.
2. Portion of the intermediate rail of the exterior mauka stairway is missing.

In addition the driveways and parking spaces are not provided with required all-weather surfaces. For your information, Existing Use Permit No. 94/EU-0009 was approved on November 17, 1994 for the nine dwelling units.

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 other variances or special permits were granted to allow deviations from any applicable codes.

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

Very truly yours,


FOR RANDALL K. FUJIKI
Acting Director and
Building Superintendent

Subscribed and sworn to
before me this 15th day of
December, 1994.


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

EXHIBIT "I"

Leileihua Development Corporation
Attn. Lawrence Redmond, DC
1144 10th Avenue, Suite 201
Honolulu, Hawaii 96816

Re: 54-269 Kamehameha Highway Condominium Project
Owners: Leileihua Development Corporation
Address: 54-269 Kamehameha Hwy., Hauula, Hawaii
TMK Nos.: (1) 5-4-11-6

Dear Dr. Redmond:

Pursuant to your instructions, a visual inspection was made of the nine dwelling units located at 54-269 Kamehameha Hwy., Hauula, Hawaii, which structures are designated as Units 54-269, 54-269A, 54-269B, 54-269C, 54-269D, 54-269E, 54-269F, 54-269G, and 54-269H of the 54-269 Kamehameha condominium project. The purpose of the inspection was to examine and comment on the present state of the buildings. The following describes my assessment of the present condition of the building:

Units 54-269

1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

Units 54-269A

1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

Leileihua Development Corporation

EXHIBIT "I"

Units 54-269B

1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

Units 54-269C

1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

Units 54-269D

1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

Units 54-269E

1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

Attn. Lawrence Redmond, DC
Page 3

Units 54-269F

1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

Units 54-269G

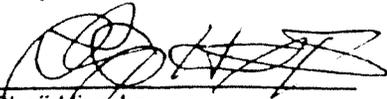
1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

Units 54-269H

1. The structure appears to be in good condition. The unit is habitable and appears to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated between 40 and 50 years.

CONCLUSION: At the present time, the buildings are in good condition with no major structural defects.

Very truly yours,


Shoji Hirakawa
ZOKET PARTNERSHIP

Date: 8/29/2010

Licensed Professional Architect
No. 6785

EXHIBIT "J"

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

630 SOUTH KING STREET
HONOLULU, HAWAII 96813 • PHONE 832-4433



JEREMY HARRIS
MAYOR

DONALD A. CLEGG
DIRECTOR

LORETTA K.C. CHEE
DEPUTY DIRECTOR

94/EU-9 (PS)

November 17, 1994

Mr. Abe Lee
Abe Lee Development, Inc.,
2752 Woodlawn Drive, Suite 5-205
Honolulu, Hawaii 96822

Dear Mr. Lee:

Subject: Existing Use Permit No. 94/EU-9
Project Name: Tsai Existing Use
Location: 54-269 Kanehameha Highway, Hauula
Tax Map Key: 5-4-11: 6
Owner: Frank & Betty Tsai, et al

The application for the development is APPROVED as an Existing Use (EU) under Section 3.130 of the Land Use Ordinance (LUO) in accordance with the application plans DLU date-time-stamped September 2, 1994, subject to the following conditions:

1. Approval is only for the continued use, repair, alterations, additions, relocation and reconstruction of the 1 existing single-family dwelling unit and the 4 existing two-family detached dwelling units.
2. Modifications to the EU plans will not be allowed if:
 - a. the proposed modification has potential adverse impacts on surrounding land uses.
 - b. the number of dwelling units (9) and the number of structures (5) will be increased.
 - c. the reconstruction and/or expansion of the dwelling units are part of a larger development.
 - d. the expansion of any dwelling unit increases the EU approved floor area by more than two times.

These types of modifications will be considered MAJOR and require processing of a Cluster Housing application.

Mr. Abe Lee

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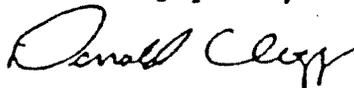
3. All new work shall be in accordance with the LUO, including yard and height setbacks for structures around the project boundary, and spacing between buildings shall be in accordance with cluster siting guidelines. Any modification to the EU plans shall be approved by the Department of Land Utilization (DLU) prior to issuance of building permits.
4. All new work shall be compatible in design with the existing and surrounding structures, and be in the same general location and size. Floor plans shall be designed in order that the dwelling or lodging units will not be increased. Exterior entrances, stairways, bar areas, plumbing and electrical systems may be required to be deleted or revised to insure the approved number of units are not increased.
5. Maximum lot coverage shall not exceed 30 percent of the original lot size of 70,567 square feet, or 50 percent of any lot of use (CPR lot), whichever is more restrictive. Any required yards shall be maintained in rooted landscape.
6. An all-weather surface shall be provided at the common area driveway, individual lot driveway aprons and all required parking spaces, prior to the issuance of any building permits subsequent to this approval.
7. The common area driveway shall consist of a minimum 23-foot width of which 18 feet shall be an all-weather surface, and 5 feet contiguous to the adjoining residential parcel shall be devoted to a screening hedge and landscaping. The screening hedge shall be maintained at a minimum 42-inch height with plantings at a maximum 24 inches on-center.
8. A minimum of 18 parking spaces shall be provided, which shall include a minimum of 2 stalls per dwelling unit. Any additions shall comply with parking regulations of the LUO. Any proposed construction, reconstruction, additions or alteration of carports, garages, or parking areas shall be set back a minimum of 16 feet from the public right-of-way or common area driveway.
9. Any proposed perimeter chainlink fencing shall incorporate a hedge trained to a height equivalent to that of the fence, and maintained in a healthy condition. Any proposed repair, construction, or reconstruction of fencing/walls adjacent to the common area driveway shall be set back 2 feet and landscaped with a hedge.

Mr. Abe Lee
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10. Any improvements to the EU shall comply with Fire Department requirements for access, water and/or Fire Department connections. These shall be submitted to the Fire Department for review and approval prior to issuance of building permits.
11. The DLU shall be informed of any action or intent to condominiumize. An approved condominium property regime map (CPR) and documents shall be submitted to the DLU. All future improvements and additions, subsequent to creation of a CPR, shall require approval by the Homeowners Association prior to review by the DLU.
12. All improvements within the Flood Hazard District (AE and X), as indicated on the Flood Insurance Rate Map, shall comply with the construction standards for the district.
13. All improvements within the Shoreline Setback and the Special Management Area (SMA) shall comply with the "Rules Relating to Shoreline Setbacks and the Special Management Area (1994)."
14. The applicant shall incorporate this EU approval as part of the restrictive covenants running with the land and made a part of any sales agreement with any future owners.
15. This EU approval does not certify that the existing structures and improvements comply with the requirements of the zoning code or other regulations. They are subject to separate review and approval.
16. The Director of Land Utilization shall reserve the right to impose additional requirements, if necessary, to promote and protect the health, welfare, and safety of the people of the City and County of Honolulu.

Should you have any questions, please contact Patrick Seguirant, Chief-Urban Design Branch, at 527-5369.

Very truly yours,



DONALD A. CLEGG
Director of Land Utilization

DAC:gc
lee.gkc

cc: Building Department

END OF EXHIBIT "J"