

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer GARY KAZUTO KOBASHIGAWA, STEVE YASUO KOBASHIGAWA,
and DOREEN YOSHIE FUJITA
Address 2759-B Booth Road, Honolulu, Hawaii 96813

Project Name(*): 2759 BOOTH ROAD
Address 2759-A, 2759-B and 2759-C Booth Road, Honolulu, Hawaii 96813

Registration No. 4366 (Conversion)

Effective date: April 5, 2000

Expiration date: May 5, 2001

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 governmental 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)

FINAL: The developer has legally created a condominium and has filed complete information with the Commission.
(white)
 No prior reports have been issued.
 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 expire on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197/1098

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 - disclosure 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:

SPECIAL NOTICE:

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.
2. This Project does not involve the sale of individual subdivided lots. The land area beneath and immediate adjacent to each unit as shown on the condominium map is designated as a limited common element and does not represent a legally subdivided lot. The dotted lines on the condominium map merely represent the approximate location of the limited common element assigned to each unit.
3. The units in the Project are not presently for sale. All units are occupied by the Developers.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS FOR FURTHER INFORMATION REGARDING THE FORGOING.

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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. The 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 of 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 spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: GARY KAZUTO KOBASHIGAWA Phone: (808) 535-2837
(Business)
2759-B Booth Road
Business Address
Honolulu, Hawaii 96813

Developer: STEVE YASUO KOBASHIGAWA Phone: (808) 538-1030
(Business)
2759-A Booth Road
Business Address
Honolulu, Hawaii 96813

Developer: DOREEN YOSHIE FUJITA Phone: (808) 599-9009
(Business)
2759-C Booth Road
Business Address
Honolulu, Hawaii 96813

Real Estate
Broker: None Selected (See page 20) Phone: _____
Name (Business)
Business Address

Escrow: Hawaii Escrow & Title, Inc. Phone: (808) 532-2977
Name (Business)
700 Bishop Street, Suite 1600
Business Address
Honolulu, Hawaii 96813

General
Contractor: Not Applicable Phone: _____
Name (Business)
Business Address

Condominium
Managing
Agent: Self Managed by Association of Unit Owners Phone: _____
Name (Business)
Business Address

Attorney for
Developer: MICHAEL H. SAKAI Phone: (808) 531-4171
Name (Business)
201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813-2929

**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. 2000-017029
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. 3030
 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 Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 manners which affect how the condominium project will be governed.

The Bylaws for this condominium re:

- Proposed
 Recorded - Bureau of Conveyances: Document No. 2000-017030
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 percentage 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:

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Automatically Annually

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

For Subleaseholds:

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

Canceled Foreclosed

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

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s) _____

Lease Rent Payable: Monthly Quarterly
 Semi-Automatically 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 period 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 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: 2759-A, 2759-B, 2759-C Booth Road, Honolulu, Hawaii 96813 Tax Map Key (TMK): (1) 2-2-27-52 and 51

Address TMK is expected to change because an HPR number will probably be assigned.

Land Area: 0.439 for Parcel 52 square feet acre(s) Zoning: R-5
3,907 square feet for Parcel 51 which is a roadway parcel.

Fee Owner: GARY KAZUTO KOBASHIGAWA
 Name
2759-B Booth Road
 Address
Honolulu, Hawaii 96813

Fee Owner: STEVE YASUO KOBASHIGAWA
 Name
2759-A Booth Road
 Address
Honolulu, Hawaii 96813

Fee Owner: DOREEN YOSHIE FUJII
 Name
2759-C Booth Road
 Address
Honolulu, Hawaii 96813

C. Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s) Both New Building(s) and Conversion
 2. Number of Buildings: three Floors Per Building two-story

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other Glass and other allied materials

4. Permitted Uses by Zoning:

	No of <u>Apts.</u>	Use Permitted <u>By Zoning</u>	No. of <u>Apts.</u>	Use Determined <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>3</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:

Pets: _____

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Unit Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Carport (sf)</u>	<u>Net Lanai/Deck</u>	<u>Storage</u>
<u>2759A</u>	<u> 1 </u>	<u> 3/2.5 </u>	<u> 2,112 </u>	<u> 440 </u>	<u> 802 </u>	<u> </u>
<u>2759B</u>	<u> 1 </u>	<u> 6/3 </u>	<u> 2,240 </u>	<u> 440 </u>	<u> 260 & 240 </u>	<u> </u>
<u>2759C</u>	<u> 1 </u>	<u> 4/2 </u>	<u> 1,544 </u>	<u> 440/320 </u>	<u> </u>	<u> 259 </u>

Total Apartments: 3

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

Other documents and maps 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 boundary of each unit is the exterior finished surfaces of the units' perimeter walls, roofs, foundations, windows and frames, doors, beams, post entries and cesspools, if any.

Permitted Alterations to Apartments:

Each unit owner may alter the structure and any other improvements located within their unit's limited common land area as provided in paragraphs 7.0 and 15.0 of the Declaration of Condominium Property Regime.

7. Parking Stalls:

Total Parking Stalls: 7

	<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>	<u>TOTAL</u>
Assigned (for each unit)	3 (unit 2759C)						<u>7</u>
Guest		2 (units 2759A and B)					
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	<u>7</u>		<u>0</u>		<u>0</u>		<u>7</u>

Each Residential apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit A contain additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational facilities

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure

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 _____

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

Based on a report prepared by a licensed professional engineer, the residential structures identified as Unit 2759A, 2759B and 2759C are in good condition. The useful remaining life of the residential structures is estimated to be approximately 30 years for each Unit as of June, 1997.

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:*

There are two variances approved being 80/ZBA-015 and 80/ZBA-127. See Exhibit "F" attached hereto.

*The Developer intends to apply for an Existing Use Permit (EU) with the Department of Planning and Permitting, City and County of Honolulu. The Developer does not know when the EU will be applied for and whether it will be obtained. The purpose of the EU amongst other things is to ensure that the Project can have a total of three residential dwellings.

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>	_____
Structures	_____	<u> X* </u>	_____
Lot	<u> X </u>	_____	_____

*Since the three dwelling units are nonconforming, if any dwelling is destroyed by any means to extent of more than 50 percent of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with Article 6 and other provisions of the Land Use Ordinance. Developer intends to apply for an Existing Use Permit.

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 B .

as follows:

2. Limited Common Elements: 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 B.

as follows:

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

described in Exhibit ____.

as follows:

Unit 2759A	33 1/3%
Unit 2759B	33 1/3%
Unit 2759C	<u>33 1/3%</u>
	100%

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 C describes the encumbrances against the title contained in the title report dated February 11, 2000 and issued by Hawaii Escrow & Title, 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 specific 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	If the Developer defaults under the Mortgage, the Lender may foreclose on its lien. The Lender will be able to terminate the contract or honor its terms and be the seller of the unit. If there is a cancellation, all purchaser deposits will be refunded.

F. Construction Warranties:

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

1. Building and Other Improvements:
None. There are no warranties, express or implied.

2. Appliances:
None. There are no warranties, express or implied.

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

The Developer discloses that Unit 2759A was constructed in 1980, Unit 2759B was originally constructed in 1958, and renovated in 1981, and Unit 2759C was constructed in 1984. The letter from the Building Department attached as Exhibit "F" has different dates.

H. Project Phases:

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

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 D contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated May 3, 1999.

Exhibit E 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 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 a 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 as 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 Report issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, 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, Hawaii 96809, at a nominal cost.

This Public Report is part of Registration No. 4366 filed with the Real Estate Commission on March 8, 2000.

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

NOT A SUBDIVISION. This is a condominium project which should not be confused with a subdivision. A purchaser of an apartment unit will be conveyed an apartment unit together with an "undivided" percentage interest in the common elements of the project. The entire parcel of land upon which the project is situated is designated as a common element. That portion of the common element which each purchaser has the exclusive right to use is called a limited common element or area, but is not a separate, legally subdivided lot.

MAINTENANCE FEES. All costs of every kind pertaining to each apartment and its respective limited common element, including but not limited to, cost of landscaping, maintenance, repair, replacement and improvement shall be borne entirely by the respective apartment owner. The cost of the common driveway will be a common expense, however it is anticipated that a minimum amount of maintenance will be needed. Accordingly, no maintenance fee schedule or reserve study was made for this Project. Units 2759A and 2759B share one water meter.

Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association will elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses. Developer estimates such annual premium expense to be about \$1,200.00 per year per unit. This estimate was prepared in accordance with generally accepted accounting principles.

RESERVES. Developer discloses that no reserve study was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. No reserves are necessary because there are no common elements that require any type of replacement or major repair other than the common concrete walkway. The Developer believes that there will be very little or normal repairs needed for the walkway during the next 25 years.

UNITS NOT FOR SALE. At the present time, none of the units are available for sale. Therefore, none of the documents necessary to permit the units to be sold by the Developer have been submitted to the Real Estate Commission. These documents would commonly include a broker agreement.

The Developer intends to, but is not obligated to convey the units as follows:

- a) Unit 2759A will be conveyed to Steve Yasuo Kobashigawa and Sharon Sachiko Kobashigawa, husband and wife
- b) Unit 2759B will be conveyed to Gary Kazuto Kobashigawa and Janice Setsuko Kobashigawa, husband and wife
- c) Unit 2759C will be conveyed to Doreen Yoshie Fujita and Masatoshi Fujita, wife and husband

DISCLOSURE RE: SELECTION OF REAL ESTATE BROKER

This public report shall not bind a purchaser to the sale of any apartment unit until (1) the Developers first submits to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, and (2) gives a copy of said disclosure abstract to the purchaser together with a copy of the Public Report.

If the Developer(s), as the owners, choose to represent themselves in the sale of an apartment, said abstract need not be given to the purchaser, as all necessary disclosure are covered in this report.

OTHER DISCLOSURES

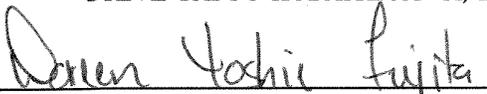
a) Driveway Right of Way. The driveway leading to the Project is over a commonly owned road right of way. The road is identified by TMK (1) 1-2-27:51. The Developer of the Project owns an undivided 50% (1/2) interest in the roadway parcel.

b) Wall Encroachment. There are various wall encroachments in the Project. The Developer may obtain encroachment agreements in order to permit such encroachments to remain. The Developer does not know whether the adjoining properties will agree to such encroachments. If the Developer cannot obtain the agreement from the adjoining owners, the encroachments may not be removed.

For further information regarding the foregoing, your attention is directed to the Department of Planning and Permitting, City and County of Honolulu.

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.

GARY KAZUTO KOBASHIGAWA, STEVE YASUO KOBASHIGAWA, and DOREEN YOSHIE FUJITA
Name of Developer

 _____ GARY KAZUTO KOBASHIGAWA, Developer	4/03/2000 _____ Date
 _____ STEVE YASUO KOBASHIGAWA, Developer	4/03/2000 _____ Date
 _____ DOREEN YOSHIE FUJITA, Developer	4/03/2000 _____ Date

Distribution:

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

EXHIBIT "A"

Description of Apartments

The Project consists of the following three (3) apartments:

a. Unit 2759A. Unit 2759A consists of one freehold estate consisting of a two-story residential structure with a two car carport. This unit consists of a living room, dining room, kitchen, one-half bath on the first floor. There is an interior staircase. The second floor consists of three bedrooms, and two bathrooms and a deck. The carport with utility room is on the first floor. The net living area of this unit is 2,112 square feet, the carport contains 440 square feet, and the deck contains 802 square feet.

b. Unit 2759B. Unit 2759B consists of one freehold estate consisting of a two-story residential structure. The first floor consists of a rumpus room, wet bar, three bedrooms and one bathroom with a two car carport and lanai. There is an interior and exterior stairway. The second floor consists of a living room, family room, kitchen, three bedrooms, and two bathrooms. The net living area of this unit is 2,240 square feet, the carport contains 440 square feet, the first floor lanai contains 260 square feet and second floor lanai contains 240 square feet.

c. Unit 2759C. Unit 2759C consists of one freehold estate consisting of a one two-story residential structure. The first floor consists of a garage and storage room. The second floor consists of a living room, dining room, kitchen, four bedrooms, and two bathrooms and 2 car carport. The entry is on the second level. The net living area of this unit is 1,544 square feet. The second floor carport contains 440 square feet, the first floor garage contains 320 square feet, and storage area contains 259 square feet.

EXHIBIT "B"

Common Elements

The common elements of the Project and which the units have immediate access to include:

a. The land in fee simple and an undivided one-half interest in a 15.0 foot right of way (TMK: (1) 2-2-27:51).

b. The common driveway, and any rock walls, fences, landscaping, poles, or wires, located within or on the common driveway.

c. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, drainage (including drainage from the roof), hot and cold water and like utilities which services more than one unit and any easements for such utility services, including utility poles and wires.

d. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project, including any common sewer facilities.

Limited Common Elements

The land area delineated and designated in the Condominium Map are limited common elements of a unit and consist of the following:

a. Unit 2759A. The land area around and under Unit 2759A which is delineated in the condominium map as Limited Common Land Area 2759A ("LCLA") is a limited common element of Unit 2759A and is for the exclusive use of Unit 2759A and consists of approximately 5,519 square feet.

b. Unit 2759B. The land area around and under Unit 2759B which is delineated in the condominium map as Limited Common Land Area 2759B ("LCLA") is a limited common element of Unit 2759B and is for the exclusive use of Unit 2759B and consists of approximately 5,241 square feet.

c. Unit 2759C. The land area around and under Unit 2759C which is delineated in the condominium map as Limited Common Land Area 2759C ("LCLA") is a limited common element of Unit 2759C and is for the exclusive use of Unit 2759C and consists of approximately 5,055 square feet.

EXHIBIT "C"

Encumbrances Against Title

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. As to the undivided 1/2 interest in 15.0 foot roadway:
 - a. An easement for utility purposes, in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company, dated August 30, 1946, recorded in Book 1988 at Page 227.
 - b. Water system in favor of the City and County of Honolulu, as mentioned in Grant dated September 26, 1974, recorded in Book 10232 at Page 510.
 - c. An easement for sewer purposes, in favor of City and County of Honolulu, dated September 26, 1974, recorded in Book 10232 at Page 510, described as follows:

Parcel 32 - of Pauoa Valley Sewers, Improvement District No. 245: All of that certain parcel of land being all of a roadway, 15 feet wide, same being all of a portion of Grant 2587 to Haalalea, situate at Pauoa Valley, City and County of Honolulu, State of Hawaii, being more particularly described as follows:

Beginning at the north corner of this parcel of land, on the southeast side of Booth Road, the coordinates of said point of beginning referred to Governmental Survey Triangulation Station "PUNCHBOWL" being 4,568.36 feet North and 4,720.07 feet East, as shown on Division of Land Survey and Acquisition Parcel Map File No. 18-1-3-30, thence running by azimuths measured clockwise from true South:

1. 318° 30' 259.54 feet along remainder of Grant 2587 to Haalalea;
2. 48° 30' 15.00 feet along same;
3. 138° 30' 261.45 feet along Lots D, C, B and A, along remainder of Grant 2587 to Haalalea;
4. 235° 45' 15.13 feet along the southeast side of Booth Road to the point of beginning and containing an area of 3,907 square feet, more or less.

3. Covenants, conditions and provisions set forth in that certain Affidavit for building permit, dated December 23, 1983, recorded in Book 17676 at Page 100.

4. Mortgage dated September 11, 1989, in favor of City Bank, a Hawaii corporation, recorded in said Bureau, in Book 23646, Page 432.

Subordination Agreement dated November 6, 1992, recorded in said Bureau, as Document No. 92-184042.

5. Mortgage dated September 11, 1989, in favor of City Bank, a Hawaii corporation, recorded in said Bureau, in Book 23646, Page 449.

Subordination Agreement dated November 6, 1992, recorded in said Bureau, as Document No. 92-184042.

6. Mortgage dated September 22, 1989, in favor of City Bank, a Hawaii corporation, recorded in said Bureau, in Book 23696, Page 698.

Subordination Agreement dated November 6, 1992, recorded in said Bureau, as Document No. 92-184042.

7. Mortgage dated November 6, 1992, in favor of City Bank, a Hawaii corporation, recorded in said Bureau, as Document No. 92-184041.

8. Matters as shown on Condominium File Plan No. 3030, filed in the Bureau of Conveyances.

9. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the Declaration of Condominium Property Regime of 2759 Booth Road, dated May 3, 1999, recorded in said Bureau, as Document No. 2000-017029.

10. By-Laws of the Association of Unit Owners of 2759 Booth Road dated May 3, 1999, recorded in said Bureau, as Document No. 2000-017030.

11. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration and/or in said Apartment Deed, and/or as delineated on said Condominium File Plan.

12. For real property taxes due and owing your attention is directed to the Director of Finance, City and County of Honolulu.

EXHIBIT "D"

Summary of Sales Contract

The Sales Contract contains the purchase price, description and location of the apartment and other terms and conditions under which a Purchaser will agree to buy an apartment in the Project.

Among other things, the Sales Contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.
2. Identifies the escrow agent and states that purchaser's deposit will be held in escrow until the Sales Contract is closed or canceled.
3. Requires that Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. Permits the Developer without the consent or approval of a purchaser to modify the Declaration, By-Laws Condominium Map or other documents provided that purchaser may cancel the Sales Contract and obtain a refund if such modification:
 - a. substantially and materially impairs the use and enjoyment of the apartment;
 - b. substantially and materially alters the arrangement of the rooms or usable space of an apartment or building;
 - c. renders unenforceable a purchasers' loan commitment;
 - d. increases the purchaser's share of common expenses or maintenance fees;
 - e. reduces the obligations of Developer of common expenses on unsold apartments.
5. Provides that the Developer is selling the apartments in "AS-IS WHERE-IS" condition. This means that the Developer is not making any warranties or representations with respect to the apartments and Project.

6. If purchaser dies (any one of them) prior to closing, Developer has the right to return purchaser's funds, less any escrow cancellation fees and cost, and cancel the Sales Contract.

7. Provides that the closing cost shall be paid as follows:

a. By purchaser: title insurance, drafting of any note and mortgage, purchaser notary fees, recording fees, one half of escrow fees, and also a start fee for common expenses, if any.

b. By Developer: drafting of apartment deed and Developer notary fees, conveyance taxes, preliminary title report, and one half of escrow fees.

8. Provides the following remedies, in the event of default under the Sales Contract:

by purchaser:

- a. Developer may bring an action against purchaser for breach of contract;
- b. Developer may retain initial deposit;
- c. Purchaser shall be responsible for expenses incurred.

by Developer:

- a. Purchaser may bring an action against Developer for breach of Contract;
- b. Purchaser may bring an action compelling Developer to perform under contract;
- c. Developer shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

9. Provides that purchaser may not assign his/her interest in the Sales Contract without the prior written consent of Developer.

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

EXHIBIT "E"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is HAWAII ESCROW & TITLE, INC. Under the Escrow Agreement dated May 3, 1999, these things will or may happen:

(a) Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.

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

(c) The Escrow Agreement specifies when purchaser funds may be disbursed upon closing of a sale. The conditions include:

i) Escrow receives the purchasers' signed "Receipt for Public Report(s) and Notice of Right to Cancel";

ii) Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and

iii) The apartment deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser. Refunds can occur under the following situations:

i) If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Final Public Report and Notice of Right to Cancel". The Receipt provides that purchasers may cancel the Sales Contract and purchaser is the Receipt is mailed or sent by telegram to Developer before (1) the apartment unit is conveyed to purchaser or (2) midnight of the 30th day after delivery of the Public Report(s) to me, whichever is earlier.

ii) The Developer and purchaser agree to terminate the Sales Contract;

iii) if the Developer exercises any right to cancel the transaction which it may have reserved.

NOTE: If a transaction is cancelled, the purchaser must return all documents to the Developer.

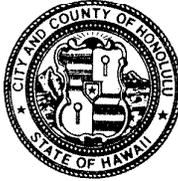
(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits previously placed into Escrow will be forfeited by purchaser and Escrow may release such funds to Developer. See paragraph 11 of Escrow Agreement.

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

EXHIBIT "F"

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET, 2ND FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 523-4564 • FAX: (808) 523-4567



JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI
DIRECTOR AND BUILDING SUPERINTENDENT
ISIDRO M. BAQUILAR
DEPUTY DIRECTOR AND BUILDING SUPERINTENDENT

Ex97-81

June 20, 1997

Mr. Michael H. Sakai
Attorney at Law
902 City Financial Tower
201 Merchant Street
Honolulu, Hawaii 96813-2929

Dear Mr. Sakai:

Subject: Condominium Conversion Project
2759 A, B and C Booth Road
Tax Map Key: 2-2-27: 52

This is in response to your letter dated February 15, 1997 requesting verification that the dwellings located at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the three two-story single-family dwellings with a total of six off-street parking spaces met all applicable code requirements when they were constructed in 1958, 1981 and 1984.

Investigation also revealed that zoning variance 80/ZBA-015 was approved with conditions on March 27, 1980 to permit a total of four dwelling units on this parcel without a site development plan. Zoning variance 80/ZBA-127 was approved with conditions on August 28, 1980 to allow the reconstruction of one of the dwellings.

The three one-family detached dwelling units are considered to be nonconforming.

Since the three dwelling units are considered to be nonconforming, if any dwelling is destroyed by any means to an extent of more than 50 percent of its replacement cost at the time of destruction, it shall not be reconstructed except in conformity with Article 6 and other provisions of the Land Use Ordinance.

Mr. Michael H. Sakai
Page 2
June 20, 1997

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

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

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

Very truly yours,


FCB RANDALL K. FUJIKI
Director and
Building Superintendent

Subscribed and sworn to
before me this 24th day of
June, 1997.

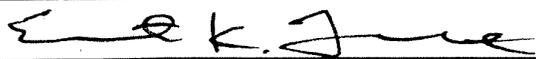

Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1999

EXHIBIT "G"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	Monthly Fee x 12 months = <u>Yearly Total</u>				
2759A	72.50	x	12	=	\$ 870.00
2759B	72.50	x	12	=	\$ 870.00
2759C	0	x	0	=	\$ 0.00
TOTAL:					\$1,740.00

RESERVES. Developer discloses that no reserve study was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. No reserves are necessary because there are no common elements that require any type of replacement or major repair other than the common concrete walkway. The Developer believes that there will be very little or normal repairs needed for the walkway during the next 25 years.

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

Utilities and Services

Air Conditioning

Electricity

- common elements only
- common elements and apartments

Elevator

Gas

Refuse Collection

Telephone

Water and Sewer (For Units 2759A and 2759B Only) 145.00 x 12 = \$1,740.00

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(*)

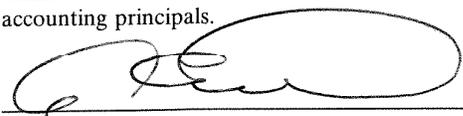
Taxes and Government Assessments

Audit Fees

Other

TOTAL \$1,740.00

I, GARY K, KOBASHIGAWA, as agent for/and/or employed by _____, the condominium managing agent/developer for the 2759 Booth Road, 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 principals.



Signature

Date: April 03, 2000

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

Pursuant to §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 the association's first annual meeting.