

**CONDOMINIUM PUBLIC REPORT**

Prepared & Issued by: Developer JOHN C. DEAN, JR. and ALICE S. DEAN, Co-Trustees of the  
John C. Dean Jr. 1994 Revocable Trust and ANN ROSE WELLS  
Address c/o 1220 Pauahi Tower, 1001 Bishop St. Honolulu HI 96813

Project Name(\*): HALE MAKAPU'U  
Address: 41-467 Kalaniana'ole Highway, Waimanalo, HI 96795

Registration No. 4167  
(conversion)

Effective date: July 1, 1999  
Expiration date: August 1, 2000

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY:**  
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
  - FINAL:**  
(white) The developer has legally created a condominium and has filed 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 \_\_\_\_\_
  - SUPPLEMENTARY:**  
(pink) This report updates information contained in the:  
 Preliminary Public Report dated: \_\_\_\_\_  
 Final Public Report dated: \_\_\_\_\_  
 Supplementary Public Report dated: \_\_\_\_\_
- And  Supersedes all prior public reports.  
 Must be read together with \_\_\_\_\_  
 This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

(\*) Exactly as named in the Declaration

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report

Not Required - Disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

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

No prior reports have been issued by the developer.

Changes made are as follows:

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### **General Information On Condominiums**

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

### **Operation of the Condominium Project**

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

**I. PERSONS CONNECTED WITH THE PROJECT**

Developer: John C. Dean, Jr. & Alice S. Dean, Trustees of the  
John C. Dean Revocable Tr. Phone: (808) 531-5007  
Name and Ann Rose Wells (Business)  
c/o 1220 Pauahi Twr. 1001 Bishop St.  
Business Address  
Honolulu, Hawaii 96813

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

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

Real Estate  
Broker: None. See page 20 Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Escrow: First Hawaii Title Corp. Phone: (808) 486-8885  
Name (Business)  
98-450 Kamehameha Hwy.  
Business Address  
Pearl City, Hawaii 96782

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

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

Attorney for  
Developer: Stanley M. Morishige Phone: (808) 531-5007  
Name (Business)  
1220 Pauahi Twr. 1001 Bishop St.  
Business Address  
Honolulu, Hawaii 96813

**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. 98-157106  
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]:

- 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. 2812  
 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  
 Recorded - Bureau of Conveyances: Document No. 98-157107  
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                       Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

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

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

2. **Developer:**

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

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

Under paragraph 17 of the Declaration of Condominium Property Regime ("Declaration") the Developer reserves the right to amend the Declaration, Condominium Map and the By-Laws at anytime prior to the recordation of the first unit deed demising a unit to a party not a signatory to the execution of the Declaration, without the consent of or joinder of any purchaser of any of the units.

**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 Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per:  Month  Year

For Sub-leaseholds:

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 Sub-leasehold:

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

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

Lease Term Expires: \_\_\_\_\_ Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:  Monthly  Quarterly  
 Semi-Annually  Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per:  Month  Year

Other:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

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

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

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

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

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

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

**B. Underlying Land:**

Address: 41-467 Kalaniana'ole Highway Tax Map Key (TMK): 1/4-1-1-8 cpr  
Waimanalo HI 96795  
 Address  TMK is expected to change because \_\_\_\_\_

Land Area: 20,001  square feet  acre(s) Zoning: R-10

John C. Dean, Jr. & Alice S. Dean, Trustees of the  
John C. Dean Jr. Trust, and Ann Rose Wells

Fee Owner: \_\_\_\_\_

Name

c/o 1220 Pauahi Twr. 1001 Bishop St.

Address

Honolulu, Hawaii 96813

Lessor: N/A

Name

Address

**C. Buildings and Other Improvements:**

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

2. Number of Buildings: 3 Floors Per Building 2

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other \_\_\_\_\_

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
<input checked="" type="checkbox"/> Residential	<u>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 type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

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

Yes  No

5. Special Use Restrictions:

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

No livestock, poultry, rabbits, parrots or other animals,  
 Pets: except one dog or cat shall be permitted for each apartment.

Number of Occupants: \_\_\_\_\_

Other: See Exhibit "A" attached

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>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>A</u>	<u>1</u>	<u>3/2</u>	<u>2,800</u>	<u>62</u>	<u>lanai</u>
<u>B</u>	<u>1</u>	<u>3/4</u>	<u>2,902</u>	<u>397</u>	<u>lanais</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment:

The boundaries of each apartment shall be the outside surfaces of the exterior walls and the roof and the bottom surfaces of the footings and foundations of each dwelling unit.

Permitted Alterations to Apartments:

See Exhibit "B" attached hereto.

7. Parking Stalls:

Total Parking Stalls: 6

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)		<u>3</u>					<u>6</u>
Guest							
Unassigned							
Extra for Purchase							
Other: _____							
Total Covered & Open:	<u>6</u>		<u>0</u>		<u>0</u>		<u>6</u>

Each apartment will have the exclusive use of at least 3 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 "C" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool       Storage Area       Recreation Area
- Laundry Area       Tennis Court       Trash Chute/Enclosure(s)
- Other: \_\_\_\_\_

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

- There are no violations.       Violations will not be cured.
- Violations and cost to cure are listed below:       Violations will be cured by \_\_\_\_\_  
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

(For conversions of residential apartments in existence for at least five years):

Approximately 30 years with a proper maintenance program

11. Conformance to Present Zoning Code

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

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

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

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

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

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

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

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

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

described in Exhibit   "D"  .

as follows:

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 "E" \*

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 "F".

as follows:

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

Exhibit "G" describes the encumbrances against the title contained in the title report dated March 10, 1999

and issued by First Hawaii Title Corporation

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>
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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: None

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

Apartment A was completed in 1990

Apartment B was completed in 1991

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
- 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, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

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

Exhibit J 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
- Gas
- Water
- Other \_\_\_\_\_
- Electricity ( \_\_\_\_\_ Common Elements only \_\_\_\_\_ Common Elements & Apartments)
- Sewer
- Television Cable

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 H contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated (undated)  
Exhibit I contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other \_\_\_\_\_

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

This Public Report is a part of Registration No. 4167 filed with the Real Estate Commission on April 29, 1999.

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

- YELLOW paper stock       WHITE paper stock       PINK paper stock

C. Additional Information Not Covered Above

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

Disclosure regarding selection of Real Estate Broker:

The developer has not selected a real estate broker for the sales of apartments in the project.

In the event the Developer chooses a real estate broker for the sale of an apartment, prior to entering into a binding contract for such a sale the Developer shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed disclosure abstract identifying the designated broker, and (2) provide a copy of the disclosure abstract together with a copy of this public report.

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*****
*
*           SPECIAL ATTENTION
*
* 1. The Developer makes no warranties as to the buildings
*    and other improvements. See page 15 of this report.
*
* 2. 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.
*
* 3. This public report does not constitute approval of the
*    Project by the Real Estate Commission, or any other
*    government agency, nor does it ensure that all applicable
*    County codes, ordinances, and subdivision requirements
*    have necessarily been complied with.
*
* 4. The Developer does not intend to sell the units and they
*    are using the units for their own enjoyment and not as a
*    rental.
*
* THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW
* THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT
* FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.
*
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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.

John C. Dean, Jr. and Alice S. Dean, Co-Trustees of the John C. Dean, Jr. 1994 Revocable Trust Agreement and Ann Rose Wells

\_\_\_\_\_  
Printed Name of Developer

By: Ann Rose Wells March 18, 1999  
~~Duly Authorized Signatory~~ Date

ANN ROSE WELLS \_\_\_\_\_  
ALICE S. DEAN, Trustee

JOHN C. DEAN, JR. Trustee ALICE S. DEAN, Trustee

\_\_\_\_\_  
Printed Name & Title of Person Signing Above

Distribution:

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

EXHIBIT "A"

1. No Apartment owner or occupant shall place, store or maintain in the walkways, grounds or other common elements of similar nature (except the limited common elements) any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.

2. Every Apartment owner and occupant shall at all times keep his Apartment and limited common elements appurtenant thereto in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.

3. No Apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of his Apartment or the Project nor alter or furniture, furnishings or equipment of the common elements.

4. No Apartment owner or occupant shall erect or place in the Project any structure, including fences and walls, nor make any additions or alterations to any common or limited common elements of the Project, nor place or maintain thereon any signs, posters or bills whatsoever, except in accordance with plans and specifications prepared by a licensed architect if so required by the Board and approved in writing by the Board and a majority of Apartment owners (or such larger percentage required by law or the Declaration) including all owners of Apartments thereby directly affected, as determined by the Board.

5. No Apartment owner shall decorate, change the appearance, alter, add, renovate or replace any entrance, door, screen, window or wall, except in accordance with standards therefor established by the Board of Directors, by Rules and Regulations or otherwise, or specific plans approved in writing by the Board.

6. All occupants shall avoid making noises and using musical instruments, radios, televisions and amplifiers in such manner as may disturb other occupants.

7. No garments, rugs, brooms, mops or other such objects shall be hung from the windows or facades of the Project or placed so that they are visible from outside of the building.

8. No rugs or other objects shall be dusted or shaken from the windows of any Apartment.

9. All refuse, garbage or trash of any kind shall be thrown, placed or kept in proper disposal facilities provided for such purpose.

10. Except in accordance with standards therefor

established by the Board or specific plans approved in writing by the Board: only those items or devices supplied or installed by Developer, including, without limitation, awnings, screens, windbreaks, antennae and air conditioning units, shall be permitted; no wiring for electrical or telephone installations, machines or air conditioning units, or other items or devices may be installed so as to be visible from the outside of a Dwelling unit; and no projection or object shall extend through any door or window into any common area, or beyond the exterior face of the Dwelling unit;

11. Nothing shall be allowed, done or kept in any Apartment or common element of the Project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

12. No Apartment owner or occupant shall erect, place, maintain or allow any television or other antennae on the Project visible from any point outside of his Apartment, except as provided by the Board.

13. No Apartment owner or occupant shall attach materials or substances, including but not limited to "sun screens", film, or any other application, to the interior or exterior surface of the windows of an Apartment.

14. The Apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants, and social guests, and for no other purpose. The Apartments shall not be rented for transient or hotel purposes, which are defined as (i) rental for any period less than thirty (30) days; or (ii) any rental in which the occupants of an Apartment are provided customary hotel services, such as room service for food and beverage, maid service, laundry and linen, or bellboy service. Neither the Apartments nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an Apartment or Apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Except for such transient, hotel or time-sharing purposes, the owners of the respective Apartments shall have the right to occupy and use such Apartments for residential purposes, subject to all provisions of this Declaration, the Bylaws, and as further provided hereinbelow.

15. The owner of an Apartment shall not use the same for any purpose which will injure the reputation of the Project. Such owner shall not suffer anything to be done or kept in said Apartment or elsewhere which will jeopardize the soundness or safety of his Apartment, the building, or the Project or any part thereof; or which will interfere with or unreasonably disturb the rights of other owners or occupants; or which will increase the rate of fire insurance on the Project, building, or the contents thereof; or which will reduce the value of the building.

16. The owner of an Apartment shall not lease less than his entire Apartment. Any lease agreement shall be required to provide that the terms of the lease shall be subject in all respects to the provisions of this Declaration, the Bylaws, and the Rules and Regulations promulgated thereunder and that the failure by the Lessee to comply with the terms of such documents shall be a default under the lease. All leases shall be in writing.

END OF EXHIBIT "A"

EXHIBIT "B"

1. ALTERATION AND TRANSFER OF INTEREST. The interest and easements appurtenant to each Apartment shall have a permanent character, shall not be altered without the prior written consent of the owners of all of the Apartments affected and the holders of any first mortgages on such Apartments as shown in the Association's record of ownership, or who shall have given the Board notice of their interest through the Secretary of the Association or the Managing Agent, as expressed in an amendment to this Declaration duly recorded, and shall not be separated from such Apartment and shall be deemed to be conveyed, leased, subleased, or encumbered with such Apartment even though not expressly mentioned or described in the conveyance or other instrument. The limited common and common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by Chapter 514A of the Hawaii Revised Statutes.

2. ALTERATION OF PROJECT. Except as otherwise expressly set forth above, restoration or replacement of any common element shall be undertaken by the Association or any apartment owner only pursuant to an amendment of this Declaration, duly executed by or pursuant to the affirmative vote of not less than seventy five percent (75%) of the apartment owners and accompanied by the written consent of all apartment owners and in accordance with complete plans and specifications therefor first approved in writing by the Board and promptly upon completion of such restoration, replacement, or construction, the Association shall duly record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. Subject to the foregoing and the provisions of Section 514A-89 of the Act, each apartment owner, with the consent of his mortgagee, if any, shall have the right at his sole option at any time, without consent of anyone other than the holders of all liens affecting his apartment, to make nonmaterial structural improvements on his dwelling unit, or to make improvements to the apartment space appurtenant to his dwelling unit, subject to the foregoing:

A. All building plans for any such change shall be prepared by a licensed architect or professional engineer and conform with County building or zoning laws and other City and County ordinances.

B. The value of the apartment after such change will not be less than the value before such change.

C. No change to a apartment will be made outside the apartment space on which the apartment is situated; no change will reduce the distances between improvements placed on each apartment space to less than what it was originally as shown on said Condominium Map; and no change will exceed the dwelling unit's coverage of the land as defined by the Zoning Ordinances of the

City and County of Honolulu in effect when the change is to be made. The proportionate share of each apartment shall be the same as it's interest in the common interest.

D. All changes shall be at the sole expense of the apartment owner making the change and prior to commencement of construction, the owner making the change shall give reasonable assurances to the Association of the owner's financial ability to complete and pay for the change.

E. At all times during the construction, the owner shall procure and pay for a builder's all risk insurance in an amount not less than the estimated cost of construction. The Association shall be an additional insured under said policy.

F. The owner of any changed apartment shall have the right without the consent or joinder of any other person to amend and shall be required to amend the Declaration and the Condominium Map to accomplish any such changes. If required to by the Act, then promptly upon completion of such changes, the Apartment owner of the changed apartment shall duly record any amendment to this Declaration with the Bureau of Conveyances of the State of Hawaii, together with the floor plans of the project so altered, certified as built by a registered architect or professional engineer. All existing apartment owners and all future apartment owners and their mortgagees, by accepting an interest in their apartment shall be deemed to have given each apartment owner a power of attorney to execute an amendment to the Declaration solely for the purposes of describing the changes to his respective apartment on this Declaration so that each apartment owner shall hereinafter have a power of attorney from all other apartment owners to execute such amendment to the Declaration. This power of attorney shall be deemed to be coupled with each owner's interest in his apartment and shall be irrevocable.

G. Notwithstanding the foregoing, no apartment owner may add any material structure to his apartment space nor excavate any additional cellars or basements, and no work shall be done which would jeopardize the soundness or safety of the Project, reduce the value thereof, violate the uniform external appearance of the Apartment, or impair any easement or hereditment, without in every such case the unanimous consent of all other Apartment owners being first obtained.

END OF EXHIBIT "B".

EXHIBIT "C"

PARKING

There are six (6) parking stalls, designated as Parking Stalls No. 1 through 6. Parking stalls are located as shown on the attached diagram. The stalls are numbered in consecutive order from 1 to 8.

The following Units shall have the following designated stalls as a limited common element, for the exclusive use thereof:

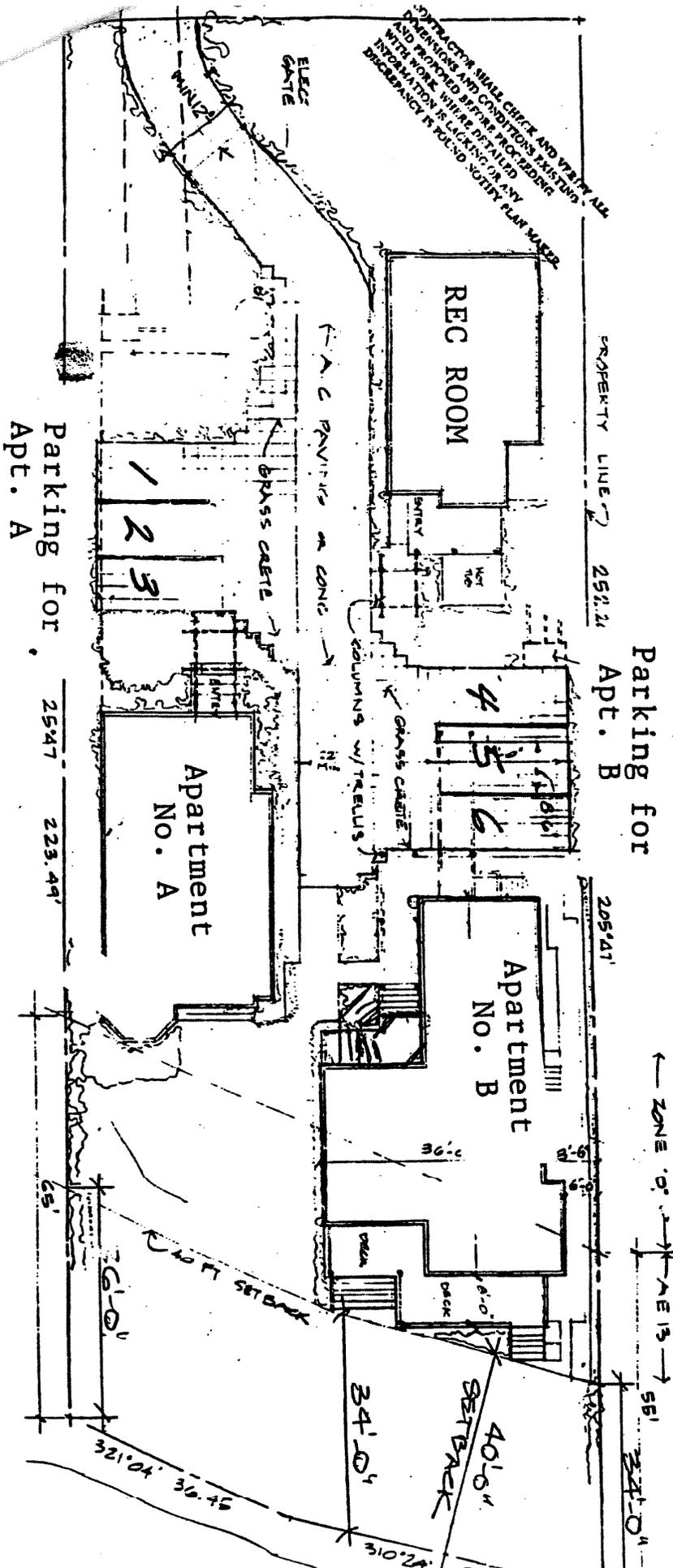
Unit No. A - Parking Stall Nos. 1, 2, 3

Unit No. B - Parking Stall Nos. 4, 5, 6

There are no guest parking stalls designated as such.

END OF EXHIBIT "C".

CONTRACTOR SHALL CHECK AND VERIFY ALL DIMENSIONS AND CONDITIONS EXISTING AND PROVIDED BEFORE PROCEEDING WITH WORK. WHERE DETAILED INFORMATION IS LACKING OR ANY DISCREPANCY IS FOUND, NOTIFY PLAN MAKER.



Apt. A has Stall Nos. 1, 2 & 3  
 Apt. B has Stall Nos. 4, 5 & 6

HALE MAKAPU'U  
 Condominium  
 Project

EXHIBIT "D"

Common Elements. The common elements shall include each of the elements which are mentioned in Section 514A-3 of the Hawaii Revised Statutes, as amended, and which are actually constructed or provided as described herein, and specifically include, but are not limited to, the following:

(1) Said Land hereinafter described in Exhibit "A" of the Declaration of Condominium Property Regime, in fee simple;

(2) A single story structure constructed primarily of wood and tile and consisting of three (3) rooms and one (1) full bath and the hot tub ("Rec Room") with a net living area of approximately 924 square feet and a covered porch of approximately 140 square feet;

(3) The sewers and drains situated on the land and existing for common use and all easements, if any, shown on the Condominium Map or described in said Exhibit "A" attached hereto and made a part hereof;

(4) The driveway shown on the Condominium Map or described in said Exhibit "A";

(5) All utility installations which serve more than one apartment;

(6) All pipes, cables, conduits, ducts, electrical equipment, wiring and generally all equipment and apparatus, installations and personal property existing for the common use on the land hereinabove described;

(7) All other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use; and

(8) All portions of the Project not deemed to be included as an apartment.

END OF EXHIBIT "D".

EXHIBIT "E"

Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of one apartment only, and such apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. In general, the limited common elements are all common elements of the Project which are rationally related to a single apartment and which shall be limited common elements appurtenant to the apartment to which they are related. Without limiting the foregoing, each apartment will have as an appurtenance thereto, all for the exclusive use of such dwelling unit, (1) all utility service lines not contained within the apartment but which are used exclusively by and servicing only that apartment, along with all appurtenant ducts and related equipment located therein; (2) the site of each apartment (hereinafter called the "apartment spaces"), consisting of the land area adjacent to each apartment enclosed by the perimeter boundaries of each lot, as outlined on said Condominium Map in red for Apartment No. A and in blue for Apartment No. B; (3) the exclusive use of the parking stalls as designated in Exhibit "C" attached hereto; and (4) each apartment also has the mail box bearing the same number as the apartment as a limited common element.

The ownership of each apartment shall include the dwelling unit constructed thereon and the respective undivided interest in the common elements appurtenant to each apartment as set forth hereinbelow.

Unless otherwise provided, all limited common elements, costs, and expenses, including but not limited to maintenance, repair, replacement, additions, and improvements, shall be charged to the owner of the Apartment to which the limited common elements is appurtenant.

END OF EXHIBIT "E".

EXHIBIT "F"

COMMON INTEREST. Each apartment shall have appurtenant thereto a percentage of undivided interest in all of the common elements of the Project (herein called "common interest") and the same proportionate share in all common profits and common expenses of the Project and for all other purposes, including voting, as follows:

<u>Apartment Number</u>	<u>Percentage</u>
A	48.0%
B	52.0%

EXHIBIT "F".

EXHIBIT "G"

The following are encumbrances against title:

1. For real property taxes that may be due and owing, reference is made to the City and County of Honolulu, Department of Finance for information.

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

3. Shoreline setbacks: "Shoreline setbacks established pursuant to the laws of the State of Hawaii, or any political subdivision thereof, and any ordinances, rules or regulations adopted or promulgated by any governmental authority pursuant to such laws."

4. Seaward boundary: "Determination of the seaward boundary of the land described herein pursuant to the laws of the State of Hawaii."

5. Grant in favor of HAWAIIAN ELECTRIC COMPANY, INC. and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, dated August 27, 1966, recorded in said Bureau of Conveyances in Liber 5434, Page 68, re granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity.

6. Covenants and conditions as contained in the Affidavit dated October 23, 1990, recorded in said Bureau of Conveyances as Document No. 90-165231, re: a building permit.

7. The covenants, agreements, obligations, conditions, easements and other provisions contained in the Declaration of Condominium Property Regime of "Hale Makapu'u dated October 1, 1998, recorded in said Bureau of Conveyance as Document No. 98-157105; Condominium Map No. 2812.

8. The By-laws of the Association of Apartment Owners of Hale Makapu'u dated October 1, 1998, recorded in said Bureau of Conveyances as Document No. 98-157107.

END OF EXHIBIT "G".

EXHIBIT "H"

SUMMARY OF PERTINENT PARTS OF SALES CONTRACT

The specimen Sales Contract provides in part that: (1) the purchaser acknowledges in the Sales Contract that the Seller's sales activities may continue until the last apartment in the Project is sold; (2) all units will be sold "as is" without any warranties whatsoever and without any warranties of merchantability or fitness for a particular purpose with respect to purchaser's unit, appliances or anything installed therein, the common elements of the Project or any portions of the Project; (3) In the event the unit is rented at the time of execution of the Sales Contract, the unit shall be subject to and Buyer shall assume said rental agreement, and rent received from the tenant will be prorated between Buyer and Seller as of the date of Final Closing; (4) Seller shall pay for the cost of drafting the Apartment Deed and Buyer shall pay all other closing costs including, cost of drafting promissory note(s) and mortgage(s), notary fees, consent fees, and all recording fees, conveyance taxes, title charges, escrow fees and all other applicable charges, fees and costs in procuring his financing; and (5) If Buyer shall default in making any payment when required or if Buyer fails to perform any other obligation required of Buyer, and if Seller shall notify Buyer in writing of such default and such default shall not be cured within 10 days after giving notice, the Sales Contract, at Seller option, may be terminated by written notice to Buyer and all sums paid by Buyer shall belong to the Seller as liquidated damages; and, in addition, at Seller's option, Seller may pursue any other remedy in law or equity for specific performance or for damages or otherwise, and Buyer shall pay for all costs, including reasonable attorney's fees incurred thereby.

END OF EXHIBIT "H"

EXHIBIT "I"

SUMMARY OF ESCROW AGREEMENT

A copy of the executed Escrow Agreement dated \_\_\_\_\_, 1999, identifies FIRST HAWAII TITLE CORPORATION a Hawaii corporation, as escrow agent. Among other provisions, the executed Escrow Agreement states that a purchaser under the Sales Contract shall be entitled to a return of his funds, and Escrow shall pay such funds to said purchaser without interest, promptly after purchaser has requested such return if Escrow shall have received from Developer a written notice that any one of the following has occurred:

1. Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held by Escrow; or

2. Developer shall have notified Escrow of Developer's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

3. With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a substantive change in the building plans of a type which gives purchaser a right to cancel his Sales Contract pursuant to Chapter 514A of the Hawaii Revised Statutes (unless purchaser's written approval or acceptance of the specific change is obtained or ninety [90] days have elapsed since the purchaser has accepted in writing the apartment or he has first occupied the apartment): or

4. The Final Report differs in a material respect from the Preliminary Report and the purchaser's written approval of such change shall not have been obtained and purchaser shall request the refund; or

5. The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and purchaser's rights are not waived under Section 514A-66, Hawaii Revised Statutes.

In any of the foregoing events Escrow shall, upon receipt of the written request for a refund from purchaser, pay said funds to the purchaser (less cancellation fee to Escrow of \$75.00 per apartment and Escrow and cancellation costs, as defined in the Sales Contract) and thereupon said Sales Contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

END OF EXHIBIT "I"

EXHIBIT "J"

ESTIMATE OF INITIAL MAINTENANCE FEES AND ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Unit No.</u>	<u>Monthly Fee</u> X 12 months =	<u>Yearly Total</u>
Unit A	\$ <u>165</u> x 12 =	\$ <u>1,980</u>
Unit B	\$ <u>165</u> x 12 =	\$ <u>1,980</u>

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Insurance Coverage:

Fire & Liability . . . . . \$ 200 x 12 = \$ 2,400

Reserves (\*) . . . . . \$ 20 x 12 = \$ 240

Recreation Room:

Maintenance Fee . . . . . \$ 100 x 12 = \$ 1,200

Reserves (\*) . . . . . \$ 10 x 12 = \$ 120

TOTAL: \$ 3,960

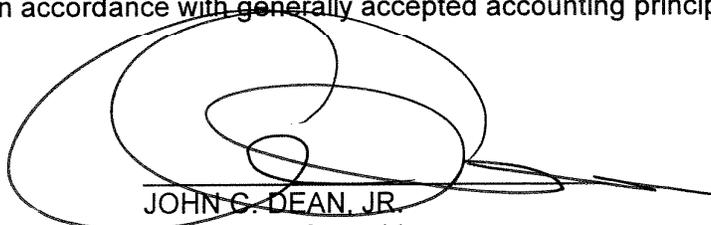
All utilities are separately metered for each unit and therefore are not part of the common area maintenance fees.

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

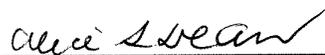
Pursuant to Sec. 514A-83.6 HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after association's first annual meeting.

DEVELOPER HAS NOT CONDUCTED A RESERVE STUDY IN ACCORDANCE WITH SEC. 514A-83.6 and the replacement reserve rules, subchapter 6, Title 16, chapter 107, Hawaii Administrative Rules, as amended.

We, John C. Dean, Jr. and Alice S. Dean Co-Trustees of the John C. Dean, Jr. 1994 Revocable Trust Agreement and Ann Rose Wells, the Developer for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



JOHN C. DEAN, JR.  
Trustee as aforesaid



ALICE S. DEAN,  
Trustee as aforesaid



ANN ROSE WELLS

END OF EXHIBIT "J".