CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer **LIPK HAWAII, INC.**
Address **c/o Masaharu Edamura, 1347 Kapiolani Blvd., Suite 301**
Honolulu, Hawaii 96814

Project Name(*): **Olokele Avenue Condominium**
Project Address: **848 Olokele Avenue, Honolulu, Hawaii 96816**

Registration No. **3454** **(Conversion)**

Effective date: **December 26, 1995**
Expiration date: **January 26, 1997**

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes. 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

FORM: RECO-30 286/986/189/1190/892

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [**X**] 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.

[**X**] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

****

ATTENTION

The Developer has disclosed the following:

(a) Units 1, 2 and 3 are residential townhome dwellings and other improvements.

(b) This is a CONDOMINIUM PROJECT, **not** a subdivision. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** AND IS **not** a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

(c) No warranties are given to the purchaser as to the construction, materials or workmanship of the improvements. The improvements will be sold in "as is" condition.

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

PROSPECTIVE PURCHASERS ARE ADVISED TO CAREFULLY REVIEW
THE CONDOMINIUM DOCUMENTS FOR
FURTHER INFORMATION REGARDING THE FOREGOING.

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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 owner/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 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 they 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 a 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 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: **LJPK Hawaii, Inc.** Phone: **(808) 973-6800**
Name (Business)
c/o Masaharu Edamura, 1347 Kapiolani Blvd., Suite 301
Honolulu, Hawaii 96814
Business Address

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

N/A

Real Estate Broker: **ERA 90 Real Estate** Phone: **(808) 973-6800**
Name (Business)
1347 Kapiolani Blvd., Suite 301
Honolulu, Hawaii 96814
Business Address

Escrow: **Guardian Escrow Services, Inc.** Phone: **(808) 538-6991**
Name (Business)
737 Bishop Street, Suite 2090 Mauka Tower
Honolulu, Hawaii 96813
Business Address

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

Condominium Managing Agent: **SELF-MANAGED BY ASSOCIATION OF APARTMENT OWNERS** Phone:
Name (Business)

Attorney for Developer: **Case Myrdal Bigelow & Lombardi** Phone: **(808) 547-5400**
(Dennis M. Lombardi) (Business)
Name
737 Bishop Street, Suite 2600 Mauka Tower
Honolulu, Hawaii 96813
Business Address

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

[**X**] Recorded - Bureau of Conveyances — Document No. 95-152407
Book _____ Page _____

[ ] Filed - Land Court — Document Number _____

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

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

The Condominium Map for this condominium project is:

[ ] Proposed

[**X**] Recorded - Bureau of Conveyances Condo Map No. 2315

[ ] Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

[ ] Proposed

[**X**] Recorded - Bureau of Conveyances — Document No. 95-152408
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]:

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 [**X**] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	**100%** (except with respect to permitted alterations to units (see paragraph K of the Declaration)
Bylaws	65%	**65%**
House Rules	—	**N/A**

* 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.

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

Any time prior to the first recording in the Bureau of Conveyances of a conveyance or transfer (other than for security) of a unit and its appurtenances to a party not a signatory to the Declaration, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map in any manner without approval or consent of any unit purchaser.

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[**X**] Fee Simple: Individual apartments and the common elements, which includes the underlying land, will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which includes 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 cancelled 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 provisions.

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: **848 Olokele Avenue**
Honolulu, Hawaii 96816

Tax Map Key: **(1) 2-7-33:022**
(TMK)

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

Land Area: **7,163** [**X**] square feet [ ] acre(s) Zoning: **A-2**

Fee Owner: **LJPK HAWAII, INC.**
Name

c/o Masaharu Edamura, 1347 Kapiolani Blvd., Suite 301
Address

Honolulu, Hawaii 96814

Sublessor: **N/A**
Name

Address

C. Buildings and Other Improvements:

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

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

[**X**] Exhibit **"A"** contains further explanations.

3. Principal Construction Material:

[**X**] Concrete [ ] Hollow Tile [**X**] Wood

[**X**] Other **Wood, masonry, plaster, glass and other related building materials.**

4. Permitted Uses by Zoning:

	No. of Apts.	Use Determined By Zoning			No. of Apts.	Use Determined By Zoning	
[X] Residential	3	[X] Yes	[ ] No	[ ] Ohana		[ ] Yes	[ ] No
[ ] Commercial		[ ] Yes	[ ] No	[ ] Industrial		[ ] Yes	[ ] No
[ ] Mix Res/Comm		[ ] Yes	[ ] No	[ ] Agricultural		[ ] Yes	[ ] No
[ ] Hotel		[ ] Yes	[ ] No	[ ] Recreational		[ ] Yes	[ ] No
[ ] Timeshare		[ ] Yes	[ ] No	[ ] Other: ____		[ ] Yes	[ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[**X**] 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 **(See Section 12.1 of the Bylaws) No animals except common household pets are permitted.**

[ ] Number of Occupants: _____

[X] Other: **There are special use restrictions contained in the project documents. (See paragraph G, H and K of the Declaration)**

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: **N/A** Stairways: **N/A** Trash Chutes: **N/A**

Apt. Type	Quantity	BR/Bath	Net Living Area(sf)*	Entry
1	**1**	**4/2**	**1175**	**49**
2	**1**	**2/2**	**922**	**49**
3	**1**	**3/1**	**886**	**29**

Total Apartments **3**

**Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls. Other documents and maps (including the Condominium Map) may give floor area figures which differ from those above because a different method of determining the floor area may have been used.*

Boundaries of Each Apartment: Each Home includes all walls, columns and partitions (load bearing and non-load bearing) which are within the Home's perimeter walls including without limitation the Home's perimeter walls, the Home's foundation, all floors, ceilings, doors, windows, sliding glass doors, screen doors, door frames and window frames, the air space within the Home, the lanais, if any, shown on the Condominium Map to the exterior edge of the exterior railings or other boundaries of such lanais, all rollers, locks, handles, tracks, and appurtenant hardware associated with all windows, doors, and all sliding or swinging screen doors and all glass window screens and all fixtures originally installed in the Home, and all pipes, plumbing (including water heaters), wires, conduits and other utility or service lines and facilities servicing only the Home. The Homes shall also include all load bearing columns, gliders, beams, building components, and other elements included within each Home. The Home shall not include any pipes, shafts, wires, conduits or other utility or service lines running through a Home which are utilized for or serve more than one Home, all of which are deemed common elements as provided in the Declaration.

7. Parking Stalls:

Total Parking Stalls: 6

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each unit)	2						6
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	6*						

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

*NOTE that the City considers the six parking stalls to be nonconforming.

8. Recreational and Other Common Facilities.

[X] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute

[ ] Other: _____

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

[X] There are no violations. (See Below) [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____

The parking stalls located as shown on the Condominium Map are nonconforming. Based on the County Building Department's investigation, the parking stalls are not in deficiency or in violation of any building codes or municipal regulations.

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):

Based on a report prepared by an independent registered architectural firm, it is the Developer's opinion that all structural components and electrical installations material to the use and enjoyment of the apartments are consistent with the age (42+ years) of the components and installations.

11. Conformance to Present Zoning Code

a. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures		X	
Lot	X		
Parking		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 _____.

[X] as follows: The common elements include the land described in Exhibit "A" to the Declaration in fee simple and the limited common elements described below, and all other portions of the project, other than the units, including, specifically, but not limited to, the common elements mentioned in the Act that are actually constructed on the land, and all other portions of the project necessary or convenient to its existence, maintenance and safety or normally in common use and which are not included as part of a unit, including but not limited to (1) All footings or slabs on which the units are constructed, all exterior walls, interior partition wall, roofs, columns or partitions; (2) All sewer lines, drainage facilities, electrical equipment, wiring, pipes and other central and appurtenant facilities and installations over, under and across the project which serve more than one unit for services such as power, light, water, gas, telephone, sewer and radio and television signal distribution, if any; (3) Any and all 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; and, (4) All common elements shown on the Condominium Map, including specifically the common access serving the parking facilities described under limited common elements.

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.

[**X**] The limited common elements and the apartments which may use them, as described in the Declaration are:

[ ] described in Exhibit _____.

[**X**] as follows: **Parking**. The parking facilities shown on the Condominium Map designated below are appurtenant to and for the exclusive use of such unit, as follows:

The land within the boundaries of each unit, as described in the Declaration and as shown on the Condominium Map, is appurtenant to and for the exclusive use of such unit, as follows:

Unit No.	Private Land Area (approx. land area)
1	**A (2,764 square feet)**
2	**B (2,143 square feet)**
3	**C (2,256 square feet)**

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

The foregoing land area appurtenant to each Unit includes the referenced parking facilities shown on the Condominium Map designated below, which are appurtenant to and for the exclusive use of such Unit, as follows:

Unit No.	Parking stalls
1	**2 stalls labeled 1 & 2**
2	**2 stalls labeled 3 &4**
3	**2 stalls labeled 5 & 6**

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. 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 _____.

[**X**] as follows:

Unit 1	**0.392269 (39.2269%)**
Unit 2	**0.310588 (31.0588%)**
Unit 3	**0.297143 (29.7143%)**

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 **October 30, 1995** and issued by **First American Title Insurance Company**.

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.

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit If Developer Defaults or Lien is Foreclosed Prior to Conveyance

F. Construction Warranties:

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

1. Building and Other Improvements:

None.

2. Appliances:

Any manufacturer's warranties which may still be in effect. There may be none, given the age of the units.

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

The residential apartments, Unit 1, 2 & 3, were completed approximately in 1951.

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):

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
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] 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 **"E"** contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

[X] None [ ] Electricity [ ] 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

[X] Specimen Sales Contract
Exhibit **"F"** contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated **November 21, 1995**
Exhibit **"G"** contains a summary of the pertinent provisions of the escrow contract.

[X] Other **Specimen Deed**

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 buyers. 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, 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 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 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.
C) Bylaws of the Association of Apartment Owners.
D) Condominium Map.
E) Escrow Agreement.
F) 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).
G) Other _____

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

This Public Report is a part of Registration No. **3454** filed with the Real Estate Commission on **11/22/95**.

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

[ ] yellow paper stock [**X**] white paper stock [ ] pink paper stock

C. Additional Information Not Covered Above

The "Olokele Avenue Condominium" is a condominium project, not a subdivision. Units 1, 2 and 3 of the project are residential townhome dwellings. The establishment of a condominium property regime does not necessarily mean that all County requirements pertaining to the subdivision of land have been met. Therefore, such facilities that are normally associated with County-approved subdivisions, such as fire protection devices, street name and signage, street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, County street maintenance and trash collection for interior road/driveways, etc. may not necessarily be provided.

The project is on land classified within the URBAN district by the State Land Use Commission and zoned Apartment A-2 by the City and County of Honolulu. The issuance by the Real Estate Commission of an effective date for this Public Report covering the "OLOKELE AVENUE CONDOMINIUM" should not be construed to mean that all State laws and County ordinances for land use and development have been satisfied.

Each owner of a unit in the project is responsible for the satisfaction of all applicable rules, regulations and requirements relating to the construction and maintenance of improvements with such unit. The Developer makes no representations, warranties or assurances relating to the ability of any owner to construct any further improvements to the apartments.

Current laws and ordinances relating to the character and use of APARTMENT A-2 ZONED lands are subject to change. Accordingly, the Developer makes no representations or warranties in this regard, and a prospective purchaser should not rely on current laws controlling the character, use and/or development of any unit within the project. Each prospective purchaser should seek competent professional counsel on his or her ability to secure and/or comply with all appropriate approvals and permits to construct improvements within a unit in the project.

Pursuant to §§16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that the Developer, Masaharu Edamura, (RS-40769), is a current and active Hawaii-licensed real estate salesperson. Pursuant to §16-99-11(c), HAR, "(n)o licensee shall advertise 'For Sale by Owner, For Rent by Owner, For Lease by Owner or For Exchange by Owner.'"

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.

LIPK HAWAII, INC.
Name of Developer

By: _____ 11/16/95
Duly Authorized Signatory — Date

MASAHARU EDAMURA President
print name & title of person signing above

Distribution:

Department of Finance, **City and County of Honolulu**
Planning Department, **City and County of Honolulu**
Federal Housing Administration

EXHIBIT "A"

DESCRIPTION OF BUILDINGS

The project consists of three (3) residential buildings, containing three (3) residential Homes ("unit"), consisting of one (1) level and no basement and constructed principally of wood, masonry, plaster, glass and related building materials.

Unit 1, located as shown on the Condominium Map, has one (1) level, with four (4) bedrooms, two (2) bathrooms, living room, dining room, family room, kitchen, bar and other improvements as shown on the Condominium Map. Unit 1 has a net living area of approximately 1,175 square feet and an entry floor area of approximately 49 square feet.

Unit 2, located as shown on the Condominium Map, has one (1) level, with two (2) bedrooms, two (2) bathrooms, living room, dining room, kitchen, bar and other improvements as shown on the Condominium Map. Unit 2 has a net living area of approximately 922 square feet and an entry floor area of approximately 49 square feet.

Unit 3, located as shown on the Condominium Map, has one (1) level, with three (3) bedrooms, one (1) bathroom, living room, dining room, kitchen and other improvements as shown on the Condominium Map. Unit 3 has a net living area of approximately 886 square feet and an entry floor area of approximately 29 square feet.

The approximate net floor areas of each unit as set forth above is measured from the interior surface of the unit perimeter walls and includes all of the walls and partitions within its perimeter walls.

NOTE: THE FLOOR AREAS SHOWN ARE APPROXIMATE ONLY. THE DECLARANT MAKE NO REPRESENTATIONS OR WARRANTIES WHATSOEVER AS TO THE FLOOR AREA OF ANY BUILDING.

EXHIBIT "B"

DESCRIPTION OF UNITS

Paragraph D.3 of the Declaration establishes the limits of the units as follows: Each unit includes, but is not limited to all interior walls and the finished surfaces of the floors and ceilings, the doors and door frames, windows and window frames, the air space within the perimeters of the unit, and all fixtures originally installed in the unit. Each unit shall not include the footings or slab on which it is constructed, any exterior walls, the common interior wall, the roof, columns or partitions, any pipes, shafts, wires, conduits or other utility or service lines running through such unit which are utilized for or serve more than one unit, the same being deemed common elements as hereinafter provided.

EXHIBIT "C"

ALTERATION OF PROJECT

Paragraph M of the Declaration provides, in part, as follows:

1. **Right to Alter**. Each unit owner shall have the right at his sole option at any time and from time to time, subject to the conditions hereinafter set forth, without the consent and/or approval of the owner of the other unit or any other persons or entity, to improve, renovate, remodel, make additions to, remove, replace, alter or restore the improvements to or in the interior of the unit or portions thereof (collectively, the foregoing are referred to as "alterations"). Each unit owner shall have the right without the consent or joinder of any other person to amend this declaration and the Condominium Map to accomplish any such alterations, provided such alterations do not impair, harm, render unstable, injure, damage, or alter the structural support system for the second floor and/or roof of the units or the interior separating wall between the units. If required by the Act, promptly upon completion of such alterations the owner of the altered unit shall duly record such amendment to this declaration in the Bureau of Conveyances, together with a complete set of the floor plans of such unit as so altered, certified by a registered architect or professional engineer to fully and accurately depict the altered portions of the property as built. If required by the Act, the Board shall be deemed to approve of all such alterations. All existing unit owners and all future unit owners and their mortgagees, by accepting an interest in a unit, consent to all such alterations and agree to give and shall be deemed to have given the owner of the altered unit a power of attorney to execute an amendment to the declaration solely for the purpose of describing the alterations to such unit in the declaration so that the owner of the altered unit shall hereafter have a power of attorney from all the other unit owners to execute such amendment to the declaration. This power of attorney shall be deemed coupled with each owner's interest in his unit (including his common interest) and shall be irrevocable.

2. **Conditions to Alteration**. Any alterations to a unit pursuant to this paragraph K shall be subject to the conditions aforesaid as well as the following conditions:

(a) All building plans for any such alterations shall conform with State and County land use, building and zoning laws and other applicable County ordinances and regulations.

(b) All such alterations shall be at the sole expense of the unit owner making the change and shall be completed within one (1) year of the commencement thereof and in a manner that will not unreasonably interfere with the other unit owner's use of his unit.

(c) The owner of the altered unit shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the unit affected by such alteration for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the project, nor shall it unreasonably interfere with the other unit owner's use or enjoyment of his unit.

(d) Each and every conveyance and lease made or created on any unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a unit shall reserve to all unit owners the rights set forth in this paragraph.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

SUBJECT, HOWEVER, to the following:

1. Title to all mineral and metallic mines reserved in the State of Hawaii.

2. Declaration of Condominium Property Regime of the Olokele Avenue Condominium dated November 18, 1995, Recorded as Document No. 95-152407.

3. Bylaws of the Association of Apartment Owners of the Olokele Avenue Condominium dated November 18, 1995, Recorded as Document No. 95-152408.

4. Condominium Map No. 3125.

5. Terms, provisions and conditions as contained in the original Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.

6. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in the original Apartment Deed, and/or as delineated on said Condominium Map.

7. Real property taxes as may be due and owing. For further information, check with the County Tax Assessor.

EXHIBIT "E"

ESTIMATED MAINTENANCE FEES

The regular maintenance and repair of each unit and appurtenant limited common elements shall be the sole responsibility of each respective unit owner. Section 514A-86, Hawaii Revised Statutes, requires that the association purchase fire insurance to cover the improvements portion of the project. The Declarant anticipates that the association will elect to obtain a blanket fire insurance policy for the units pursuant to Article 7 of the Bylaws. It is estimated that the cost of this policy will be approximately $450.00 per month. Unit owners will be responsible for obtaining any additional separate liability policies or contents coverage policies and, as such, premiums for such policies will be the individual responsibility of each unit owner. It is estimated that the cost of such policies shall be approximately $120.00 per month (payable annually).

Expenses relating to the maintenance and/or repair of all common elements, including specifically the "common access area", as shown on the Condominium Map and described in paragraph D.4 of the declaration, shall be common expenses to be shared equally by all unit owners; provided, however, that if damage to the "common access area" or other common element is caused by the negligence of any unit owner or such owner's invitees or guests, then all costs for the repair of such damage shall be charged to and the liability of such unit. It is estimated that minimum reserves for the maintenance and repair of the foregoing common elements will be established at $30.00 per month.

The Declaration provides that the total cost of these will be allocated among the apartment owners on the basis of their common interest in the condominium.

The Developer hereby certifies that the above estimates were prepared in accordance with generally accepted accounting principals. The information contained herein is based on the data available at this time.

LJPK HAWAII, INC.,
a Hawaii corporation

By _____
Its President,

EXHIBIT "F"

SUMMARY OF
CONDOMINIUM DEPOSIT RECEIPT AND SALES CONTRACT

The Condominium Deposit Receipt and Sales Contract (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy a unit in the Project. Among other things, the Sales Contract states:

(a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of a unit.

(b) That the purchaser acknowledges having received and read a public report (either preliminary or final) for the Project prior to signing the Sales Contract.

(c) That the Developer makes no representations concerning rental of a unit, income or profit from a unit, or any other economic benefit to be derived from the purchase of a unit.

(d) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(e) Requirements relating to the purchaser's financing of the purchase of a unit.

(f) That the unit and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change these documents under certain circumstances.

(g) That the Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.

(h) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

(i) That the purchaser will not receive interest on deposits made under the Sales Contract.

The Sales Contract contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen Sales Contract on file with the Real Estate Commission.

EXHIBIT "G"

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

(a) Escrow will let the purchaser know when payments are due.

(b) Escrow will arrange for the purchaser to sign all necessary documents.

(c) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. It is incumbent upon purchasers and prospective purchasers to read with care the executed Escrow Agreement on file with the Real Estate Commission.