

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer The Celia Moss Hailperin Trust, The Oscar Kurren Trust and The Gaile Moss Kurren Trust
Address 4140A Black Point Road

Project Name(*): 4140 BLACK POINT ROAD
Address: 4140 Black Point Road, Honolulu, HI 96816

Registration No. 3328 (conversion) Effective date: July 26, 1995
Expiration date: August 26, 1996

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

SUPPLEMENTARY: (pink) This report updates information contained in the:
[] 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 H 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:

Conversion Project. Developer discloses that this condominium project is a conversion of existing structures and improvements. Developer was not involved in the construction of any of the existing structures and improvements. If Developer sells any unit, the units shall be sold "WHERE IS" and "AS IS" in its present state and condition without any representation or warranty by Developer or its representatives. Any appliance included in the sale of a unit shall also be sold "WHERE IS" and "AS IS" in its present state and condition without any representation or warranty by Developer or its representatives.

Nonconforming Lot, Dwellings, Structures and Parking. Developer discloses that the lot, dwellings (referred to as the units in the Declaration of Condominium Property Regime and Bylaws of the Association), structures and parking stalls of the Project are nonconforming with the laws and regulations of the City and County of Honolulu as of the issuance date of this public report. Buyer may not be able to obtain financing or insurance for all or a portion of a unit due to the nonconformities. Prior to entering into a binding sales contract, Buyer is advised to review and evaluate the laws and regulations of the City and County of Honolulu in effect at the time of his/her purchase because such laws and regulations may restrict Buyer's ability to use, renovate, rebuild, improve or expand the unit. Buyer is further advised to consult with various lending institutions, if necessary, and insurance companies prior to entering into any binding sales contract.

Black Point Association. The project is a member of the Black Point Association and each owner of the project shall be required to pay an annual fee assessed by the Black Point Association. The annual fee was approximately \$500.00 in 1992.

Encroachments. Developer hereby discloses that portions of the concrete wall, concrete rock wall, wooden fence, trees,

shrubbery, and other landscaping encroaches upon the adjoining parcels of land. These encroachments are illustrated on that certain Topographic Survey Map, dated October 26, 1992 and prepared by Sam O. Hirota, Inc., attached to the Condominium Map. Buyer is advised that Buyer may be required to remove such encroachments in the future.

Driveway to Unit 4140A. Developer discloses that Developer, to the best of its knowledge, does not own the land serving as the common roadway to the limited common element driveway of Unit 4140A. Further, there is no record of any easement or right of entry in favor of the subject property.

Cesspool; Septic Tank. Developer hereby discloses that to the best of Developer's knowledge, the wastewater of the Project is served by a cesspool or septic tank system. Developer does not make any representations or warranties as to the location, capacity, quality or future life expectancy of such cesspool or septic tank system or any cost to maintain, repair, replace or improve such cesspool or septic tank system.

Present Condition of Structural Components and Mechanical and Electrical Installations. To the best of Developer's knowledge, the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units are consistent for structures forty (40) years and older. This statement is based upon that certain report, dated September 2, 1993, prepared by Ken Kajiwara, a Hawaii registered architect. A copy of this report may be obtained from the Developer. Buyer is recommended to have an inspection of the structural components and mechanical and electrical installations prior to entering into a binding sales contract.

Statement of Expected Useful Life. Developer makes no representations or warranties as to the expected useful life of all structural components and mechanical and electrical installations material to the use and enjoyment of the units. Units in the project will be sold on an "AS IS" and "WHERE IS" condition. This means the units and all structural components and mechanical and electrical installations will be conveyed in the condition existing as of the date of the recordation of the purchase.

TABLE OF CONTENTS

	page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer Attorney for Developer General Contractor	
Real Estate Broker Escrow Company Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Description of Buildings and Other Improvements	
EXHIBIT B: Boundaries of Each Unit	
EXHIBIT C: Permitted Alterations to Units	
EXHIBIT D: Parking Stalls	
EXHIBIT E: Common Elements	
EXHIBIT F: Limited Common Elements	
EXHIBIT G: Encumbrances	
EXHIBIT H: Disclosure Abstract	
EXHIBIT I: Summary of Sales Contract	
EXHIBIT J: Summary of Escrow Agreement	
EXHIBIT K: Summary of Declaration of Protective Covenants	
EXHIBIT L: Summary of Black Point Association Agreement	

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: The Celia Moss Hailperin Trust, The Oscar (808) 734-7018 (lm)
Kurren Trust & The Gaile Moss Kurren Trust Phone: (808) 956-6121 (wkc)
Name (Business)
4140A Black Point Road
Business Address
Honolulu, HI 96816

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

N/A

Real Estate Broker: Developers as Owners Phone: _____
Name (Business)
Business Address

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)
235 Queen Street
Business Address
Honolulu, HI 96813

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

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

Attorney for Developer: Watanabe, Ing & Kawashima Phone: (808) 544-8300
Name (Business)
745 Fort St., 5th Floor
Business Address
Honolulu, HI 96813

Attn: William H. Gilardy, Jr./Donna Y. Kanemaru

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

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 93-030680
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

Amendment and Joinder to the Declaration of Condominium Property Regime dated May 27, 1993 and recorded as Document No. 93-171943 in the Bureau of Conveyances.

- B. Second Amendment to Declaration recorded 7/20/95 as Document No. 95-094095.
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. 1821
 Filed - Land Court Condo Map No. _____

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

Amendment and Joinder to the Declaration of Condominium Property Regime dated May 27, 1993 and recorded as Document No. 93-171943 in the Bureau of Conveyances.

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 93-030681
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

Amendment and Joinder to the Bylaws of the Association of Owners dated May 27, 1993 and recorded as Document No. 93-171944 in the Bureau of Conveyances.

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

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

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

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

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

2. Developer:

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

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

To file the "as built" verified statement (with plans if applicable) required by Section 514A-12, Hawaii Revised Statutes.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed

As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 4140 Black Point Road Tax Map Key: (1) 3-5-001:014
Honolulu, HI 96816 (TMK)

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

Land Area: 7,385 [X] square feet [] acre(s) Zoning: R-10

Fee Owner : The Celia Moss Hailperin Trust dated November 6, 1985, The Oscar Kurren Trust dated May 20, 1987 and The Gaile Moss Kurren Trust dated May 20, 1987

Name c/o Oscar Kurren
4140A Black Point Road
Address
Honolulu, HI 96816

Sublessor: N/A
Name
Address

C. Buildings and Other Improvements:

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

2. Number of Buildings: 3 Floors Per Building 1 or 2

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Glass

4. Permitted Uses by Zoning:

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

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

Yes No

5. Special Use Restrictions:

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

[X] Pets: Two (2) dogs or cats permitted per unit.

[X] Number of Occupants: No more than five (5) persons per unit

[] Other: _____

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: N/A Stairways: 4140:2 Trash Chutes: N/A

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/ Balcony (sf)</u>
<u>4140</u>	<u>1</u>	<u>2/2</u>	<u>1607</u>	
<u>4140A</u>	<u>1</u>	<u>1/2.5</u>	<u>1459</u>	<u>382/27</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 2

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

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

Boundaries of Each Apartment:

See Exhibit B

Permitted Alterations to Apartments:

See Exhibit C

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	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> </u>	<u> X </u>	<u> </u>
Lot	<u> </u>	<u> X </u>	<u> </u>

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

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

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

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

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

described in Exhibit _____.

as follows:

See Exhibit E

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 F.

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: Unit 4140 - 50%
 Unit 4140A - 50%

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 G describes the encumbrances against the title contained in the title report dated March 9, 1991 and issued by Title Guaranty of Hawaii.

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 Document No. 92-089063	Mortgagee may foreclose and take possession. Buyer may lose right to purchase. Buyer's deposit would be refunded.

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:

All buildings and other improvements shall be conveyed in an "AS IS" condition. Developer makes no warranty for the buildings and improvements, including, but not limited to, the sewage disposal system, the electrical and mechanical systems or the fence. Buyer should conduct an inspection prior to entering into a binding sales contract.

2. Appliances:

All appliances included with the sale of a unit will be conveyed in an "AS IS" and "WHERE IS" condition. Developer makes no warranty for any appliance included with the sale of a unit.

G. Status of Construction and Estimated Completion Date:

Unit 4140 was constructed in 1938.

Unit 4140A was constructed in 1938 and garage built in 1953 was converted to a cottage in 1962.

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.
- self-managed by the Association of Apartment Owners other _____

B. Estimate of Initial Maintenance Fees:

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

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

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

C. Utility Charges for Apartments:

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

- None Electricity Gas Water
- Sewer Television Cable Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

Exhibit I contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated April 27, 1994

Exhibit J contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

A) The Developer delivers to the buyer a copy of:

1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND

B) The buyer has not waived the right to rescind.

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

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

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules.
- E) Condominium Map, 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 Declaration of Protective Provisions, Black Point Association Agreement

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. 3328 filed with the Real Estate Commission on 04/13/95.

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

NONE

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.

The Celia Moss Hailperin Trust, The Oscar Kurren Trust
and The Gaile Moss Kurren Trust

Name of Developer

By:



Duly Authorized Signatory

3/16/94

Date

Oscar Kurren, trustee of The Oscar Kurren Trust, successor
trustee of The Gaile Moss Kurren Trust, and co-trustee of The
print name & title of person signing above Celia Moss Hailperin
Trust

Distribution:

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

EXHIBIT "A"

4140 BLACK POINT ROAD

Description of Buildings and Other Improvements

The Project is described in the Condominium Map and consists of two (2) freestanding dwelling units and one (1) freestanding cottage which is a part of Unit 4140A. Unit 4140A has a basement. All buildings are constructed principally of wood, glass and hollow tile materials.

EXHIBIT "B"

4140 BLACK POINT ROAD

Boundaries of Each Unit

Each of the three (3) free standing structures, together with the exterior walls, floors, roofs, concrete footings, and garages, are hereby designated as the units of the Project, as designated on the Condominium Map and as described as follows:

a. Unit Numbers and Locations. The Unit numbers and the location of Units are shown on the Condominium Map.

b. Layout and Area. The various Unit types and their respective areas are more particularly described as follows:

(1) Condominium Unit 4140. This Unit has a net living area of approximately 1,606.59 square feet. This Unit consists of a kitchen, dining area, living room, family room, two (2) bathrooms, two (2) bedrooms, a utility room, a courtyard, a storage area, and one (1) uncovered compact parking stall.

(2) Condominium Unit 4140A. This Unit has a net area of approximately 1,459.35 square feet. This Unit consists of two (2) structures connected by a covered lanai. The main structure consists of a kitchen, living/dining area, sitting room, recreation area, one (1) master bathroom, one (1) master bedroom, one (1) balcony, a study, a laundry room with adjoining toilet room (in the basement area), and one (1) storage shed. The second structure, identified as a "cottage" on the Condominium Map, contains one (1) room and one (1) bathroom. This Unit contains two (2) uncovered compact parking stalls.

The foregoing approximate total square footage areas for the enclosed portions of Units 4140 and 4140A are computed from and to the interior surface of the perimeter walls of the structures and include the areas of all Common Elements located within the Units, if any. The areas for the non-enclosed lanais, if any, are computed from the outside surfaces of the Unit walls to the outside surface walls of the lanais.

c. Appliances and Fixtures. Each Unit also includes all appliances and fixtures installed therein. Developer makes no representation or warranty as to the condition or quality of such appliances and fixtures, and any appliances and fixtures in the units shall be conveyed "WHERE IS" and "AS IS" in its present state and condition.

d. Access to Streets or Highways. Each Unit has immediate access through stairways, walkways and driveways of the

Project to the common areas of the Project and to the streets providing access.

e. Other Data Identifying and Defining the Units. The respective Units shall not be deemed to include any pipes, shafts, wires, conduits or other utility or service lines which are located outside of a Unit or which are utilized for or serve more than one Unit, the same being deemed Common Elements as hereinafter provided. Each Unit shall be deemed to include (i) all portions of the residential structure, inclusive of concrete footings and roof, (ii) all pipes, shafts, ducts, pumps, conduits, wires and other utility or service lines running through or to such Unit which are utilized for and serve only that Unit, and (iii) all appliances and fixtures installed therein and replacements thereof.

EXHIBIT "C"

4140 BLACK POINT ROAD

Permitted Alterations to Units

Prior to any restoration or replacement of the Project or any portion thereof or construction of additional improvement or structural alteration or addition to any improvement, different in any material respect from the Condominium Map, or Topographic Survey Map attached thereto, the Association or owner shall review the provisions for nonconforming lots and nonconforming structures in the current Land Use Ordinance of the City and County of Honolulu. Once it has been determined that such restoration, replacement, construction, alteration or addition may occur without jeopardizing the existing nonconformities, such activity shall be undertaken by the respective party only pursuant to the current Land Use Ordinance in effect for the City and County of Honolulu and any other rules or regulations which may apply, and said respective party shall prepare an amendment of the Declaration of Condominium Property Regime ("Declaration") in accordance with Paragraph 19 of said Declaration, duly executed pursuant to the provisions thereof, accompanied by the written consent of the holders of all mortgage liens affecting any of the Units involved, and in accordance with complete plans and specifications therefor, and promptly upon completion of such restoration, replacement or construction the Association or owner, as the case shall be, shall duly record or file of record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

Each owner of a Unit shall have the right at any time and from time to time at such owner's sole cost and expense, and without the necessity of the consent or joinder of the Board or any other owner or the amendment of the Declaration to make any of the following alterations pertaining to the Unit: to install, maintain, remove, and rearrange partitions and other structures from time to time within such Units, and to paint, paper, panel, plaster, tile, finish, and do or cause to be done such other work on the exterior or interior surfaces of the ceilings, floors and walls within any such Unit and to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as shall be appropriate for the utilization of such Unit by such owner or the tenants or lessees thereof; provided, however, that nothing contained in this paragraph shall authorize any work or alteration which would jeopardize the soundness or safety of any part of the Project, reduce the value therefor, adversely affect any other Unit or affect or impair any easement or rights of any other owners.

In the event that any change or alteration made in accordance with Paragraph 16a of the Declaration requires an

amendment to the Declaration and/or to the Condominium Map, such amendment may be executed by the owner of the affected Unit, and shall become effective upon recordation in the Bureau of Conveyances. Such amendment shall not require the consent or joinder of the owner of any other Unit or any other person or entity, other than any mortgagee of such Unit or Units.

Exhibit "C"
Final Public Report
4140 Black Point Road
0018860.01

EXHIBIT "D"

4140 BLACK POINT ROAD

Parking Stalls

Unit 4140 shall have appurtenant to it as a limited common element the concrete driveway to Unit 4140 as shown on that certain Topographic Survey Map, dated October 26, 1992 and prepared by Sam O. Hirota, Inc. (hereinafter referred to as the "Topographic Survey Map"), attached to the Condominium Map. Unit 4140A shall have appurtenant to it as a limited common element the concrete pavement to Unit 4140A as shown on the Topographic Survey Map. Developer discloses that Developer does not own the common roadway leading to the concrete pavement of Unit 4140A. Developer further discloses that the concrete driveway to Unit 4140 and concrete pavement area to Unit 4140A are both nonconforming parking stalls pursuant to current laws and regulations of the City and County of Honolulu.

EXHIBIT "E"

4140 BLACK POINT ROAD

Common Elements

One freehold estate is hereby designated in all remaining portions of the Project, herein called the "Common Elements", including specifically but not limited to:

- a. The Land in fee simple.
- b. The rock wall.
- c. All yards, grounds and landscaping, if any, whether within or appurtenant to the Project.
- d. All ducts, sewer lines, cesspools, electrical equipment, water meters, wiring, pipes and other appurtenant transmission facilities over, under and across the Project which are outside of the Unit or which serve more than one Unit for services such as power, light, water, gas, sewer, refuse, telephone and radio and television signal distribution.
- e. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "F"

4140 BLACK POINT ROAD

Limited Common Elements

Certain parts of the Common Elements, herein called the "Limited Common Elements", are hereby designated, set aside and reserved for the exclusive use of certain Units, and such Units shall have appurtenant thereto exclusive easements for the use of such Limited Common Elements as set forth herein. The costs and expenses of every description pertaining to the Limited Common Elements, including but not limited to the costs of maintenance, repair, replacement, improvement or additions to the Limited Common Elements shall be charged to the Owner of the Unit to which the Limited Common Element shall be appurtenant, and if there is more than one Unit to which the Limited Common Elements shall be appurtenant, then in proportion to the Common Interest appurtenant to each of the respective Units except as otherwise provided in Paragraph 6 of the Declaration of Condominium Property Regime.

a. Unit 4140 will have appurtenant to it as a limited common element the concrete driveway to Unit 4140 as shown on that certain Topographic Survey Map, dated October 26, 1992 and prepared by Sam O. Hirota, Inc. (hereinafter referred to as the "Topographic Survey Map"), attached to the Condominium Map. Unit 4140A will have appurtenant to it as a limited common element the concrete pavement to Unit 4140A as shown on the Topographic Survey Map; provided that Unit 4140A shall have a right of access over the common roadway leading to the concrete pavement.

b. Unit 4140 will have appurtenant to it the area shown on the Topographic Survey Map from the boundary line along Black Point Road within and up to the interior face of the concrete rock wall. Unit 4140A will have appurtenant to it the area shown on the Topographic Survey Map from the west interior face of the concrete rock wall within and up to the interior face of the concrete rock wall located along the west boundary of the Land.

c. Unit 4140A will have appurtenant to it that certain existing jacuzzi or whirlpool spa.

d. All common elements of the Project which are rationally related to less than all of said apartments shall be limited common elements appurtenant to the apartments to which they are so related.

EXHIBIT "G"

4140 BLACK POINT ROAD

Encumbrances

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Underground right-of-way along Black Point Road, in favor of Hawaiian Electric Company, Inc., as shown on sketch attached to instrument dated April 1, 1964, recorded in Bureau of Conveyances of the State of Hawaii in Book 4959 at Page 458.
3. Covenants, conditions and restrictions set forth in DECLARATION OF PROTECTIVE PROVISIONS dated October 14, 1986, recorded as aforesaid in Book 19954 at Page 42.
4. Grant in favor of Hawaiian Electric Company, Inc., a Hawaii corporation, and Hawaiian Telephone Company, a Hawaii corporation, now known as GTE Hawaiian Telephone Company Incorporated dated October 23, 1986, recorded as aforesaid in Book 20029 at Page 250 for easement for pullboxes and underground power lines over, under, upon, across and through a portion of the land herein described.
5. Agreement dated November 5, 1986 by OSCAR KURREN and GAILE MOSS KURREN, husband and wife, and CELIA MOSS HAILPERIN, and BLACK POINT ASSOCIATION recorded as aforesaid in Book 20178 at Page 377.
6. Purchaser will not in the future construct or place any building or other structure on the lot as a result of a fire or otherwise, unless the uppermost portion of structure is not more than 60.97 feet above mean sea level according to city datum as set forth in DEED dated September 21, 1989, recorded as aforesaid in Book 23767 at Page 668.
7. Purchase will not permit or suffer any tree, hedge or plant on the lot to grow to a height exceeding 65.47 feet above mean sea level, and Purchaser at Purchaser's own expense from time to time top or trim all such trees, hedges and plants to such a level that they will not at any time exceed such height and, if necessary to comply with this covenant, will remove same from the lot as set forth in DEED dated September 21, 1989, recorded as aforesaid in Book 23767 at Page 668.
8. Covenants, conditions and restrictions set forth in DEED dated October 11, 1989, recorded as aforesaid in Book 23767 at Page 679.

9. Mortgage dated May 29, 1992 from OSCAR KURREN, husband of Lynette Eunie Kurren, and CELIA MOSS HAILPERIN, unmarried, as Mortgagor, to INTERNATIONAL SAVINGS AND LOAN ASSOCIATION, LIMITED, a Hawaii corporation, as Mortgagee, recorded as aforesaid as Document No. 92-089063 to secure payment of \$285,700.00.

10. Oscar Kurren unrecorded Trust Agreement, dated May 20, 1987 and Oscar Kurren and Richard Myron Moss unrecorded Trust Agreement, dated November 6, 1985.

11. The covenants, agreements, obligations, conditions, easements and other provisions as set forth in the DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "4140 BLACK POINT ROAD" dated _____, 1992, recorded as aforesaid as Document No. 93-030680; Condominium Map No. 1821, to which reference is hereby made.

The foregoing Declaration of Horizontal Property Regime was amended by the following:

<u>Dated</u>	<u>Document No.</u>
May 27, 1993	93-171943

NOTE: The individual units as set forth in the foregoing Declaration, as amended, as follows:

<u>Unit No.</u>	<u>Common Interest</u>
4140	50%
4140A	50%

12. BYLAWS OF THE ASSOCIATION OF OWNERS OF "4140 BLACK POINT ROAD" dated _____, 1992, recorded as aforesaid as Document No. 93-030681.

The foregoing Bylaws was amended by the following:

<u>Dated</u>	<u>Document No.</u>
May 27, 1993	93-171944

13. For real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

Exhibit "G"
Final Public Report
4140 Black Point Road
0018860.01

EXHIBIT "H"

4140 BLACK POINT ROAD

Disclosure Abstract

Name of Project: 4140 BLACK POINT ROAD
City & County of Honolulu

Developer: THE CELIA MOSS HAILPERIN TRUST DATED
NOVEMBER 6, 1985, and THE OSCAR KURREN
TRUST DATED MAY 20, 1987
c/o Oscar Kurren
4140A Black Point Road
Honolulu, Hawaii 96816

Managing Agent: Oscar Kurren
4140A Black Point Road
Honolulu, Hawaii 96816

Annual Maintenance Fees and Monthly
Estimated Costs for Each Unit:

The estimated maintenance fee disbursements (hereinafter referred to as the "Maintenance Budget") and monthly and annual maintenance fees by unit type for each unit (hereinafter referred to as the "Maintenance Fees") were prepared in accordance with generally accepted accounting principals by Robert Kerly.

Description of Warranties:

NO WARRANTIES EXIST FOR ANY UNIT IN THE PROJECT. Developer recommends any prospective buyer inspect the project and unit prior to entering into a binding sales contract.

Condition of Structural Components And
Mechanical And Electrical Installations:

The units were constructed in 1938 and 1953. The cottage, which is a part of unit 4140A, was converted from a garage in 1962. DEVELOPER DOES NOT MAKE ANY REPRESENTATION OR WARRANTY AS TO THE CONDITION AND EXPECTED USEFUL LIFE OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND

ELECTRICAL INSTALLATIONS. Any sale of a unit shall be "WHERE IS" and "AS IS" in its present state and condition without representation by Developer or its representatives to any matter.

Violations of Building Code Or Other Regulations:

To the best of Developer's knowledge, there are no violations of the Building Code or other regulations which are required to be fixed or cured.

Nonconformities:

THE LOT, WHICH THE PROJECT IS LOCATED UPON, UNITS AND PARKING STALLS DO NOT CONFORM WITH THE LAWS AND REGULATIONS OF THE CITY AND COUNTY OF HONOLULU. To the best of Developer's knowledge, the lot, structures (including the units) and parking stalls are permitted to continue to exist because they were constructed prior to the adoption of the current laws and regulations in effect. Prior to entering into a binding sales contract, Buyer is advised to review and evaluate the laws and regulations of the City and County of Honolulu in effect at the time of his/her purchase because such laws and regulations may restrict Buyer's ability to use, renovate, rebuild, improve or expand the unit. Buyer may not be able to obtain financing or insurance for all or a portion of a unit due to the nonconformities. Buyer is further advised to consult with various lending institutions, if necessary, and insurance companies prior to entering into any binding sales contract.

Restricted Use of the Units:

The units shall be used solely for residential purposes.

Exhibit "H"
Final Public Report
4140 Black Point Road
0018860.01

EXHIBIT 1

4140 BLACK POINT ROAD

ESTIMATED MAINTENANCE BUDGET

	<u>Monthly</u>	<u>Yearly</u>
Fidelity Bond (\$20,000.00)	\$ 204.00	\$ 17.00
Fire & Liability Insurance	300.00	25.00
Black Point Association Dues	600.00	50.00
Repairs	600.00	50.00
Landscaping/Yardwork	600.00	50.00
Professional Services	<u>900.00</u>	<u>75.00</u>
Sub-Total	\$3,204.00	\$267.00
Reserve Fund	<u>180.00</u>	<u>15.00</u>
Total	\$3,384.00	\$282.00

It is hereby certified that the foregoing estimate of the monthly common expenses and the estimated maintenance fees per unit type were calculated based upon generally accepted accounting principles.

Dated: December 10, 1993



EXHIBIT 2

4140 BLACK POINT ROAD

ESTIMATED MAINTENANCE FEES PER UNIT

<u>Unit</u>	<u>Common Interest</u>	<u>Monthly</u>	<u>Yearly</u>
4140	50%	\$ 141.00	\$ 1,692.00
4140A	<u>50%</u>	<u>141.00</u>	<u>1,692.00</u>
Totals	100%	\$ 282.00	\$ 3,384.00

SUMMARY OF THE CURRENT HAWAII ASSOCIATION OF REALTORS DROA

The Developer will use the actual Deposit Receipt Offer and Acceptance ("DROA") Hawaii Association of Realtors Standard Form available and in use at the time of sale. For the purposes of this summary, the current DROA (Rev. 7/93) shall be used.

The DROA is a legally binding contract and is more than a receipt for money. Generally, the DROA will have handwritten or typed provisions filled in. These provisions supersede any printed provisions if there is a conflict.

Section A: Addenda and Agency Disclosure

This section sets forth the agents of Buyer and Seller, and whether any addenda will be made a part of the DROA.

Section B: Deposit Receipt

This section sets forth the amount of the initial deposit, whether the initial deposit check will remain uncashed, and whether Buyer will earn interest while in escrow.

Section C: Offer

Offer to Buy

Paragraph C-1 sets forth the Property's purchase price.

Property

Paragraphs C-2 to C-4 set forth the description of the Property, and which furniture and fixtures are included and excluded from sale.

Closing

Paragraphs C-5 to C-11 set forth the Scheduled Closing Date, which is when all appropriate conveyance documents are recorded. Also, Paragraphs set forth that the closing costs for Buyer include (but is not limited to) (1) 40% of the standard title insurance premium and any additional costs relating to the issuance of extended coverage policy, (2) 50% of Escrow's fees, (3) costs of drafting of agreement of sale or mortgage and note, (4) cost of obtaining Buyer's consents, (5) Buyer's notary fees, (6) all recording fees except documents to clear Seller's title, and (7) condominium ownership transfer fees.

Assessments

Paragraphs C-12 to C-14 set forth whether Buyer or Seller is obligated to pay for any assessments against Property. Further, if a new assessment is authorized, and Buyer and Seller cannot agree how payment shall be made, either party can terminate this DROA.

Other Closing Matters

Paragraphs C-15 to C-19 set forth the vesting of title and the type of tenancy. Further, insurance coverage passes to Buyer upon closing or possession, whichever occurs earlier, and

EXHIBIT I

the obligations of Buyer and Seller may be conditioned upon obtaining consents from third parties. Paragraphs also set forth when Seller agrees to give Buyer possession.

Contingency Procedures and Termination Provisions

Paragraph C-20 sets forth that Buyer's obligation to buy and Seller's obligation to sell may be subject to satisfaction of one or more contingencies. If a contingency is not satisfied, the benefited party (whose performance is not required until the other party satisfies the contingency) may elect to terminate this DROA using the Termination Provision or waive the Contingency. If party fails to deliver a written termination notice prior to expiration of the Contingency or other termination period, the Contingency shall be deemed to be waived.

Paragraph C-21 sets forth the Termination Provision, which allows the benefited party to terminate this DROA if a Contingency has not been satisfied. Upon termination, Buyer or Seller shall promptly execute all cancellation documents requested by Escrow, Escrow shall return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer, and parties shall have no further rights or obligations under this DROA.

Contingency for Cash Funds

Paragraphs C-22 to C-23 set forth whether contingencies exist to Buyer's obtaining cash funds to buy Property.

Financing Contingencies

Paragraphs C-24 to C-27 set forth any financing contingencies that the parties may have.

Default Provisions

Paragraphs C-28 to C-31 set forth the non-defaulting party's remedy options if the other party fails to perform its obligations, and that in the event of default by a party and/or legal action or arbitration, the prevailing party shall be entitled to recover all costs incurred.

Mediation and Arbitration

Paragraphs C-32 to C-34 set forth that if any dispute cannot be resolved, Buyer and Seller agree to attempt to settle by non-binding mediation. If this is not successful, the dispute shall be decided by neutral binding arbitration.

Title

Paragraphs C-35 to C-37 set forth that Seller agrees to convey Property with warranties vesting marketable title in Buyer except for easements, conditions, covenants and restrictions ("CC&Rs") or restrictions now of record which do not materially affect the value of Property and other specified liens and encumbrances. Also, if the preliminary title report or any other report reveals that title cannot be delivered by Seller, Seller

shall use its best efforts to cure any defects. Further, if within a specified time period following any reported discrepancies Seller is unable to cure such title defects, Buyer can elect to purchase Property with such defects. If Buyer chooses not to accept Property with such defects, either party may terminate this DROA.

Transactions involving foreign or non-resident Buyer and Seller

Paragraphs C-38 to C-40 set forth that the law may require additional disclosures if Buyer is a non-resident person or entity.

Seller's Disclosures

Paragraphs C-44 to C-50 set forth that Seller is obligated to disclose all material facts pertaining to Property, and that Seller's disclosures about the condition of Property do not constitute agreement between the parties about the condition of Property. Paragraphs also set forth whether Buyer's obligation to purchase is contingent upon delivery of a completed Disclosure Statement within a specified time period, and that Buyer should make appropriate inquiry into the possible existence of asbestos and hazardous substances on or under Property. Also, Seller agrees to promptly update Disclosure Statement if Seller discovers any materially adverse facts, and if Buyer finds the facts unacceptable, Buyer may terminate this DROA within a specified time period.

Inspections, Maintenance and Warranties

Paragraphs C-51 to C-58 set forth that Buyer, at its own cost and expense, may inspect the Property and all public records relating to the Property and may obtain from a third party home warranties covering appliances and other items included with Property. Buyer shall also conduct a walk through and appliance check within a specified time period before the Scheduled Closing Date, or Buyer waives such an inspection.

Termite Provisions

Paragraphs C-59 to C-60 set forth that Buyer is aware that the State-approved Termite Inspection Report ("TIR") addresses only visible evidence of termite infestation, and Seller agrees to disclose any prior and/or current infestation of which Seller is aware. Also, within a specified time period, Buyer or Seller shall select a licensed pest control company to inspect Property and issue a TIR. Buyer may terminate this DROA if Seller does not (a) deliver the TIR within the time specified, or (b) treat improvements no later than five (5) days prior to the Scheduled Closing Date. If the TIR indicates visible damage to improvements, Seller shall make appropriate disclosures, and Buyer may have such damage inspected. If Seller will not repair such damage, Buyer may elect to accept Property in its present condition or terminate this DROA.

Rental Property Matters

Paragraphs C-61 to C-63 set forth that Seller shall not make any changes to the existing leases or enter into any new leases without written consent of Buyer. Further, Paragraphs set forth whether Buyer shall accept title to Property free of any leases or subject to existing leases.

Condominiums/Subdivisions/Homeowner Organizations

Paragraphs C-64 to C-67 set forth that Buyer's obligation to purchase may be contingent upon Seller providing homeowner organization documentation for review and approval, and if Buyer does not accept Property based on information contained in these documents, Buyer may terminate this DROA. Buyer's obligation to purchase is contingent upon Seller providing the CC&Rs and any other applicable title documents to Buyer for review and approval at Seller's expense. If Buyer does not accept Property within a specified time period, Buyer may terminate this DROA.

Brokers Services and Disclaimers

Paragraphs C-68 to C-72 set forth the limited scope of service provided by Brokers and disclaimers by Brokers.

Section D: Acceptance or Counter Offer

This section sets forth whether Seller accepts Buyer's Offer, or Seller agrees to sell Property at the price and terms offered by Seller's Counter Offer.

SUMMARY OF COOPERATING BROKER'S SEPARATE AGREEMENT

This agreement sets forth that Listing Broker agrees to pay a commission at closing to Cooperating Broker for a specified amount. Also, if any dispute arises, Brokers shall attempt to settle by non-binding mediation. If this is not successful, the parties agree to settle dispute by neutral binding arbitration.

4140 BLACK POINT ROAD

Summary of Escrow Agreement

An executed Escrow Agreement has been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated April 27, 1994, identified Title Guaranty Escrow Services, Inc. as the escrow agent. The Escrow Agreement provides that the Escrow Agent shall refund to Buyer all of Buyer's funds, without interest, less a cancellation fee of not less than \$25.00, if Buyer shall request refund of his funds and any one of the following shall have occurred:

(a) Developer and Buyer have requested Escrow Agent in writing to return to Buyer the funds of Buyer then held under the Escrow Agreement by Escrow Agent; or

(b) Developer has notified Escrow Agent of Developer's exercise of the option to rescind the sales contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

(c) With respect to a Buyer whose funds were obtained prior to the issuance of the Final Report,

(i) upon receiving a true copy of the Final Report, Buyer elects to cancel the sales contract before the earlier of (1) the conveyance of the condominium unit to the Buyer, or (2) midnight of the thirtieth day following the date of delivery of the final public report to such Buyer, or

(ii) there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) the Buyer's condominium unit or limited common elements appurtenant thereto, or (2) those amenities of the Project available for Buyer's use, except for any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of the Project made pursuant to the terms of the Declaration.

Escrow shall promptly and diligently close the transactions and perform such services as are necessary or proper therefor including the recordation of all documents. If Buyer fails to make any payment on or before the due date or fails to perform in any matter which is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of Buyer.

EXHIBIT J

SUMMARY OF DECLARATION OF PROTECTIVE PROVISIONS

The condominiums are subject to a Declaration of Protective Provisions ("Declaration") as agreed to by Declarant, the Trustees of the Estate of Bernice Pauahi Bishop, and Lessees, who have been given the right to purchase a fee simple interest in their lot leases.

The Lots are subject to certain conditions, covenants and restrictions ("CC&Rs) and limitations that run with the Lots and are binding upon all parties having or acquiring any right, title or interest in any of the Lots.

Article I: Definitions

Article I sets forth all important definitions.

Article II: Restrictions

Section 1 sets forth that all Lots shall be occupied and used only for residential purposes.

Section 2 sets forth that existing Lots shall not be further subdivided, or consolidated and resubdivided so as to create any Lots which differ from the original Lots.

Section 3 sets forth that no building shall be erected or placed between any street boundary of such Lot and any setback line along such boundary as shall be established by any governmental authority.

Section 4 sets forth that all buildings and improvements existing or built in the future shall be substantially repaired and maintained.

Section 5 sets forth that all Lots and adjacent land shall be landscaped and kept in a neat and attractive condition, and all trees, shrub and grass shall be kept in good condition.

Section 6 sets forth that owners of Lots and lessees of Declarant affected or served by any drainage ditch listed shall maintain and keep the existing ditch in good repair and condition and shall maintain and keep it from obstructions and debris.

Section 7 sets forth that owners of Lots and lessees of Declarants served by the Roadway Lots shall, in equal shares of the expense, maintain these Lots in good repair and condition.

Article III: General Provisions

Section 1 sets forth that the restricted use of the Lots for solely residential purposes shall be deemed covenants running with the land. All other limitations and CC&Rs contained

in Declaration shall continue and remain in full force and effect until the date on which (a) owners other than Declarant and (b) lessees of Declarant, who together own or lease a total of seventy-five (75%) percent or more of the Lots, cancel and terminate the limitations and CC&Rs by the execution of an instrument setting forth such cancellation and the recordation in the Bureau of Conveyances.

Section 2 sets forth that Declarant, each owner of a Lot and each lessee of Declarant shall all have the right, but not the responsibility to enforce any of the limitations and CC&Rs imposed by Declaration by any legal proceeding against any person(s) violating or attempting to violate any limitation or CC&R. Further, judgment for any such violation may require all costs and expenses of such enforcement action to be paid by the person who the court finds in violation of any such limitation or CC&R. However, no failure to seek enforcement of the provisions of Declaration shall entitle any person to bring or maintain any action or proceeding in law or equity against the Declarant, any owner or any lessee of Declarant as a result of such failure.

Section 3 sets forth that no failure to enforce the provisions of any limitation or CC&R of Declaration shall constitute a waiver of any right to enforce any provision of Declaration in another case against or with respect to the same owner or lessee.

Section 4 sets forth that the limitations and CC&Rs of this Declaration shall be deemed severable, and the invalidity or partial invalidity of any provision, CC&R or limitation shall not affect the validity or enforceability of any other provision.

SUMMARY OF BLACK POINT ASSOCIATION AGREEMENT

The project is subject to the Black Point Association Agreement ("BPAA"). The Black Point Association ("Association") is a non-profit corporation whose Board of Directors are elected pursuant to the By-Laws of the Association. The Association includes the owners of record of the forty-three (43) Lots. These Lots use the private portion of Black Point Road ("Road").

Buyer's Obligation to Share in Cost of Repair and Maintenance

Buyers are obligated to pay 1/43rd of the amount found to be necessary or advisable by the Board of Directors for the repair and maintenance of the Road. Repair and maintenance include the reasonable cost of street signs and repair and maintenance of the surface of the existing Road. If payment is requested, Buyer must pay in full within thirty (30) days of the date of receipt of such demand, and payments not so made shall bear interest at twelve (12%) percent per year until paid. Buyers must also pay the Association all reasonable costs incurred in collecting from Buyers. Buyers' obligation to pay their pro rata share applies only when such person is the owner of record of the subject parcel.

The Association will take all steps reasonably necessary to collect from all owners their respective pro rata share including, but not limited to, the institution of legal proceedings.

Swimming Pool

Buyers have the right to use the Black Point Swimming Pool ("Pool"); this right shall extend to bona fide guests of Buyers. The right to use the Pool may be conditioned upon becoming a member of the Association and paying all dues and assessments as shall be imposed for the repair, maintenance and improvements of the Pool, as determined by the Association. If a tenant of any Buyer qualifies for membership to the Association, he or she shall have the same right to use the Pool upon joining the Association and paying all dues and assessments required. The right to use the Pool is voluntary, and any Buyer may elect not to use the Pool by ceasing to be a member of the Association but shall have the right at any time to rejoin.

Conveyance

No deed shall be made or delivered unless such deed contains expressly or by reference, the same agreements set forth in the BPAA unless the grantee shall, at the same time as the delivery of said deed, execute a similar agreement acceptable to the Association for the payment of said obligation.

The BPAA is subject to the following conditions:

Statement of Account

A certificate executed by the Treasurer of the Association stating the indebtedness, if any, of Buyers shall be conclusive upon the Association and said Buyers in favor of all parties who rely in good faith on it, and such certificate shall be furnished by the Association to Buyers upon request upon payment of reasonable processing fee.

Arbitration

Any dispute or claim between the Association and Buyers arising out of the BPAA shall be decided by arbitration, and the award or decision of the arbitrator shall be binding and non-appealable on all parties. Each party to the arbitration shall pay their own attorneys' and witness fees, and the cost of arbitration shall be borne equally by the parties to the arbitration.

Exhibit A

This Exhibit sets forth that the Lot is subject to certain easements, reservations and CC&Rs such as a height limitation of buildings constructed and trees, hedges or plants grown on the Lot.