

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer FRED MURATA, OSAMU MURATA, BETTY MURAKAMI, KATHLEEN MURATA AND ESTHER MURATA, TRUSTEES UNDER THAT CERTAIN UNRECORDED TRUST AGREEMENT DATED JULY 25, 1987
Address 91-2026 FORT WEAVER ROAD, EWA BEACH, HAWAII 96706

Project Name (*): HONOULIULI GARDENS
Address: 91-2056 & 91-2016 FORT WEAVER ROAD, EWA BEACH, HAWAII 96706

Registration No. 4324 Effective date: October 22, 2002
(Conversion) Expiration date: November 22, 2003

Preparation of this Report:

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

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

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

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

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

Type of Report:

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

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

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

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 Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

See attached Exhibit C. Apartment 1 and 15 will be built.

SPECIAL ATTENTION

This is a **CONDOMINIUM PROJECT**, not a subdivision. It does not involve the sale of individual subdivided lots, the land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and 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.

1. 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 been complied with.

2. Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will 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.

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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
FRED MURATA, OSAMU MURATA, BETTY MURAKAMI
KATHLEEN MURATA AND ESTHER MURATA, TRUSTEES UNDER THAT CERTAIN
UNRECORDED TRUST AGREEMENT DATED _____ Phone: (808) 455-7830

Developer:

Name* JULY 25, 1987
91-2026 Fort Weaver Road
Business Address
Ewa Beach, Hawaii 96706

(Business)

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

N/A

Real Estate
Broker*:

Leroy Ujimori Real Estate
Name
99-209 Moanalua Road, #304
Business Address
Aiea, Hawaii 96701

Phone: (808) 484-5665
(Business)

Escrow:

Title Guaranty Escrow Services, Inc.
Name
98-163 Kaonohi Street
Business Address
Aiea, Hawaii 96701

Phone: (808) 483-8121
(Business)

General
Contractor*:

N/A
Name

Business Address

Phone: _____
(Business)

Condominium
Managing
Agent*:

Self managed by the Association
Name of Apartment Owners

Business Address

Phone: _____
(Business)

Attorney for
Developer:

Gary Y. Okuda
Leu, Okuda & Leu
Name
900 Fort St. Mall, Ste. 1110
Business Address Pioneer Plaza
Honolulu, Hawaii 96813

Phone: (808) 538-1921
(Business)

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

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

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

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

The Declaration for this condominium is:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2001-134775</u>	
			Book _____	Page _____
<input type="checkbox"/>	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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances Condo Map No. <u>3328</u>		
<input type="checkbox"/>	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:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2001-134776</u>	
			Book _____	Page _____
<input type="checkbox"/>	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>Majority vote of Board of Directors</u>

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

2. **Developer:**

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

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

See Attached Exhibit "Q"

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: 91-2056 & 91-2106
Fort Weaver Road Tax Map Key (TMK): (1) 9-1-21-1, 4,8 & 11
Ewa Beach, Hawaii 96706

Address TMK is expected to change because _____

Land Area: 121,304 square feet acre(s) Zoning: R-5

Fee Owner: Fred Murata, Osamu Murata, Betty Murakami, Kathleen Murata and Esther Murata, Trustees under that certain unrecorded Name Trust Agreement dated July 25, 1987
91-2026 Fort Weaver Road
 Address
Ewa Beach, Hawaii 96706

Lessor: _____
 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: 13 Floors Per Building: _____

Exhibit "C" contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	<u>Use Permitted By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>15</u>	<input checked="" type="checkbox"/> Yes * <input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<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"/> Hotel	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<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

*See attached Exhibit "C"

5. Special Use Restrictions:

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

[X] Pets: Limited restriction household pets only

[X] Number of Occupants: No transient or hotel use.

[] Other: _____

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers): See attached Exhibit "E"

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

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 15

* 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:

Apartment lot boundary, as shown on condominium plan/map. See attached Exhibit "F".

Permitted Alterations to Apartments:

Permitted within apartment lot boundaries with approval of the Board of Directors. See attached Exhibit "G".

Apartments Designated for Owner-Occupants Only:

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

7. Parking Stalls:

Total Parking Stalls:	<u>20</u>			
	<u>Regular</u>	<u>Compact</u>	<u>Tandem</u>	
	<u>Covered</u> <u>Open</u>	<u>Covered</u> <u>Open</u>	<u>Covered</u> <u>Open</u>	TOTAL
Assigned (for each unit)	<u>7</u> <u>8</u>	-----	-----	<u>15</u>
Guest	<u>5</u> -----	-----	-----	<u>5</u>
Unassigned	-----	-----	-----	-----
Extra for Purchase	-----	-----	-----	-----
Other: _____	-----	-----	-----	-----
Total Covered & Open:	<u>20</u>	<u>0</u>	<u>0</u>	<u>20</u>

Each apartment will have the exclusive use of at least 1 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit _____ contains additional information on parking stalls for this condominium project.

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: Guest parking and common roadway

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)

*To the best of our knowledge, there are no violations.

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

See Exhibit "H"

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:

SEE EXHIBIT "I"

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>15</u>	_____
Structures	_____	<u>13</u>	_____
Lot	_____	<u>15</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 "J".

as follows:

* See Exhibit "I"

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 "K".

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 "L".

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 "M" describes the encumbrances against the title contained in the title report dated December 10, 2001 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Buyer's interest would be foreclosed; however, all funds by buyer or deposited by buyer would be refunded, less escrow cancellation fees.

F. **Construction Warranties:**

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

1. Building and Other Improvements:
None

2. Appliances:
None

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

The dwellings were posted between 1957 and 1965, except the dwellings located at 91-2106-G and 91-2106-H which were built in 1949 and 1998 respectively.

H. Project Phases:

The developer [X] 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):

SEE ATTACHED EXHIBIT Q

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 "O" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 6, 1997
Exhibit "P" 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. 4324 filed with the Real Estate Commission on September 3, 1999.

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

YELLOW paper stock

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C. Additional Information Not Covered Above

Hazardous Materials

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

Lead Warning Statement

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

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

FRED MURATA, OSAMU MURATA, BETTY MURAKAMI, KATHLEEN
 MURATA AND ESTHER MURATA, TRUSTEES UNDER THAT CERTAIN
 UNRECORDED TRUST AGREEMENT DATED JULY 25, 1987

 Printed Name of Developer

By: Fred Murata _____ Aug. 28, 2002 _____
 Duly Authorized Signatory* Date

FRED MURATA, Trustee

 Printed Name & Title of Person Signing Above

Distribution:
 Department of Finance, _____ City and County of Honolulu _____
 Planning Department, _____ City and County of Honolulu _____

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

(Additional signatures)

Osamu Murata

OSAMU MURATA
Trustee

Subscribed and sworn to before me this
18 day of December, 2001

L.S. Cynthia Kahoolihala

Notary Public, State of Hawaii
My commission expires:

CYNTHIA KAHOOILIHALA
Notary Public
State of Hawaii
Commission Expires: 12/26/04

Betty Murakami

BETTY MURAKAMI
Trustee

Subscribed and sworn to before me this
18 day of December, 2001

L.S. Cynthia Kahoolihala

Notary Public, State of Hawaii
My commission expires:

CYNTHIA KAHOOILIHALA
Notary Public
State of Hawaii
Commission Expires: 12/26/04

Kathleen Murata

KATHLEEN MURATA
Trustee

Subscribed and sworn to before me this
18 day of December, 2001

L.S. Cynthia Kahoolihala

Notary Public, State of Hawaii
My commission expires:

CYNTHIA KAHOOILIHALA
Notary Public
State of Hawaii
Commission Expires: 12/26/04

Esther Murata

ESTHER MURATA
Trustee

Subscribed and sworn to before me this
18 day of December, 2001

L.S. Cynthia Kahoolihala

Notary Public, State of Hawaii
My commission expires:

CYNTHIA KAHOOILIHALA
Notary Public
State of Hawaii
Commission Expires: 12/26/04

Exhibit "A"
(Page 5 of the Public Report)

I. PERSONS CONNECTED WITH THE PROJECT

Developer:

Fred T. Murata, Osamu Murata, Betty T. Murakami, Kathleen H. Murata and Esther S. Murata, Trustees of that Certain Unrecorded Trust Agreement Dated July 25, 1987 ("The Murata Trust").

End of Exhibit "A"

Exhibit "B"
(Page 5 of the Public Report)

I. PERSONS CONNECTED WITH THE PROJECT

Condominium Managing Agent:

There will be no managing agent for the Project. The Project will be self-managed by the Board of Directors which, in turn, will have the authority to operate, manage and maintain the Project. However, the right and authority to designate and retain a managing agent has been reserved by the Board of Directors through the Association's ByLaws.

End of Exhibit "B"

Exhibit "C"
(Page 10 of the Public Report)

III. THE CONDOMINIUM PROJECT

C. Building and Other Improvements:

2. Further Explanation as to Number of Buildings in the Project.

Division of Property. The project is hereby divided into the following separate freehold estates:

A. Apartments. There are established the following apartments for the following phases.

(1) PHASE I of the Project shall consist of the following thirteen (13) apartments:

(a) Apartment No. 2. Apartment No. 2 consists of a one-floor residence structure consisting of 3 bedrooms, 1 bathroom, 1 living room/dining room, 1 kitchen, and 1 laundry room. Apartment No. 2 has a net living area of approximately 1,236 square feet. The total land area of Apartment No. 2 is approximately 5,167 square feet.

(b) Apartment No. 3. Apartment No. 3 consists of a one-floor residence structure consisting of 3 bedrooms, 1 bathroom, 1 living room, 1 kitchen/dining room, 1 laundry room, 1 patio and 1 porch. Apartment No. 3 has a net living area of approximately 1,019 square feet together with a carport area of approximately 240 square feet. The total land area of Apartment No. 3 is approximately 3,822 square feet.

(c) Apartment No. 4. Apartment No. 4 consists of a one-floor residence structure consisting of 3 bedrooms, 1 1/2 bathroom, 1 living room/dining room, 1 kitchen, 1 family room and 1 porch. Apartment No. 4 has a net living area of approximately 1,187 square feet. The total land area of Apartment No. 4 is approximately 5,991 square feet.

(d) Apartment No. 5. Apartment No. 5 consists of a one-floor residence structure consisting of 4 bedrooms, 1 bathroom, 1 living room/dining room and 1 kitchen. Apartment No. 5 has a net living area of approximately 1,550 square feet. The total land area of Apartment No. 5 is approximately 5,349 square feet.

(e) Apartment No. 6. Apartment No. 6 consists of

a one-floor residence structure consisting of 2 bedrooms, 1 bathroom, 1 living room/dining room, 1 kitchen, 1 laundry room, and a double carport. Apartment No. 6 has a net living area of approximately 852 square feet together with a carport area of approximately 700 square feet. The total land area of Apartment No. 6 is approximately 8,686 square feet.

(f) Apartment No. 7. Apartment No. 7 consists of a one-floor residence structure consisting of 2 bedrooms, 1 bathroom, 1 living room/dining room and 1 kitchen. Apartment No. 7 has a net living area of approximately 841 square feet. The total land area of Apartment No. 7 is approximately 5,709 square feet.

(g) Apartment No. 8. Apartment No. 8 consists of a one-floor residence structure consisting of 2 bedrooms, 1 bathroom, 1 living room/dining room and 1 kitchen. Apartment No. 8 has a net living area of approximately 648 square feet. The total land area of Apartment No. 8 is approximately 5,471 square feet.

(h) Apartment No. 9. Apartment No. 9 consists of a one-floor residence structure consisting of 4 bedrooms, 1 1/2 bathrooms, 1 living room, 1 kitchen/dining room, 1 laundry room, and 1 covered shed. Apartment No. 9 has a net living area of approximately 1,323 square feet. The total land area of Apartment No. 9 is approximately 6,424 square feet.

(i) Apartment No. 10. The total land area of Apartment No. 10 is approximately 7,118 square feet. Apartment No. 10 consists of a one-floor residence structure consisting of 3 bedrooms, 1 1/2 bathrooms, 1 living room and 1 kitchen, with a net living area of approximately 1,120 square feet.

(j) Apartment No. 11. Apartment No. 11 consists of two one-floor residence structures consisting of 5 bedrooms, 2 1/2 bathrooms, 1 living room/dining room, 1 family room, 1 kitchen, 1 storage room, 1 storage room and 1 carport. Apartment No. 11 has a net living area of approximately 1,855 square feet together with a carport area of approximately 600 square feet. The Developer reserves the right to construct additions to the structures and to increase the net living area. The total land area of Apartment No. 11 is approximately 15,712 square feet.

(k) Apartment No. 12. Apartment No. 12 consists of a one-floor residence structure consisting of 4 bedrooms, 1 1/2 bathrooms, 1 living room, 1 dining room, 1 kitchen, and 1 carport. Apartment No. 12 has a net living area of approximately 1,422 square feet together with a carport area of approximately 400 square feet. The total land area of Apartment No. 12 is approximately 10,000 square feet.

(l) Apartment No. 13. Apartment No. 13 consists of a one-floor residence structure consisting of 3 bedrooms, 1 bathroom, 1 living room, 1 kitchen/dining room, and 1 porch. Apartment No. 13 has a net living area of approximately 1,012 square feet. The total land area of Apartment No. 13 is approximately 7,830 square feet.

(m) Apartment No. 14. Apartment No. 14 consists of a one-floor residence structure consisting of 3 bedrooms, 1 bathroom, 1 living room, 1 kitchen/dining room, and 1 storage room. Apartment No. 14 has a net living area of approximately 845 square feet together with a carport area of approximately 140 square feet. The total land area of Apartment No. 14 is approximately 5,000 square feet.

(2) PHASE II of the Project shall consist of the following two (2) apartments:

(a) Apartment No. 1. Apartment No. 1 consists of a total land area of Apartment No. 1 is approximately 4,390 square feet. The Developer reserves the right (but is not required to) construct anything lawful in the apartment, in its sole discretion without obtaining approval of the Association, the Board of Directors, or any other owner.

(b) Apartment No. 15. Apartment No. 15 consists of a total land area of Apartment No. 15 is approximately 5,413 square feet. The Developer reserves the right (but is not required to) construct anything lawful in the apartment, in its sole discretion without obtaining approval of the Association, the Board of Directors, or any other owner.

(3) Apartment Definition and Boundaries. The boundary lines of each apartment shall be apartment lot lines or apartment lot boundaries, as shown on the Condominium Map.

(4) Apartment Measurement. In accordance with Chapter 107 of the Rules of the Department of Commerce and Consumer Affairs Relating to Condominium Property Regimes, the net living area of each apartment is measured from the interior surfaces of the apartment perimeter walls.

(5) Access. Each apartment will have immediate access to the grounds of the Project, Roadway Lot 3 and to Fort Weaver Road which is a public thoroughfare.

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

(1) The Property above described, to the extend such Property is not included as part of Apartment Nos. 1, 2, 3, 4,

5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15.

(2) Any and all central and appurtenant installations which serve more than one apartment for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, and cable television.

(3) Fences, walls and/or vegetation separating Apartment Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15.

(4) The designated guest parking stall area of located on the southern side of Apartment No. 14.

(5) Access Roadway Lot 3.

(6) Such other facilities as may be herein designated as common elements.

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

C. 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 certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

(1) Mailbox. The mailbox [located on Fort Weaver Road] assigned to an apartment shall be limited to the use of such apartment.

(2) Other areas. All other common elements of the Project which are rationally related to less than all of the apartment spaces shall be limited to the use of such apartment space or apartment spaces to which the same are related.

(3) Parking stalls. Each apartment shall have the exclusive use of its own carport or parking stall, as shown on the above referenced condominium map; provided, however, the a carport or parking stall located within the boundary lines of an apartment lot lines or apartment lot boundaries, as shown on the Condominium Map, shall be considered part of that apartment and not a common element or limited common element.

End of Exhibit "C"

Exhibit "D"
(Page 10 of the Public Report)

III. THE CONDOMINIUM PROJECT

C. Building and Other Improvements:

4. Permitted Uses By Zoning.

The subject development has been approved as an existing use under Section 3.130 of the Land Use Ordinance in accordance with the application plans DLU time-stamped December 22, 1989, subject to certain conditions set forth in a letter from the DLU dated March 8, 1989.

A copy of the letter is attached and incorporated by reference as part of Exhibit "H".

End of Exhibit "D"

Exhibit "E"
(Page 11 of the Public Report)

III. THE CONDOMINIUM PROJECT

C. Building or Other Improvements:

6. Further description of Each Apartment.

<u>Apt. No.</u>	<u>Bd/Bth</u>	(approximate) <u>Net Living Area (sq. ft.)</u>	(approximate) <u>Land Area (sq. ft.)</u>
1			4,390
2	3/1	1236	5,167
3	3/1	1019	3,822
4	3/1.5	1187	5,991
5	4/1	1550	5,349
6	2/1	852	8,686
7	2/1	841	5,709
8	2/1	648	5,471
9	4/1.5	1323	6,424
10	3/1.5	1120	7,118
11	5/2.5	1855	15,712
12	4/1.5	1422	10,000
13	3/1	1012	7,830
14	3/1	845	5,000
15			5,413

In accordance with Chapter 107 of the Rules of the Department of Commerce and Consumer Affairs, the net living area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

End of Exhibit "E"

Exhibit "F"
(Page 11 of the Public Report)

III. THE CONDOMINIUM PROJECT

C. Building or Other Improvements:

6. Boundaries of Each Apartment (Detail).

1. Division of Property. The project is hereby divided into the following separate freehold estates:

A. Apartments. There are established the following apartments for the following phases.

(1) PHASE I of the Project shall consist of the following thirteen (13) apartments:

(a) Apartment No. 2. Apartment No. 2 consists of a one-floor residence structure consisting of 3 bedrooms, 1 bathroom, 1 living room/dining room, 1 kitchen, and 1 laundry room. Apartment No. 2 has a net living area of approximately 1,236 square. The total land area of Apartment No. 2 is approximately 5,167 square feet.

(b) Apartment No. 3. Apartment No. 3 consists of a one-floor residence structure consisting of 3 bedrooms, 1 bathroom, 1 living room, 1 kitchen/dining room, 1 laundry room, 1 patio and 1 porch. Apartment No. 3 has a net living area of approximately 1,019 square feet together with a carport area of approximately 240 square feet. The total land area of Apartment No. 3 is approximately 3,822 square feet.

(c) Apartment No. 4. Apartment No. 4 consists of a one-floor residence structure consisting of 3 bedrooms, 1 1/2 bathroom, 1 living room/dining room, 1 kitchen, 1 family room and 1 porch. Apartment No. 4 has a net living area of approximately 1,187 square feet. The total land area of Apartment No. 4 is approximately 5,991 square feet.

(d) Apartment No. 5. Apartment No. 5 consists of a one-floor residence structure consisting of 4 bedrooms, 1 bathroom, 1 living room/dining room and 1 kitchen. Apartment No. 5 has a net living area of approximately 1,550 square feet. The total land area of Apartment No. 5 is approximately 5,349 square feet.

(e) Apartment No. 6. Apartment No. 6 consists of

a one-floor residence structure consisting of 2 bedrooms, 1 bathroom, 1 living room/dining room, 1 kitchen, 1 laundry room, and a double carport. Apartment No. 6 has a net living area of approximately 852 square feet together with a carport area of approximately 700 square feet. The total land area of Apartment No. 6 is approximately 8,686 square feet.

(f) Apartment No. 7. Apartment No. 7 consists of a one-floor residence structure consisting of 2 bedrooms, 1 bathroom, 1 living room/dining room and 1 kitchen. Apartment No. 7 has a net living area of approximately 841 square feet. The total land area of Apartment No. 7 is approximately 5,709 square feet.

(g) Apartment No. 8. Apartment No. 8 consists of a one-floor residence structure consisting of 2 bedrooms, 1 bathroom, 1 living room/dining room and 1 kitchen. Apartment No. 8 has a net living area of approximately 648 square feet. The total land area of Apartment No. 8 is approximately 5,471 square feet.

(h) Apartment No. 9. Apartment No. 9 consists of a one-floor residence structure consisting of 4 bedrooms, 1 1/2 bathrooms, 1 living room, 1 kitchen/dining room, 1 laundry room, and 1 covered shed. Apartment No. 9 has a net living area of approximately 1,323 square feet. The total land area of Apartment No. 9 is approximately 6,424 square feet.

(i) Apartment No. 10. The total land area of Apartment No. 10 is approximately 7,118 square feet. Apartment No. 10 consists of a one-floor residence structure consisting of 3 bedrooms, 1 1/2 bathrooms, 1 living room and 1 kitchen, with a net living area of approximately 1,120 square feet.

(j) Apartment No. 11. Apartment No. 11 consists of two one-floor residence structures consisting of 5 bedrooms, 2 1/2 bathrooms, 1 living room/dining room, 1 family room, 1 kitchen, 1 storage room, 1 storage room and 1 carport. Apartment No. 11 has a net living area of approximately 1,855 square feet together with a carport area of approximately 600 square feet. The Developer reserves the right to construct additions to the structures and to increase the net living area. The total land area of Apartment No. 11 is approximately 15,712 square feet.

(k) Apartment No. 12. Apartment No. 12 consists of a one-floor residence structure consisting of 4 bedrooms, 1 1/2 bathrooms, 1 living room, 1 dining room, 1 kitchen, and 1 carport. Apartment No. 12 has a net living area of approximately 1,422 square feet together with a carport area of approximately 400 square feet. The total land area of Apartment No. 12 is approximately 10,000 square feet.

(l) Apartment No. 13. Apartment No. 13 consists of a one-floor residence structure consisting of 3 bedrooms, 1 bathroom, 1 living room, 1 kitchen/dining room, and 1 porch. Apartment No. 13 has a net living area of approximately 1,012 square feet. The total land area of Apartment No. 13 is approximately 7,830 square feet.

(m) Apartment No. 14. Apartment No. 14 consists of a one-floor residence structure consisting of 3 bedrooms, 1 bathroom, 1 living room, 1 kitchen/dining room, and 1 storage room. Apartment No. 14 has a net living area of approximately 845 square feet together with a carport area of approximately 140 square feet. The total land area of Apartment No. 14 is approximately 5,000 square feet.

(2) PHASE II of the Project shall consist of the following two (2) apartments:

(a) Apartment No. 1. Apartment No. 1 consists of a total land area of Apartment No. 1 is approximately 4,390 square feet. The Developer reserves the right (but is not required to) construct anything lawful in the apartment, in its sole discretion without obtaining approval of the Association, the Board of Directors, or any other owner.

(b) Apartment No. 15. Apartment No. 15 consists of a total land area of Apartment No. 15 is approximately 5,413 square feet. The Developer reserves the right (but is not required to) construct anything lawful in the apartment, in its sole discretion without obtaining approval of the Association, the Board of Directors, or any other owner.

(3) Apartment Definition and Boundaries. The boundary lines of each apartment shall be apartment lot lines or apartment lot boundaries, as shown on the Condominium Map.

(4) Apartment Measurement. In accordance with Chapter 107 of the Rules of the Department of Commerce and Consumer Affairs Relating to Condominium Property Regimes, the net living area of each apartment is measured from the interior surfaces of the apartment perimeter walls.

(5) Access. Each apartment will have immediate access to the grounds of the Project, Roadway Lot 3 and to Fort Weaver Road which is a public thoroughfare.

End of Exhibit "F"

Exhibit "G"
(Page 11 of the Public Report)

III. THE CONDOMINIUM PROJECT

C. Building or Other Improvements:

6. Permitted Alterations to Apartments.

All apartment owners will be allowed to restore, replace, change, modify or add to their respective apartments under the following conditions and/or restrictions:

Within the boundary lines of an apartment lot lines or apartment lot boundaries, as shown on the Condominium Map, an apartment owner may restore or replacement any building thereof or construct any additional building or structural alteration or addition to any building, even if different in material respect from said condominium file plan of the project. The apartment owner shall first obtain permission in writing from the Board of Directors of the Association. The apartment owner shall further indemnify the Association and the Board of Directors from any cost, claim, cause of action, or liability related to such construction, alteration or addition. Any construction, alteration or addition shall be in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such construction, alteration or addition the Association shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified as built by a registered architect or professional engineer; provided, however, that the recordation or filing of such amendment together with a complete set of floor plans of the project as so altered shall not require any amendment of the Declaration by a vote of the apartment owners.

With respect to Apartment No. 11, the Developer reserves the right to modify the Declaration of Condominium Property Regime, Bylaws, Apartment Deed or Condominium Map to construct additions to the structures and to increase the net living area of Apartment No. 11, with or without the approval of the Board; provided, however, that the owner of Apartment No. 11 shall duly record or file of record such amendment together with a complete set of floor plans of the project as so altered, certified as built by a registered architect or professional engineer; provided, further, that the recordation or filing of such amendment together with a complete set of floor plans of the project as so altered shall not require any amendment of the Declaration by a vote of the apartment owners..

End of Exhibit "G"

Exhibit "H"
(To Page 12 of the Public Report)

III. THE CONDOMINIUM PROJECT

C. Building or Other Improvements:

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

The improvements are possibly at the end of useful life. Based upon the report prepared by W. H. T. Leong & Associates, Architects, Inc., an independent Hawaii architect, the present condition of the apartments are as follows:

APARTMENT #1: This apartment will be built.

APARTMENT #2: Type of Construction: Single wall construction with asphalt cap sheet roofing. Condition: This apartment is in poor condition. There is severe termite damage to the exterior wall siding, structural framing and interior partitions, as well as dry rot to wooden stairs and porch/lanai at entry. Asphalt cap sheet roofing is cracking and deteriorating. Paint is peeling on exterior wall siding with overall fading of color. Structure appears to be unsafe. This apartment does not have a carport and driveway.

APARTMENT #3: Type of Construction: Single wall construction with galvanized corrugated metal roofing. This apartment is in fair condition. There is minimum termite damage to exterior posts, wall siding and at fascia and eaves at various locations. Slight rusting of the galvanized corrugated metal roofing and metal screen vents. Paint is in fair condition at interior and fading of color on exterior. Plumbing is in fair condition. No report regarding the interior of apartment.

APARTMENT #4: Type of Construction: Single wall construction with asphalt shingle roofing. Condition: This apartment is in fair to poor condition. There are termite damage to various areas of the fascia, rafters and wall siding. Severe termite damage as well as dry rot to porch/lanai decking, beams and columns, and to stairs and railings. Severe rusting of

galvanized corrugated metal roofing over laundry at rear of apartment. Paint is faded throughout and peeling at various locations.

- APARTMENT #5: Type of Construction: Single wall construction with asphalt shingle roofing. Condition: This apartment is in fair condition. There are termite damage to various areas of the wall siding, fascia, rafters and stairs and railings. Paint is fading and peeling at various areas on the exterior wall. Interior is in fair condition. Jalousie window throughout apartment.
- APARTMENT #6: Type of Construction: Single wall construction with asphalt shingle roofing. Condition: This apartment is in fair condition. There are slight termite damage at rafters and wall siding. Asphalt shingle roofing appeared to have been repaired in recent years. Paint of exterior walls has slight fading of color. Interior condition is well maintained. Storage shack is in poor condition. The galvanized corrugated metal roofing of storage shack has severe rusting at various areas. Paint on exterior walls are fading and peeling.
- APARTMENT #7: Type of construction: Single wall construction with asphalt cap sheet roofing. Condition: This apartment is in fair condition. Slight termite damage to various areas of the rafters and roof sheathing. Asphalt cap sheet roofing has slight blistering with some damage near roof edge at various locations. New paint appeared to have been applied in recent years. Jalousie windows throughout apartment.
- APARTMENT #8: Type of Construction: Single wall construction with asphalt cap sheet roofing. Condition: This apartment is in fair condition. Slight termite damage to various areas of the rafters and roof sheathing. Asphalt cap sheeting has blistering at various areas with some peeling or cracking at roof edge. Paint on exterior appeared to be ne Interior is well maintained. Jalousie window throughout apartment.
- APARTMENT #9: Type of Construction: Single wall construction with asphalt cap sheeting roofing. Condition: This apartment is in fair condition. There are slight termite damage at the rafters and wood screen frames. Metal gutters are rusting at

various areas. apartment appeared to have been painted in recent years. Asphalt cap sheet roofing has some blistering. Interior has been well maintained. Jalousie windows throughout apartment.

APARTMENT #10: This apartment was constructed within the past five years and, therefore, was not included in the report.

APARTMENT 11: Type of Construction; Single wall construction with asphalt shingle and built up roofing. This apartment is in fair condition. There are no termite damage visible. Exterior paint is fading in color and peeling at various areas. Asphalt shingle and built up roofing has been well maintained. Interior is in good to fair condition. This apartment has solar panels located on built up roofing. Jalousie windows throughout apartment. This apartment has a two-car carport with driveway. It also has a garden enclosed by a CMU wall with wood fencing that is well maintained.

APARTMENT 12: Type of Construction: Single wall construction with asphalt shingle roofing. This apartment is in fair to poor condition. There is termite damage to the rafters, fascia, stair decking and railings and to various areas of wall siding. Also slight termite damage to the family/dining room ceiling. Asphalt shingle roofing has been well maintained. Metal gutters has severe rusting at various locations. Paint on exterior is faded with peeling under eaves as well as on walls. Screens are badly damaged. This apartment has a detached two-car tandem carport with driveway. It also has a CMU wall/wood fence surrounding the front yard. Both are well maintained and appeared to have been constructed in recent years.

APARTMENT #13: Type of Construction: Single wall construction with asphalt cap sheet roofing. Condition: This apartment is in fair condition. There are severe termite damage to the rafters, roof sheathing, fascia, and walls at various locations. Asphalt cap sheet roofing is well maintained with some damage near the roof edge. Plywood sheathing also has slight dry rot at various areas. Jalousie windows throughout are in fair condition. Paint on

exterior is peeling at underside of eaves and various areas at walls. Galvanized corrugated metal roof at covered laundry area has slight rusting. This apartment has a detached single car carport and driveway. Carport is in poor condition with severe termite damaged wood framing and rusting galvanized corrugated metal roofing. Portion of carport roof overhangs property line.

APARTMENT #14: Type of Construction: Single wall construction with galvanized corrugated metal roofing. Condition: This apartment is in fair to poor condition. There are severe termite damage at various areas at the fascia, rafters, wall siding, wood screen framing and at entry stairs and railing. Metal vent screens are rusting and falling apart. Galvanized corrugated metal roofing is rusting at various areas. Paint on exterior wall is fading and peeling. Interior is well maintained with slight termite damage to interior partitions and doors. This apartment has a single car carport without a driveway. Carport is in poor condition with severe termite damaged wood framing and rusting of galvanized corrugated metal roofing. Portion of carport roof overhangs property line.

APARTMENT #15: This apartment will be built.

End of Exhibit "H"

Exhibit "I"
(To Page 13 of the Public Report)

III. THE CONDOMINIUM PROJECT

C. Building or Other Improvements:

11. Conformance to Present Zoning Code.

The subject development has been approved as an existing use under Section 3.130 of the Land Use Ordinance in accordance with the application plans DLU time-stamped December 22, 1989, subject to certain conditions set forth in a letter from the DLU dated March 8, 1989.

A copy of the letter is attached and incorporated by reference.

End of Exhibit "I"

Exhibit "J"
(To Page 13 of the Public Report)

III. THE CONDOMINIUM PROJECT

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

1. Common Elements.

One freehold estate is designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to:

(1) The Property above described, to the extend such Property is not included as part of Apartment Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15.

(2) Any and all central and appurtenant installations which serve more than one apartment for services such as power, light, gas, hot and cold water, heating, refrigeration, air conditioning, and cable television.

(3) Fences, walls and/or vegetation separating Apartment Nos. 1, 2, 3, 4, 5, 6, 7, 8, 9, 10, 11, 12, 13, 14, and 15.

(4) The designated guest parking stall area of located on the southern side of Apartment No. 14.

(5) Access Roadway Lot 3.

(6) Such other facilities as may be herein designated as common elements.

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

End of Exhibit "J"

Exhibit "K"
(To Page 14 of the Public Report)

III. THE CONDOMINIUM PROJECT

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

2. Limited Common Elements.

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

(1) Mailbox. The mailbox [located on Fort Weaver Road] assigned to an apartment shall be limited to the use of such apartment.

(2) Other areas. All other common elements of the Project which are rationally related to less than all of the apartment spaces shall be limited to the use of such apartment space or apartment spaces to which the same are related.

(3) Parking stalls. Each apartment shall have the exclusive use of its own carport or parking stall, as shown on the above referenced condominium map; provided, however, the a carport or parking stall located within the boundary lines of an apartment lot lines or apartment lot boundaries, as shown on the Condominium Map, shall be considered part of that apartment and not a common element or limited common element.

End of Exhibit "K"

Exhibit "L"
(To Page 14 of the Public Report)

III. THE CONDOMINIUM PROJECT

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

3. Common Interest.

Apartment No. 1	4.30046%
Apartment No. 2	5.06162%
Apartment No. 3	3.74405%
Apartment No. 4	5.86881%
Apartment No. 5	5.23991%
Apartment No. 6	8.50885%
Apartment No. 7	5.59256%
Apartment No. 8	5.35942%
Apartment No. 9	6.29298%
Apartment No. 10	6.97283%
Apartment No. 11	15.39155%
Apartment No. 12	9.79605%
Apartment No. 13	7.67030%
Apartment No. 14	4.89802%
Apartment No. 15	5.30260%

End of Exhibit "L"

Exhibit "M"
(To Page 14 of the Public Report)

III. THE CONDOMINIUM PROJECT

E. Encumbrances Against Title:

3. Description.

Schedule ~~B~~ exceptions, as set forth in the status title report:

1. For real property taxes due and owing reference is made to the Department of Finance, Real Property Assessment Division, of the City and County of Honolulu, State of Hawaii.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. First Mortgage and Assignment of Rentals.

Mortgagor : Fred Murata, Osamu Murata, Betty Murakami, Kathleen Murata, and Esther Murata, Trustees under an unrecorded Trust Agreement dated July 25, 1987.

Mortgagee : First Hawaiian Creditcorp, Inc., a Hawaii corporation.

Dated : January 5, 1989

Recorded : Liber 22750, Page 260

Amount : Line of Credit Agreement up to a total principal amount of \$350,000.00.

A status title report with respect to the property is attached. Developer has become aware that with respect to R.P. 3384, L.C.A. 768 to Keliiaa, the record connecting the early title with the present is a translation from Hawaiian of a receipt from the custody of Dowsett Co., Ltd. The receipt is for \$210.00 and was signed by Kapahi as son of the original awardee, being the purchase price of the kuleana purchased by J. I. Dowsett. The receipt shows Naki is wife of Kapahi, but she did not sign the receipt.

As a result, the Developer filed a quiet title action titled Murata, et al. vs. Heirs of Keliiaa, Civil No. 95-2771-08, in the Circuit Court of the First Circuit, State of Hawaii. The court has granted the Developer's motion for summary judgment, holding that Plaintiffs Murata are the sole owners in fee simple absolute of the subject property.

End of Exhibit "M"

Exhibit "N"
(To page 17 of the Public Report)

IV. CONDOMINIUM MANAGEMENT

B. Estimate of Initial Maintenance Fees:

1. Schedule of Estimated Maintenance Fees (subject to change).

<u>Apartment No.</u>	<u>Common interest</u>	<u>Estimated monthly Maintenance fees</u>
Apartment No. 1	4.30046%	\$89.68
Apartment No. 2	5.06162%	105.55
Apartment No. 3	3.74405%	78.08
Apartment No. 4	5.86881%	122.39
Apartment No. 5	5.23991%	109.27
Apartment No. 6	8.50885%	177.45
Apartment No. 7	5.59256%	116.63
Apartment No. 8	5.35942%	111.77
Apartment No. 9	6.29298%	131.24
Apartment No. 10	6.97283%	145.41
Apartment No. 11	15.39155%	320.98
Apartment No. 12	9.79605%	204.29
Apartment No. 13	7.67030%	159.96
Apartment No. 14	4.89802%	102.14
Apartment No. 15	5.30260%	110.58

Developer states and represents that no reserve study has been prepared or conducted.

Rider

The Developer did not conduct a formal reserve study. The amounts for the reserve, however, are based on estimate of past expenses. The Project consists of single family residences; therefore, the need for reserves for common area capital and replacement expenses are limited

End of Exhibit "N"

Exhibit "O"
(To Page 18 of the Public Report)

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Summary of the Sales Contract.

1. General.

The Sales Contract will be in the form of the latest edition of the Hawaii Association Realtors Deposit, Receipt, Offer and Acceptance ("DROA") and Special Provisions (collectively the "Contract"). The Special Provisions will alter or modify the DROA to the extent applicable under Chapter 514A, Condominium Property Regimes Act, Hawaii Revised Statutes ("H.R.S."), as amended. As such, unless and until the pre-conditions of H.R.S. Chapter 514A are met, the Contract shall be deemed merely a reservation agreement between the seller ("Developer") and the purchaser. Hence, in the event of any conflict between the DROA and the Special Provisions, the Special Provisions will control.

2. Common Interest.

The Contract will specify the apartment which is being conveyed as well as the undivided percentage interest in the common elements which is appurtenant to such apartment.

3. Purchase Price and Financing.

The Contract states the price and method of payment for the apartment. Purchaser may elect to pay the purchase price in cash or obtain and secure financing under a conventional uninsured mortgage. If purchaser decides to obtain financing, then within ten (10) days of Developer's acceptance of Contract, purchaser may apply to any institutional lender and to diligently take all other necessary steps to obtain a loan to finance the purchase of the Apartment. Purchaser is required to obtain a written loan commitment from the lender within forty-five (45) days following the date the purchaser's loan application is submitted to the lender. The amount and conditions of such loan must be customary in the community for such type of loan.

If purchaser is obtaining financing to purchase the apartment, each Contract is conditioned upon purchaser obtaining the financing in accordance with the terms and conditions of the Contract. Developer may elect to terminate the Contract if (i) the

time period set forth in the financing condition is not met, or (ii) purchaser predeceases the acquisition of his/her title to the subject apartment, or (iii) purchaser defaults under the payment schedule of the DROA or any of the other obligations in the Contract.

4. Interest on Deposits.

All interest accruing on purchaser's deposits shall accrue to the benefit of Developer.

5. Conveyance of Marketable Title.

Developer agrees to convey to purchaser good and marketable title to the apartment on the closing date, subject, however to the matters disclosed in Exhibit "M". However, except for warranties of title, purchaser takes title to the apartment "AS IS WITH ALL FAULTS" upon the execution, delivery and recordation of the Apartment Deed to the apartment. Developer does not make any warranties or representations of any kind, express or implied, with respect to condition of the apartment and any personal property (including, without limitation to, furniture and fixtures therein).

6. Purchaser's Cancellation and Rescission Rights.

Purchaser has the right to cancel the purchase of the apartment without any penalty or obligation to Developer within thirty (30) days following the actual delivery date of the Final Public Report (or Supplementary Reports, if any) as delivered by Developer. If purchaser cancels the purchase of the apartment within said thirty (30) days, Developer shall return purchaser's downpayment or deposit, less any escrow cancellations fees and other costs, up to \$250.00.

Except for any additions, deletions, modifications and reservations including, without limitation, the merger, addition or phasing of the Project pursuant to the terms of the Declaration, purchaser may rescind the purchase of the apartment even though the Contract is binding upon purchaser if there is a material change in the Project which directly, substantially and adversely affects the use or value of (i) purchaser's apartment or appurtenant limited common elements, or (ii) those amenities available for purchaser's use.

7. Approval of Project Documents.

Purchaser's execution of the Contract is deemed to be the approval of the Project's Apartment Deed, Declaration of Condominium Property Regime, Bylaws, Escrow Agreement, Disclosure Abstract, the Final and any Supplementary Public Reports, and Public Announcement (Pre-sale Notice). Purchaser must agree to join the Association.

8. Modification of Project Documents.

Developer reserves the right to modify the Declaration of Condominium Property Regime, Bylaws, and Apartment Deed as may be required by law, title insurance company or any institutional mortgagee. No modification, however, shall (i) increase purchaser's percentage of common expense, (ii) increase the cost of the apartment, (iii) cause substantial change in the Project, or (iv) substantially impair or modify any obligations given or undertaken by Developer.

With respect to Apartment No. 11, the Developer reserves the right to modify the Declaration of Condominium Property Regime, Bylaws, Apartment Deed or Condominium Map to construct additions to the structures and to increase the net living area of Apartment No. 11.

9. Management.

Purchaser agrees that Developer will be the initial managing agent of the Project, although employed prior to the election of the Board of Directors of the Association of Apartment Owners under the Bylaws of the Association, shall have complete control, authority and responsibility for management, operation and maintenance of the Project at the Association's expense.

10. Default provisions.

In the event Purchaser fails to perform Purchaser's obligations under the DROA (Seller not being in default), Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein as liquidated damages, and (c) Purchaser shall be responsible for any costs incurred in accordance with the DROA.

In the event Seller fails to perform Seller's obligations under the DROA (Purchaser not being in default), Purchaser may (a) bring an action for damages for breach of contract; (b) seek specific performance of the DROA; and (c) Seller shall be responsible for any costs incurred in accordance with the DROA.

The foregoing shall not exclude any other remedies available under the DROA to either Seller or Purchaser on account of the other party's default.

End of Exhibit "O"

Exhibit "P"
(To Page 18 of the Public Report)

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Summary of the Escrow Agreement.

1. General.

The Escrow Agreement is between Title Guaranty Escrow Services, Inc. ("Escrow Agent") and Developer. The Escrow Agreement complies with Chapter 514A, Condominium Property Regimes Act, HRS. All monies paid by purchaser will be deposited and held in trust by Escrow Agent pursuant to H.R.S. Section 514A-64 and no disbursements of purchaser funds will be made until the contract becomes "binding" and the requirements under HRS Sections 514A-40 and 514A-63 are met.

2. Treatment of Purchaser's Funds.

Among other provisions, the Escrow Agreement provides that a purchaser shall be entitled to a refund or return of his or her funds, without interest and less escrow cancellation fees, if purchaser shall, in writing, request for such return or refund and if any of the following events occur:

(a) Developer notifies Escrow Agent to return to purchaser his or her funds deposited and held by Escrow Agent; or

(b) Developer notifies Escrow Agent of Developer's exercise of its option to rescind the Sales Contract pursuant to any right of rescission provided for therein or otherwise available to Developer; or

(c) If purchaser's funds were obtained and request for the return of the by purchaser was made prior to the delivery of the Final Public Report to said purchaser; or

(d) If the Final Public Report (or Supplementary Public Reports thereto) differs materially from the Preliminary Public Report, unless Purchaser has accepted for the Final Public Report; or

(e) If the Final Public Report is not issued within one year from issuance date of the Preliminary Public Report.

Upon return of such funds to purchaser, Escrow Agent shall return to Developer purchaser's Sales Contract and any conveyancing document or instruments delivered to Escrow Agent; and thereupon, purchaser shall no longer be obligated under the Sales Contract.

End of Exhibit "P"

Exhibit "Q"
(To Page 16 of the Public Report)

SUMMARY OF DEVELOPER'S PLANS FOR FUTURE DEVELOPMENT

The Developer has reserved the right after ten years from the date of the recordation of the declaration to develop and merge an additional Phase II, consisting of two additional apartments.

THE DEVELOPER'S CURRENT PLANS NOTWITHSTANDING, THE DEVELOPER SHALL NOT BE OBLIGATED TO CONSTRUCT ANY ADDITIONAL APARTMENTS OR INCREMENT, OR TO MERGE THIS PROJECT WITH ANY OTHER CONDOMINIUM PROJECT, AND NOTHING CONTAINED HEREIN OR IN THE DECLARATION SHALL BE DEEMED TO BE A REPRESENTATION THAT ANY SUCH ADDITIONAL APARTMENTS OR INCREMENTS WILL BE DEVELOPED OR THAT ANY MERGER SHALL TAKE PLACE.

This project is being developed on a single parcel of land and it is anticipated that it will be developed in two separate increments.

The first increment, PHASE I of the Project, shall consist of the conversion of thirteen (13) apartments. The apartments are existing single family, free standing residential apartments.

The second increment, PHASE II of the Project, is anticipated to include two (2) apartment units. Each apartment is anticipated to be single family, free standing residential apartments.

The date of completion of Apartments 2 through 14 cannot be determined. Reference is made to the memorandum from the Building Department, City and County of Honolulu, to the Department of Land Utilization, City and County of Honolulu, dated February 7, 1989, attached as Exhibit "Q".