

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Co-Developer Christine Myung Suk Shin Yin
Address 2038 Divisadero Street, Apartment 304, San Francisco, CA 94115
Co-Developers Joel Cavasso, Marnie McClain, Maunawili House Joint Venture
Address c/o Century 21 Kailua Beach Realty, 130 Kailua Rd, Kailua, HI 96734
Project Name(*): 916 Auloa Road
Address: 916 Auloa Road, Kailua, Hawaii 96734

Registration No. 3635 Effective date: November 19, 1996
(Partial Conversion) Expiration date: December 19, 1997

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:

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

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

N/A SUPPLEMENTARY: This report updates information contained
(pink) 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 _____.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

- No prior reports have been issued by the developer.
- Changes are made as follows:

Special Notice:

This is a CONDOMINIUM PROJECT, not a subdivision. There are County restrictions on the number of residential dwelling units, or other structures, which may be built on the property.

1. There are presently two (2) RESIDENTIAL STRUCTURES ON THE PROPERTY.
2. This public report does not constitute an approval of the project by the Real Estate Commission or any other government agency, nor does it warrant that all applicable county codes, ordinances, and subdivision requirements have necessarily been complied with.
3. 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.
4. Facilities and improvements normally associated with county-approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as County street maintenance and trash collection may not be available for interior roads and driveways.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

TABLE OF CONTENTS

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	5
Real Estate Broker	5
Escrow Company	5
General Contractor	5
Condominium Managing Agent	5
Attorney for Developer	5
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	6
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	8
A. Interest to be Conveyed to Buyer	9
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	17
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	18
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
EXHIBIT A: DEVELOPER'S RIGHT TO AMEND DOCUMENTS	
EXHIBIT B: PERMITTED USES BY ZONING	
EXHIBIT C: SPECIAL USE RESTRICTIONS	
EXHIBIT D: PERMITTED ALTERATIONS	
EXHIBIT E: PARKING STALLS	
EXHIBIT F: LETTER FROM BUILDING DEPARTMENT	
EXHIBIT G: ARCHITECT'S STATEMENT	
EXHIBIT H: LIMITED COMMON ELEMENTS	
EXHIBIT I: ENCUMBRANCES AGAINST TITLE	
EXHIBIT J: DEVELOPER'S RESERVATION	
EXHIBIT K: ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS	
EXHIBIT L: SUMMARY OF SALES CONTRACT	
EXHIBIT M: SUMMARY OF ESCROW 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 up 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

The four

Co-Developers are: Christine Myung Suk Shin Yin Phone: (415) 771-0280
Name (Business)
2038 Divisadero Street, Apartment 304
Business Address
San Francisco, California 94115

Joel Cavasso, Marnie McClain, Maunawili House Joint Venture
Name
c/o Century 21 Kailua Beach Realty, 130 Kailua Road
Business Address Phone: (808) 263-6000
Kailua, Hawaii 96734 (Business)

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

Maunawili House Joint Venture: J-Mar Construction, Inc. (general partner) and Maunawili Plantation House, Inc. (general partner)

Real Estate
Broker:

Creative Industries, Inc. Phone: (808) 377-1574
Name (Business)
4400-4 Kalaniana'ole, Suite 188
Business Address
Honolulu, Hawaii 96821

Escrow
Company:

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

General
Contractor:

J-Mar Construction, Inc. Phone: (808) 262-5835
Name (Business)
111A Hekili Street, Box 199
Business Address
Kailua, Hawaii 96734

Condominium
Managing
Agent:

Self-managed by the Phone: N/A
Name (Business)
Association of Apartment Owners
Business Address

Attorney for
Developer:

Marjorie C.Y. Au Phone: (808) 539-0400
Name (Business)
Ashford & Wriston, P.O. Box 131
Business Address
Honolulu, Hawaii 96810

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. 96-118164
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]:

N/A

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 2448
 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]:

N/A

- 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. 96-118165
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]:

N/A

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 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: _____

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 OF 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 lessees 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: 916 Auloa Road Tax Map Key: (1)4-2-12:015, 016
Kailua, Hawaii 96734 (TMK)

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

Land Area: 8.555 [] square feet [✓] acre(s) Zoning: A-2

Fee Owner: Christine Myung Suk Shin Yin
Name

2038 Divisadero Street, Apartment 304
Address

San Francisco, CA 94115

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: 5 Floors Per Building 1

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Apartments A and B are constructed principally of wood, concrete and glass. Apartments C, D and E are constructed principally of wood.

4. Permitted Uses by Zoning:

	<u>No. of Use Permitted</u> <u>Apts. By Zoning</u>			<u>No. of Use Determined</u> <u>Apts. By Zoning</u>		
<input checked="" type="checkbox"/> Residential*	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Agricultural	_____	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No	<input checked="" type="checkbox"/> Other*: <u>Accessory Shed</u>	<u>3</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes No

*Exhibit B contains further explanations.

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:

Pets: Article V § 2(i) of the Bylaws prohibits keeping, breeding or using pets for a commercial purpose and requires owners to indemnify the association for loss or liability related to pets.

Number of Occupants: _____

Other: Exhibit C contains further explanations.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio(sf)</u>	
<u>A</u>	<u>1</u>	<u>3/1</u>	<u>1,000</u>	<u>933</u>	
<u>B</u>	<u>1</u>	<u>3/1</u>	<u>990</u>	<u>1,248</u>	
<u>C (shed)</u>	<u>1</u>	<u>0</u>	<u>100</u>	<u>---</u>	
<u>D (shed)</u>	<u>1</u>	<u>0</u>	<u>100</u>	<u>---</u>	
<u>E (shed)</u>	<u>1</u>	<u>0</u>	<u>100</u>	<u>---</u>	NOTE: Apt. E accessory use to D. See Exhibit B.

Total Apartments: 5 HOWEVER, up to 96 additional units may be built by the Developer. See page 16 and Exhibit J.

*Net Living Area is the floor area of the apartment 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: The exterior surface of the building in which the apartment is located including any exterior fixtures installed in such apartment for its exclusive use.

Permitted Alterations to Apartment: Exhibit D contains an explanation as to permitted alterations.

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	_____✓_____	_____	_____
Structures	_____✓_____	_____	_____
Lot	_____✓_____	_____	_____

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 structure. 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:

The following portions of the Project are hereby designated as and herein called the "common elements", including specifically but not limited to:

- (a) The land described herein in fee simple;
- (b) All pipes, wires, conduits or other utility or service lines running through one apartment or house site which are utilized for or serve more than one apartment or house site and any other appurtenant installations for common services; and
- (c) The driveway areas that provide access to Auloa Road.

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 H

as follows:

Note: Land areas referenced herein are NOT legally subdivided lots.

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

described in Exhibit _____

as follows:

Each apartment has an undivided 20% common interest.

If Declarant exercises her right to construct an additional phase as set forth in Section W of the Declaration, the common interest appurtenant to each apartment shall be recalculated upon the completion of construction of such additional phase, so that each apartment has an equal common interest; provided, however, that in no event shall an owner's common interest be less than one percent (1%) or more than twenty percent (20%). See item no. 4, Exhibit J.

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 I describes the encumbrances against the title contained in the title report dated August 26, 1996 and issued by Title Guaranty of Hawaii, Incorporated.

Blanket Liens:

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

- [] There are no blanket liens affecting title to the individual apartments.
[✓] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
1. Mortgage dated December 9, 1992, filed as Land Court Document No. 1980348 and recorded at the Bureau of Conveyances as Document No. 92-204623 in favor of Finance Factors, Limited.	If the lender forecloses on the mortgage, a purchaser will receive a full refund of all deposits, less escrow cancellation fee.
2. Mortgage, Security Agreement and Financing Statement dated November 24, 1993 and recorded in said Bureau as Document No. 93-199905 in favor of Maunawili Homes Company.	If the lender forecloses on the mortgage, a purchaser will receive a full refund of all deposits, less escrow cancellation fee.

F. Construction Warranties:

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

1. Building and Other Improvements:

The apartments will be sold together with appliances and other personal property in an "AS IS" condition, without benefit of warranties. The buyers may have their architects, engineers and other professionals examine the apartments with sufficient thoroughness to enable the buyers to decide if they want to purchase the apartments. The purchase of the apartments by the buyers shall be deemed to include (1) a complete and comprehensive assumption of all liabilities arising with respect to the apartments from and after closing, including all claims based on faulty planning, design, engineering, construction, or defective materials or workmanship; and (ii) a **release and discharge** of the sellers, their respective heirs, assigns, devisees and personal representatives, from all claims, obligations and liabilities arising out of the condition of the apartments, and any disclosures made or not made with respect thereto. The buyers recognize that the foregoing itemization of potential claims or liabilities is not intended to be exclusive, or to limit the generality of the buyers' acceptance of the apartments in an "AS IS" condition, given the most expansive interpretation of those words.

2. Appliances:

The buyers will have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartments.

G. Status of Construction and Estimated Completion Date:

Construction has been completed.

Apartment A was constructed in 1950, but relocated onto the property in October 1993, with major improvements made in 1996.

Apartment B was constructed in 1960, but relocated onto the property in April 1996, with major improvements made in 1996.

Apartments C, D and E were constructed in 1996.

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):

The developer has reserved the right to build up to 96 additional apartments on the yard area appurtenant to Apartment E. These additional apartments may be constructed as a multi-story, multi-family residential structure and could be designated for use as a retirement home. The developer's plans for this area, however, are not yet determined. The developer's right to construct such additional apartments is conditioned upon applicable zoning and other laws.

Exhibit J contains further explanation of the rights reserved by the developer.

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 K 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 L contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated July 23, 1996 (acknowledgement date)

Exhibit M 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.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules. **(not applicable)**
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

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 Cashiers 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. 3635 filed with the Real Estate Commission on October 14, 1996.

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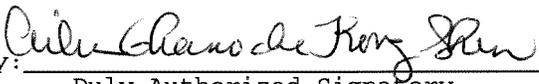
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C. Additional Information Not Covered Above

1. Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that the President of Maunawili Plantation House, Inc., a general partner of Maunawili House Joint Venture, one of the co-developers, is Joel L. Cavasso, RB13463, a current and active Hawaii-licensed real estate broker. Pursuant to section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."
2. Subsequent to the signing of the Declaration and Bylaws for this project on July 31, 1996 by Christine Myung Suk Shin Yin ("Yin"), the sole owner of the land, the other three Co-developers listed in this Public Report entered into a Development Agreement (dated October 11, 1996) with Yin, thereby accepting joint and several responsibility as developers of the project.

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.

1. Christine Myung Suk Shin Yin
Name of Co-Developer

By:  11-14-96
Duly Authorized Signatory Date

Aileen Chanoche Kong Shin,
Attorney-in-Fact for Christine Myung Suk Shin Yin
print name & title of person signing above

2. Joel Cavasso
Name of Co-Developer

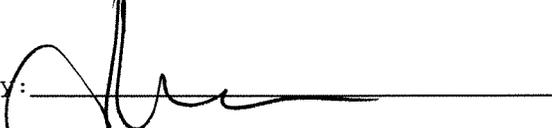
 11/12/96
Date

3. Marnie McClain
Name of Co-Developer

 11-12-96
Date

4. Maunawili House Joint Venture
Name of Co-Developer

By J-Mar Construction, Inc., its general partner

By:  11/12/96
Date

Jeff Hillman, President of J-Mar Construction, Inc.
print name and title of person signing above

By Maunawili Plantation House, Inc., its general partner

By:  11/14/96
Date

Joel Cavasso, President of Maunawili Plantation House, Inc.
print name and 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

DEVELOPER'S RIGHT TO AMEND DOCUMENTS

Paragraph W of the Declaration states in pertinent part:

Declarant reserves the right to construct an additional phase of the Project on the land designated as a limited common element appurtenant to Apartment E at such time as the zoning and other applicable laws, ordinances, rules and regulations permit the construction of additional dwellings within the Project. Such additional phase shall consist of no more than ninety-six (96) apartments and may, at Declarant's election, include additional area designated as common elements for the use of all of the apartment owners and limited common elements appurtenant to and for the exclusive use of the designated apartments. Declarant shall complete the construction of the additional phase in compliance with all applicable laws, ordinances, rules and regulations. In connection with Declarant's reservation of the right to construct an additional phase, Declarant shall have the right to amend or create any document required pursuant to the Condominium Property Act to reflect the construction of the additional phase or the exercise of Declarant's rights set forth herein and to file amendments to the Declaration for purposes of certifying condominium maps filed as reflecting the improvements shown therein to be "as built".

Each owner, by accepting the conveyance of an apartment in any manner hereby appoints Declarant as its true and lawful attorney-in-fact for the purpose of amending or creating any instrument required pursuant to the Condominium Property Act to reflect the construction of the additional phase. This power of attorney granted to Declarant shall not be affected by any subsequent mental, physical or emotional disability of any owner. Each owner covenants that on the request of Declarant, owner shall execute, acknowledge and deliver any instrument necessary or appropriate for the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by this Section W. Declarant shall also have the irrevocable right to amend any instrument required pursuant to the Condominium Property Act so as to result in one amended Declaration, Bylaws, if necessary, and Condominium Map for all phases constructed for the sole purpose of showing the Project with a consolidated description of the Land, buildings, apartments, common elements, limited common elements and common interests, without otherwise changing the form or content of this Declaration and Bylaws except for amendments required by law. The amendment to the Declaration, Bylaws, if necessary, and Condominium Map shall need only the signature of Declarant on behalf of itself and on behalf of all owners, as such owners' attorney-in-fact. The amendment shall be effective only upon filing in the Bureau of Conveyances of the State of Hawaii. Upon such filing, Declarant shall provide a copy of such amendment to each owner at his or her last known address by certified mail. If more than one person owns an apartment, the mailing of the amendment to any one of the owners shall suffice.

EXHIBIT B

PERMITTED USES BY ZONING

Residential apartments are currently limited to use as "farm dwellings" as set forth in the Land Use Ordinance for the City and County of Honolulu, and, as to Apartment A, as specifically set forth in the Affidavit recorded at the Bureau of Conveyances of the State of Hawaii as Document No. 96-041701.

Apartment E is limited to use as an accessory use of Apartment D. As such, the structure of Apartment E cannot fall outside of a 5,000 square foot polygon encompassing both Apartment D and Apartment E, pursuant to the Land Use Ordinances for the City and County of Honolulu currently in effect and applicable to the Property.

Interested purchasers of these Apartments should consult a land use professional prior to purchasing these apartments.

EXHIBIT C

SPECIAL USE RESTRICTIONS

Paragraph H of the Declaration states:

Until such time that the land is reclassified to a land use district other than agricultural, or is otherwise rezoned, Apartments A, B, C and D shall be occupied and used as "farm dwellings," by the respective owners thereof, their tenants, families, domestic servants and guests, in accordance with applicable law. If such reclassification or rezoning shall occur, then Apartments A, B, C and D shall be occupied and used in accordance with the uses permitted by law; provided; however, that each apartment shall be occupied and used primarily as a residential dwelling. For purposes of this Section, "farm dwelling" means a dwelling located and used in connection with a farm where agricultural activity provides income to the family occupying the dwelling, as such definition appears in the Land Use Ordinances for the City and County of Honolulu and as such definition is amended from time to time. The owners of the respective apartments shall have the absolute right to rent or lease such apartments for such durations of time as they shall deem appropriate, subject to all provisions of this Declaration and the Bylaws hereafter described; provided, however, that the initial term of any rental agreement or lease shall be at least thirty (30) days or such longer period as may be required under applicable law. All rental agreements and leases shall be in writing. Apartment E is limited to use as a storage shed or other accessory use, as such use is defined in the Land Use Ordinances for the City and County of Honolulu applicable to the property. If Declarant exercises her right to construct an additional phase, Declarant shall amend the Declaration to permit the same uses for Apartment E as provided in this paragraph for Apartments A, B, C and D, pursuant to Declarant's right to make such amendment set forth in Section W of the Declaration.

EXHIBIT D

PERMITTED ALTERATIONS

Paragraph V of the Declaration states:

Additions to or alterations of an apartment made within an apartment or within a limited common element appurtenant to and for the exclusive use of such apartment shall be permitted to be done by the apartment owner, and upon completion of any addition or alteration which changes the floor plan of an apartment or limited common element, such owner shall cause a copy of the revised floor plan of the apartment or limited common element affected to be recorded, at the expense of the owner of such apartment, as an amendment of the Declaration and said Condominium Map. Non-material structural additions to the common elements shall be permitted to be done by an apartment owner with the consent of the Board, and upon completion of any work that changes the floor plan of an apartment or limited common element the Board shall cause a copy of such revision to be recorded, at the expense of the owner performing such work, as an amendment to the Declaration and said Condominium Map. The owners expressly acknowledge such rights of the owners and the Board and hereby consent to any amendment made necessary by the exercise of such rights in accordance with this Section and such amendments may be accomplished and recorded with the signature of the owner performing the work or the Board, when such work is subject to Board approval. "Non-material structural additions to the common elements", as used herein, shall mean a structural addition to the common elements which does not jeopardize the soundness or safety of the property, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any non-consenting owner of the use or enjoyment of any part of property or directly affect any non-consenting owner.

All alterations or additions to the Project, the common elements, an apartment, or a limited common element shall be done in accordance with all applicable laws, ordinances, rules, regulations and codes ("Laws"). Any apartment owner who makes an alteration or addition to his or her apartment or the limited common element appurtenant thereto shall indemnify, defend and hold harmless the Association against any and all claims, liability, loss, cost, expense, injury or damages ("Claims") arising from such alteration or addition including without limitation Claims arising from failure to observe applicable Laws.

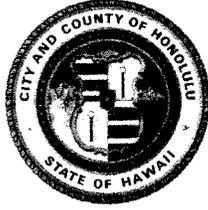
EXHIBIT E
PARKING STALLS

Apartments A and B have two parking stalls each as shown on the Condominium Map and located on the yard area appurtenant to each apartment as a limited common element.

Apartments C, D and E are not residential units and do not have parking stalls specifically assigned to them. Each apartment, however, has sufficient yard area appurtenant to it as a limited common element on which parking stalls may be located.

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813



JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI
DIRECTOR AND BUILDING SUPERINTENDENT

ISIDRO M. BAQUILAR
DEPUTY DIRECTOR AND BUILDING SUPERINTENDENT

Ex96-67

June 27, 1996

Mr. Clifford P. S. Shin
Creative Industries, Inc.
4400-4 Kalaniana'ole Highway, Suite 188
Honolulu, Hawaii 96821

Dear Mr. Shin:

Subject: Condominium Conversion Project
916 and 916A Auloa Road
Tax Map Key: 4-2-12: 15

This is in response to your letter dated May 16, 1996 requesting verification that the dwellings located at the above-mentioned addresses met all applicable code requirements at the time of construction.

Investigation revealed the two one-story single-family dwellings were relocated onto the property with building permits Nos. R-3065 and R-3117 dated October 28, 1993 and April 10, 1996, respectively. Presently the two dwellings are being renovated with building permits Nos. 386509 and 387732. There are no all-weather surface or crushed rock off-street parking spaces or driveways.

Investigation also revealed that Subdivision 95-30 was approved on March 21, 1996 to divide the property into two lots, Lot 110-D1 and Lot 110-D2. The two dwellings are located on Lot 110-D1, and Lot 110-D2 is vacant. Lot 110-D2 has a new tax map key (4-2-12: 16).

EXHIBIT F

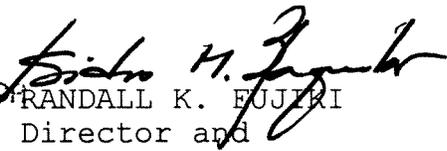
Mr. Clifford P. S. Shin
June 27, 1996
Page 2

For your information, the Building Department cannot determine whether this project contains any legal nonconforming use or structures as a result of the adoption or amendment of any ordinances or codes.

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

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

Very truly yours,


RANDALL K. FUJIKI
Director and
Building Superintendent

Subscribed and sworn to
before me this 1st day of
July, 1996.



Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1999

EXHIBIT G
STATEMENT

To: Whom It May Concern

From: Hideo Kobayashi
Professional Architect, License No. A-1355
State of Hawaii

Subject: Inspection of buildings located at:

916 AULOA ROAD CONDOMINIUM PROJECT
916 Auloa Road, Kailua, Hawaii
TMK:(1)4-2-12:15&16

I have inspected the subject property to ascertain the general condition of the buildings and have found the following:

1. The buildings generally are in good structural condition.
2. The mechanical and electrical installations material to the use and enjoyment of the project appears to meet code requirements and are in good working condition.



HIDEO KOBAYASHI

8-7-96

Date

EXHIBIT H

LIMITED COMMON ELEMENTS

Subparagraph D.3 of the Declaration states:

3. Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

- (a) Apartment A: The land over which Apartment A is constructed and the area surrounding Apartment A, as delineated on the Condominium Map by dashed lines and labelled "Yard A", and the parking areas located thereon and shown as triangles on the Condominium Map are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (b) Apartment B: The land over which Apartment B is constructed and the area surrounding Apartment B, as delineated on the Condominium Map by dashed lines and labelled "Yard B", and the parking areas located thereon and shown as triangles on the Condominium Map are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (c) Apartment C: The land over which Apartment C is constructed and the area surrounding Apartment C, as delineated on the Condominium Map by dashed lines and labelled "Yard C", are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (d) Apartment D: The land over which Apartment D is constructed and the area surrounding Apartment D, as delineated on the Condominium Map by dashed lines and labelled "Yard D", are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (e) Apartment E: The land over which Apartment E is constructed and the area surrounding Apartment E, as delineated on the Condominium Map by dashed lines and labelled "Yard E", are designated as the limited common element appurtenant to and for the exclusive use of such apartment.
- (f) The driveway as shown on the Condominium Map and labelled "Driveway" is a limited common element appurtenant to and for the exclusive use of Apartments A and B.
- (g) The driveway area as shown on the Condominium Map and labelled "Access and Utility Easement" is a limited common element appurtenant to and for the exclusive use of Apartments C, D and E.

The limited common elements shall only be used for purposes permitted by applicable law.

EXHIBIT I

ENCUMBRANCES AGAINST TITLE

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Designation of Easement "23", shown on File Plan No. 914 for the purpose of sanitary sewer.
3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration dated February 4, 1991, and recorded in said Bureau as Document No. 91-015359, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons.
4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration dated April 14, 1991, and recorded in said Bureau in Liber 16316, at Page 360, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons.
5. Mortgage dated December 9, 1992, recorded in said Bureau as Document No. 92-204623 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1980348 in favor of FINANCE FACTORS, LIMITED, a Hawaii corporation, as amended by instrument dated January 17, 1995, recorded in said Bureau as Document No. 95-012154 and filed in said Office as Land Court Document No. 2214814.
6. Mortgage, Security Agreement and Financing Statement dated November 24, 1993, recorded in said Bureau as Document No. 93-199905 in favor of MAUNAWILI HOMES COMPANY, a Hawaii general partnership.
7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration dated March 8, 1995, and recorded in said Bureau as Document No. 95-061608, but omitting any covenant or restriction based on race, color, religion, sex, handicap, familial status or national origin, unless and only to the extent that said covenant (i) is exempt under Chapter 42, Section 3607 of the United States Code or (ii) relates to handicap but does not discriminate against handicapped persons.
8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in AFFIDAVIT dated March 28, 1996, recorded in said Bureau as Document No. 96-041701, by Christine Myung Suk Shin Yin, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit.

In addition, the property is subject to the condominium project documents noted on page 6 of this Public Report.

AS TO LOT 110-D-1 ONLY:

1. Free flowage of storm water over and across Lot 110-D-1 as may be generated, over and across Lots 110-A, 110-B, 110-C, and 110-D-2, both naturally and by the discharge from recorded easements as shown on File Plan No. 914, "Maunawili" Units 1 and 2, as set forth by instrument dated ----- and recorded on April 2, 1996 in said Bureau as Document No. 96-045184.

AS TO LOT 110-D-2 ONLY:

1. Designation of Easements "4", "5", and "6", all shown on File Plan No. 914 for the purpose of storm drain.
2. Grant dated June 15, 1965, recorded in said Bureau in Liber 5458, at Page 279, granting to the City and County of Honolulu an easement over said Easements "5" and "6".
3. Free flowage of storm water over and across Lot 110-D-2 as may be generated, over and across Lots 110-A, 110-B, 110-C, and 110-D-1, both naturally and by the discharge from recorded easements as shown on File Plan No. 914, "Maunawili" Units 1 and 2, as set forth by instrument dated ----- and recorded April 2, 1996 in said Bureau as Document No. 96-015184.
4. Designation of Easement "47", shown on subdivision map dated February 3, 1995, prepared by James R. Thompson, Registered Professional Land Surveyor, of Walter P. Thompson, Inc., for the purpose of storm drain.

EXHIBIT J

DEVELOPER'S RESERVATION

Paragraph W of the Declaration states:

1. Declarant's Rights. Declarant reserves the right to construct an additional phase of the Project on the land designated as a limited common element appurtenant to Apartment E at such time as the zoning and other applicable laws, ordinances, rules and regulations permit the construction of additional dwellings within the Project. Such additional phase shall consist of no more than ninety-six (96) apartments and may, at Declarant's election, include additional area designated as common elements for the use of all of the apartment owners and limited common elements appurtenant to and for the exclusive use of the designated apartments. Declarant shall complete the construction of the additional phase in compliance with all applicable laws, ordinances, rules and regulations. In connection with Declarant's reservation of the right to construct an additional phase, Declarant shall have the following rights:

(a) An easement over, under, into and across the common elements of the Project for the purposes of any and all work connected with or incidental to the development, construction of the additional phase and sale of apartments in the additional phase, including the right to use the limited common element identified as access and utility easement area on the Condominium Map for construction vehicle access to the construction site and the construction of utility lines to serve the additional phase of the Project on such land designated as a limited common element to Apartment E;

(b) A temporary easement until the construction of the additional phase is completed, over and upon the Project to create and cause dust, noise, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of apartments in the additional phase;

(c) The right to place signs upon the Project in conjunction with sales of apartments in the additional phase;

(d) The right to use any apartment owned by Declarant for sales or display purposes until all apartments are sold; and

(e) The right to amend or create any document required pursuant to the Condominium Property Act to reflect the construction of the additional phase or the exercise of Declarant's rights set forth herein and to file amendments to the Declaration for purposes of certifying condominium maps filed as reflecting the improvements shown therein to be "as built".

2. Declarant as Owners' Attorney-in-Fact. Each owner, by accepting the conveyance of an apartment in any manner hereby appoints Declarant as its true and lawful attorney-in-fact for the purpose of amending or creating any instrument required pursuant to the Condominium Property Act to reflect the construction of the additional phase. This power of attorney granted to Declarant shall not be affected by any subsequent mental, physical or emotional disability of any owner. Each owner covenants that on the request of Declarant, owner shall execute, acknowledge and deliver any instrument necessary or appropriate for the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by this Section W. Declarant shall also have the irrevocable right to amend any instrument required pursuant to the Condominium Property Act so as to result in one amended Declaration, Bylaws, if necessary, and Condominium Map for all phases constructed for the sole purpose of showing the Project with a consolidated description of the Land, buildings, apartments, common elements, limited common elements and common interests, without otherwise changing the form or content of this Declaration and Bylaws except for amendments required by law. The amendment to the Declaration, Bylaws, if necessary, and Condominium Map shall need only the signature of Declarant on behalf of itself and on behalf of all owners, as such owners' attorney-in-fact. The amendment shall be effective only upon filing in the Bureau of Conveyances of the State of Hawaii. Upon such filing, Declarant shall provide a copy of such amendment to each owner at his or her last known address by certified mail. If more than one person owns an apartment, the mailing of the amendment to any one of the owners shall suffice.

3. Election of New Board of Directors. A special meeting of the Association shall be called no earlier than ninety (90) days and no later than one hundred and eighty (180) days after

the date of completion of the construction of the additional phase, the existing Board shall be automatically removed and a new Board of Directors consisting of five (5) members shall be elected to govern the Project until the next annual meeting. The procedures for calling and holding such meeting is set forth in the Bylaws.

4. Recalculation of Common Interests. Upon the completion of the additional phase, the common interest appurtenant to each apartment as set forth in Section E of this Declaration shall be recalculated so that each apartment in the Project has an equal common interest and the Declaration shall be amended accordingly, pursuant to Declarant's right set forth in Subsection W.2 above.

5. Advance of Funds. Upon completion of the construction of the additional phase, each owner of an apartment in such phase shall advance to the Association an amount equal to the average existing apartment's share (calculated on the basis of existing apartments) of funds for operation of the Project, including maintenance reserve fund, on deposit with the Association immediately prior to the date of completion of construction of the additional phase.

6. Cooperation. Each owner acknowledges Declarant's right set forth herein to construct an additional phase of up to ninety-six (96) apartments. Each owner agrees to cooperate with Declarant in Declarant's efforts to obtain the necessary government approvals to construct such phase and shall not oppose Declarant's application or otherwise obstruct or interfere with Declarant's efforts to obtain such approvals.

7. Termination. The right to add an additional phase to the Project shall continue until amendments to the Declaration have been recorded by Declarant submitting such phase to the Condominium Property Act, or until twenty (20) years from the date this Declaration is recorded, if such phase has not been sooner added to the Project. Declarant's right to construct the additional phase and authority to sign documents and amend instruments to effectuate the construction of the additional phase shall not be amended, modified or terminated in whole or in part by any vote of the owners, Association or Board prior to the expiration of the time periods set forth herein or sooner relinquished and terminated by Declarant.

8. Severability. If any one or more of the provisions of this Section W shall be declared to be contrary to law, then such provision or provisions shall be null and void and shall be deemed separable from the remaining provisions of this Section W and shall in no way affect the enforceability of any other provision hereof.

EXHIBIT K
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

All costs associated with the maintenance of each apartment and its respective limited common elements are the sole responsibility of each apartment owner.

Section 514A-86, Hawaii Revised Statutes, requires that the Association of Apartment Owners purchase and maintain fire insurance to cover the improvements of the project, and that fire insurance premiums shall be a common expense.

The developer anticipates that the Association will elect to require each owner to obtain separate fire and liability insurance for his or her apartment and name the Association as an additional insured. In such case, insurance premiums will be the individual responsibility of each apartment owner.

The developer estimates the annual premiums expense for each apartment to be approximately \$639.00 and certifies that this estimate was prepared based on generally accepted accounting principals.

EXHIBIT L
SUMMARY OF SALES CONTRACT

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

1. Whether a purchaser will be obtaining a mortgage loan to cover part of the purchase price.
2. That the apartment will be subject to various other legal documents which the purchaser should examine.
3. That certain expenses, such as property taxes and insurance premiums shall be prorated as of the date of closing.
4. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
5. That the Seller may take any or all of the following actions if Buyer fails to pay the balance of the purchase price or complete the purchase.
 - a. Bring an action for damages for breach of contract.
 - b. Retain the initial deposit and all additional deposits as liquidated damages.
 - c. Hold Buyer responsible for any costs incurred in accordance with the sale contract.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

EXHIBIT M

SUMMARY OF ESCROW AGREEMENT

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

1. Escrow will arrange for purchasers to sign all necessary documents.
2. The Escrow Agreement says under what conditions a refund will be made to the purchaser:
 - a. A purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:
 - (i) Developer and the purchaser shall have requested Escrow in writing to return to the purchaser the funds of the purchaser held hereunder by Escrow; or
 - (ii) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or
 - (iii) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised such purchaser's right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or
 - (iv) The purchaser has exercised such purchaser's right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.
3. If a purchaser defaults under a Sales Contract, purchaser's funds will be held by Escrow as the funds of the Developer.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.