

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer IVY NATSUKO KUMAI, Trustee; WAYNE SUMISO TAGAMI;
Address and IRIS AIKO TAGAMI - 98-030 Hekaha Street, Suite 16,
Aiea, Hawaii 96701
Project Name (\*): KUMAI/TAGAMI CONDOMINIUM
Address: 16-185 Kalapa Street, Keaau, Hawaii 96749

Registration No. 4562
(Conversion)

Effective date: April 3, 2001
Expiration date: May 3, 2002

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
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:

**SPECIAL ATTENTION**

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

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

Developer: Ivy Natsuko Kumai, Trustee; Phone: (808)488-0771  
Name\* Wayne Sumiso Tagami; and (Business)  
Iris Aiko Tagami  
Business Address  
98-030 Hekaha Street, Suite 16, Aiea, HI 96701

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):  
NA

Real Estate Broker\*: Ala Kai Realty, Inc. Phone: (808)935-3378  
Name (Business)  
688 Kinoole Street, Suite 102  
Business Address  
Hilo, HI 96720

Escrow: Title Guaranty Escrow Services Phone: (808)935-6638  
Name (Business)  
450 Kilauea Avenue  
Business Address  
Hilo, HI 96720

General Contractor\*: None Phone: \_\_\_\_\_  
Name (Business)  
Business Address

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

Attorney for Developer: Stephen J. Menezes Phone: (808)934-8916  
Name (Business)  
441 Kipuni Street  
Business Address  
Hilo, HI 96720

\* 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:

Proposed  
 Recorded - Bureau of Conveyances: Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court Document No. 2443407

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. \_\_\_\_\_  
 Filed - Land Court Condo Map No. 1238

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

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

The Bylaws for this condominium are:

Proposed  
 Recorded - Bureau of Conveyances: Document No. \_\_\_\_\_  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court Document No. 2443408

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>NA</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:

Developer may amend the Declaration so long as Developer owns all of the apartments in the Project. Refer to paragraph 19 of the Declaration for additional information.

Developer may amend the Bylaws so long as Developer owns all of the apartments in the Project. Refer to Article VII, Section 1 of the Bylaws for additional information.



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: 16-185 Kalapa Street Tax Map Key (TMK): (3)1-6-148-006  
Keaau, Hawaii 96749

Address  TMK is expected to change because \_\_\_\_\_

Land Area: 21,832  square feet  acre(s) Zoning: MG-20a

Fee Owner: Ivy Natsuko Kumai, Trustee; Wayne Sumiso Tagami;  
Name and Iris Aiko Tagami  
98-030 Hekaha Street, Suite 16  
Address  
Aiea, Hawaii 96701

Lessor: N/A  
Name  
Address

C. **Buildings and Other Improvements:**

1.  New Building(s)  
 Conversion of Existing Building(s)  
 Both New Building(s) and Conversion
2. Number of Buildings: 1 Floors Per Building: 1  
 Exhibit "A" contains further explanations.
3. **Principal Construction Material:**  
 Concrete       Hollow Tile       Wood  
 Other Steel frame construction
4. **Uses Permitted by Zoning:**

	<u>No. of</u>	<u>Use Permitted By Zoning</u>	
	<u>Apts.</u>		
<input type="checkbox"/> Residential	_____	<input 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 checked="" type="checkbox"/> Industrial	<u>5</u>	<input checked="" 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

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: See Exhibit "E"

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0                      Stairways: 0                      Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>A</u>	<u>1</u>	<u>          </u>	<u>          </u>	<u>2,110</u>	<u>Warehouse</u>
<u>B</u>	<u>1</u>	<u>          </u>	<u>          </u>	<u>1,045</u>	<u>Warehouse</u>
<u>C</u>	<u>1</u>	<u>          </u>	<u>          </u>	<u>1,457</u>	<u>Warehouse</u>
<u>D</u>	<u>1</u>	<u>          </u>	<u>          </u>	<u>1,486</u>	<u>Warehouse</u>
<u>E</u>	<u>1</u>	<u>          </u>	<u>          </u>	<u>1,049</u>	<u>Warehouse</u>

Total Number of Apartments: 5

\* 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:

See Exhibit "A"

Permitted Alterations to Apartments:

See Exhibit "A"

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 \_\_\_\_\_ elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls:	<u>20</u>	See Exhibit "B" for parking stall assignments		
	<u>Regular</u>	<u>Compact</u>	<u>Tandem</u>	
	<u>Covered</u>	<u>Covered</u>	<u>Open</u>	<u>TOTAL</u>
Assigned (for each unit)	<u>20</u>	_____	_____	<u>20</u>
Guest	_____	_____	_____	_____
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 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 "B" 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: Restrooms, parking areas, etc. See Exhibit "B"

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

There are no violations.

Violations will not be cured.

Violations and cost to cure are listed below:  Violations will be cured by \_\_\_\_\_  
(Date)

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

NA

11. Conformance to Present Zoning Code

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

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

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

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

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

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

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

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

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

described in Exhibit "B".

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit "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 "B".

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 "C" describes the encumbrances against the title contained in the title report dated January 9, 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.

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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**F. Construction Warranties:**

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

1. **Building and Other Improvements:**

None

2. **Appliances:**

None

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

Construction of the Project was completed in 1993.

**H. Project Phases:**

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

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

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

not affiliated with the Developer  the Developer or Developer's affiliate  
 self-managed by the Association of Apartment Owners  Other: \_\_\_\_\_

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

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

Exhibit "D" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

NOTE: Developers disclose that no reserve study was done \*

C. **Utility Charges for Apartments:**

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

None  Electricity (  Common Elements only  Common Elements & Apartments)  
 Gas (  Common Elements only  Common Elements & Apartments)  
 Water  Sewer  Television Cable  
 Other \_\_\_\_\_

\* in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

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 "F" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 9, 1998  
Exhibit "G" 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. 4562 filed with the Real Estate Commission on January 22, 2001.

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C. Additional Information Not Covered Above

Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner(s), Ivy Natsuko Kumai, RB 15288, is a current and active Hawaii-licensed real estate broker. Furthermore, that Ivy Natsuko Kumai is the Principal Broker for Kumai Realty, Inc. Pursuant to section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise, 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."

Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner(s), Wayne Sumiso Tagami, RB 11332, is a current and active Hawaii-licensed real estate broker (Sole Proprietor). Pursuant to section 16-99-11(c), HAR, "(n)o licensee shall be allowed to advertise 'For Sale by Owner', 'For Rent by Owner', 'For Lease by Owner', 'For Exchange by Owner'."



KUMAI/TAGAMI CONDOMINIUM

Exhibit "A"

Buildings and Apartments

Following is a description of the buildings and apartments at Kumai/Tagami Condominium and an explanation of the boundaries of each apartment and permitted alterations:

1. Description of Buildings. The Project consists of one (1) building designated as Building 1. Building 1 is one-story in height and does not contain a basement. It is of steel frame construction with metal siding and metal roof. It has a concrete foundation.

2. Description of Apartments. Five (5) separate freehold estates are hereby created and designated (the "apartments"), as shown on the Condominium Map. Specifically the five (5) estates so created and designated are identified as Apartments A, B, C, D and E and are located in Building 1 as shown on the Condominium Map. The apartments are described as follows:

2.01. Each apartment contains one room and consists of the space within the boundaries shown on the Condominium Map for the apartment, which space is enclosed by the perimeter walls, floor and ceiling of the apartment.

2.02. The apartments have the approximate net floor area in square feet as set forth below:

<u>Apartment</u>	<u>Square Feet</u>
A	2,110
B	1,045
C	1,457
D	1,486
E	1,049

The approximate net floor area of an apartment is based on measurements from the interior surface of the apartment's perimeter walls as shown on the Condominium Map. No reduction to net floor area was made to account for any interior walls, ducts, vents, shafts, stairways or other fixtures located within an apartment, if any.

2.03. Each apartment shall be deemed to include all of the walls and partitions that are not load-bearing located within the apartment; all windows, window frames, louvers, doors and door frames installed in the perimeter walls of the apartment; the finish material, covering or surfaces on the interior side of the apartment's perimeter walls and on all other walls, partitions, ceilings and floors located within the apartment; all of the fixtures located within the apartment that were originally installed therein; and all ducts, electrical equipment, wiring, pipes and other appurtenant transmission facilities for services such as power, light, water, gas, wastewater disposal, telephone and radio and television signal distribution ("utility facilities) located within the apartment.

An apartment shall not be deemed to include any part of the foundation, footings, or floor slab of Building 1; or any part of the columns, girders, beams, studs or other supports located within or at the exterior walls or any other load-bearing walls of Building 1; or any part of the joists, rafters, roof trusses or any other supports for the roof of Building 1; or the roof of Building 1; or the siding, covering or surfaces on the exterior side of the exterior walls of Building 1; or the utility facilities, or such parts or portions of the utility facilities, located within Building 1 which serve more than one apartment.

2.04. The common element to which each apartment has immediate access is the paved parking area adjacent to each apartment.

3. Alteration of Apartments. Each apartment owner shall have the right, at such owner's sole discretion and without the consent or permission of any other apartment owner or the Association, to renovate, remodel or restore such owner's apartment or any portion thereof (collectively "alterations"); provided that: (a) the alterations shall be at the expense of the apartment owner and shall be performed in accordance with all applicable building, electrical and plumbing codes and all applicable land use and zoning laws and ordinances, (b) the alterations shall not affect the structural integrity of Building 1 or any other apartment, (c) the alterations shall be constructed in accordance with plans prepared by or under the supervision of a licensed architect or engineer, and (d) prior to commencing construction of the alterations, the apartment owner has obtained a performance bond for such construction naming the Association as co-obligee in a penal sum of not less than one hundred percent (100%) of the cost of construction. Any apartment owner making an alteration pursuant to Paragraph 17 of the Declaration shall have the right, without the consent or permission of any other apartment owner or the Association, to amend the Declaration and the Condominium Map to reflect the alteration.

Every apartment owner and their mortgagees, by acquiring an interest in an apartment, shall be deemed to have granted an irrevocable power of attorney to any apartment owner who makes an alteration pursuant to Paragraph 17 of the Declaration solely for the purpose of executing and recording an amendment to the Declaration and the Condominium Map describing the alteration.

THIS DOCUMENT CONTAINS A SUMMARY DESCRIPTION OF THE BUILDINGS AND APARTMENTS FOR KUMAI/TAGAMI CONDOMINIUM. BUYER SHOULD THOROUGHLY REVIEW ALL PROJECT DOCUMENTS IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF THE MATTERS CONTAINED IN THIS SUMMARY DESCRIPTION.

END OF EXHIBIT "A"

KUMAI/TAGAMI CONDOMINIUM

Exhibit "B"

Common Elements, Limited Common Elements  
and Common Interest

Following is a description of the common elements, limited common elements and common interest for Kumai/Tagami Condominium:

1. Common Elements. One freehold estate is hereby designated in all of the remaining portions and appurtenances of the Project (the "common elements"), including specifically, but not limited to:

1.01. The land in fee simple and all easements appurtenant thereto.

1.02. The foundation, footings, and floor slab of Building 1; the columns, girders, beams, studs or other supports located within or at the exterior walls and any other load-bearing walls of Building 1; the joists, rafters, roof trusses and any other supports for the roof of Building 1; the roof of Building 1; the siding, covering or surfaces on the exterior side of the exterior walls of Building 1; the utility facilities, or such parts or portions of the utility facilities, located within Building 1 and over, under and across the Project which serve more than one apartment.

1.03. All fences, gates, drywells, solid waste containment facilities, landscaping and paved parking areas.

1.04. Any and all apparatus, facilities or other parts of the Project necessary to its existence, maintenance and safety.

2. Limited Common Elements. Certain parts of the common elements, (the "limited common elements"), are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

2.01. Any entrance or exit to Building 1 which would normally be used only for the purposes of ingress to and egress from a specific apartment shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

2.02. The parking stalls, as shown on the Condominium Map, which are designated below for each apartment shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment:

<u>Apartment</u>	<u>Parking Stall Numbers</u>
A	1, 4, 5, 6, 7, 8, 9, 10, 11 and 12
B	2 and 3
C	13, 14 and 15
D	16, 17 and 18
E	19 and 20

2.03. Any utility facility, or such parts or portions thereof, located within an apartment and which serve only such apartment shall be deemed a limited common element appurtenant to and reserved for the exclusive use of such apartment.

All costs and expenses of every kind pertaining to the limited common elements, including, but not limited to, costs of maintenance, repair, replacement and improvement, shall be borne solely by the owner of the apartment to which the limited common element is appurtenant; provided that costs and expenses of maintenance, repair, replacement and improvement of the surface of the parking area upon which the parking stalls are located shall be deemed common expenses of the Project.

3. Common Interest. Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project, as follows:

<u>Apartment</u>	<u>Common Interest (%)</u>
A	29.5229
B	14.6215
C	20.3862
D	20.7919
E	14.6775

Such interests are defined and referred to herein as the "common interest". Each apartment shall have the same proportionate share as its common interest in all common profits and expenses of the Project and for all other purposes, including voting.

THIS DOCUMENT CONTAINS A SUMMARY DESCRIPTION OF THE COMMON ELEMENTS, LIMITED COMMON ELEMENTS AND COMMON INTEREST FOR KUMAI/TAGAMI CONDOMINIUM. BUYER SHOULD THOROUGHLY REVIEW ALL PROJECT DOCUMENTS IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF THE MATTERS CONTAINED IN THIS SUMMARY DESCRIPTION.

End of Exhibit "B"

KUMAI/TAGAMI CONDOMINIUM

Exhibit "C"

Encumbrances Against Title

Following is a list of the encumbrances against title of the Kumai/Tagami Condominium as shown by the Status Report, issued by Title Guaranty of Hawaii Incorporated on July 21, 1998:

For Real Property Taxes that may be due & owing reference is made to the Office of the Tax Assessor, County of Hawaii.

1. DESIGNATION OF EASEMENT "326"

PURPOSE : anchor guy  
SHOWN : on Map 484, as set forth by Land Court Order  
No. 107309, filed June 5, 1992

2. GRANT

TO : HAWAII ELECTRIC LIGHT COMPANY, INC. and GTE  
HAWAIIAN TELEPHONE COMPANY INCORPORATED

DATED : September 14, 1992  
FILED : Land Court Document No. 1958737  
GRANTING : an easement over said Easement "326"

3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: DECLARATION

DATED : October 22, 1987  
FILED : Land Court Document No. 1568649

Said Declaration was amended by instrument dated November 28, 1989, filed as Land Court Document No. 1689861, and dated December 13, 1990, filed as Land Court Document No. 1791651.

4. The terms and provisions, including the failure to comply with any covenants, conditions, reservations, contained in the following:

INSTRUMENT: DEED

DATED : November 17, 1992  
FILED : Land Court Document No. 1972546

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in that certain unrecorded Revocable Trust of Ivy Natsuko Kumai, dated May 31, 1985.

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT: DECLARATION OF CONDOMINIUM PROPERTY REGIME  
FOR "KUMAI/TAGAMI CONDOMINIUM" PROJECT

DATED : February 19, 1998  
FILED : Land Court Document No.2443407  
MAP : 1238 and any amendments thereto

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BYLAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : February 19, 1998  
FILED : Land Court Document No.2443408

8. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other facts which a correct survey or archaeological study would disclose.

9. Any unrecorded leases and matters arising from or affecting the same.

End of Exhibit "C"

EXHIBIT "D"

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
Apartment A	\$248.49	\$2,981.88
Apartment B	123.06	1,476.72
Apartment C	171.58	2,058.96
Apartment D	175.00	2,100.00
Apartment E	123.54	1,482.48

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	N/A		
Electricity			
<input checked="" type="checkbox"/> common elements only	\$100.00		\$1,200.00
<input type="checkbox"/> common elements and apartments			
Elevator	N/A		
Gas	N/A		
<input type="checkbox"/> common elements only			
<input type="checkbox"/> common elements and apartments			
Refuse Collection	N/A		
Telephone	N/A		
Water and Sewer	25.00		300.00

Maintenance, Repairs and Supplies

Building and Grounds	125.00		1,500.00
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Management (Self-Managed)

Management Fee  
Payroll and Payroll Taxes  
Office Expenses

Insurance	216.67		2,600.00
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Reserves(\*) (No reserve study conducted)

Taxes and Government Assessments	375.00		4,500.00
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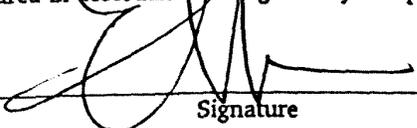
Audit Fees (Anticipate waiver of audit)

Other	_____		_____
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TOTAL	\$841.67		\$10,100.00
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Iris Taga:

I, Ernest M. Medeiros (R), as agent for ~~and/or employed by~~ Ivy Kumai, Wayne Tagami and the ~~condominium managing agent~~ condominium manager/developer for the KUMAI/TAGAMI CONDOMINIUM condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
\_\_\_\_\_  
Signature

01/19/2001  
\_\_\_\_\_  
Date

(\*) Mandatory reserves assessment 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.

KUMAI/TAGAMI CONDOMINIUM

Exhibit "E"

Special Use Restrictions

The Declaration of Condominium Property Regime contains restrictions on the use and occupancy of the apartments. The restrictions are as follows:

1. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby and their mortgagees, if any, as expressed in an amendment to the Declaration duly recorded, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument.

2. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the Condominium Property Act.

3. The apartments shall be occupied and used solely for such purposes not in conflict with the following:

(a) Applicable land use and zoning laws and ordinances.

(b) Covenants, Conditions and Restrictions and Owners' Association Contract for the W.H. Shipman Industrial Park, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 1568649, as amended.

(c) Provisions of the Bylaws concerning use of the Project.

4. The owner of each apartment upon acquiring title thereto automatically shall become a member of the Association and shall remain a member thereof until such time as such person's ownership of such apartment ceases for any reason, at which time such person's membership in the Association automatically shall cease; provided, however, that if and to the extent a lease of any apartment registered under Chapter 501 or recorded under Chapter 502 of the Hawaii Revised Statutes (filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii or recorded in the Bureau of Conveyances of the State of Hawaii) so provides, the lessee of such apartment shall be deemed to be the owner thereof.

The Bylaws contain restrictions on the use and occupancy of the apartments and common elements of the project. The restrictions are as follows:

1. All apartments of the project shall be used only for such purposes stated in the Declaration.

2. All common elements of the project shall be used only for their respective purposes as designed.

3. No apartment owner or occupant shall erect, place, store or maintain on the grounds or other common elements of the project any building, structure or other object, including fences and walls, nor make additions or alterations to, or exterior changes of, any common elements of the project, except in accordance with plans and specifications, including detailed plot plan if applicable, approved in writing by a majority of apartment owners and the Board.

4. No apartment owner or occupant shall erect, place or maintain on the grounds or other common elements of the project any signs, posters or bills whatsoever, except in accordance with plans and specifications, including detailed plot plan if applicable, approved in writing by a majority of apartment owners and the Board.

5. If deemed necessary by a majority of the Board, an apartment owner or occupant shall, before commencing any construction or installation approved pursuant to this section, obtain a bond naming as obligees collectively all apartment owners as their respective interests may appear with a responsible corporate surety authorized to do business in the State of Hawaii, which bond shall guarantee completion of such construction or installation in accordance with the contract therefor free and clear of all mechanics' and materialmen's liens and shall be in a penal sum not less than one hundred per cent (100%) of the cost of such construction or installation.

6. No apartment owner or occupant shall park, place, store or maintain on the driveways or other common elements of the project any equipment, vehicles, trailers, merchandise, furniture, packages or objects or any kind.

7. No apartment owner or occupant shall conduct any work or business outside such owner's or occupant's apartment other than loading and unloading of goods and equipment.

8. Every apartment owner and occupant shall at all times keep such owner's apartment in a strictly clean and sanitary condition and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association.

9. No apartment owner or occupant shall make or suffer any strip or waste or unlawful, improper or offensive use of such owner's or occupant's apartment or the project.

10. All apartment owners and occupants shall exercise reasonable care to minimize excessive noise when using machinery, equipment, radios and other sound-producing devices.

11. An apartment owner or occupant may keep not more than three pets (dogs, cats or other household pets) in such owner's or occupant's apartment.

(a) An apartment owner who is keeping a pet as of the effective date of an amendment to these Bylaws which prohibits pets, may, upon the death of the pet, replace the pet with another pet and continue to do so for as long as the apartment owner continues to reside in the owner's apartment or another apartment subject to these Bylaws.

(b) Provided that an apartment owner has agreed in writing to allow a tenant to keep a pet in the owner's apartment, a tenant may keep a pet or pets of the same type which may be kept by apartment owners.

(c) Pets which may be kept in an apartment shall not include animals described as pests under §150A-2, Hawaii Revised Statutes, or animals prohibited from importation under §§141-2, 150A-5 or 150A-6, Hawaii Revised Statutes.

12. Nothing shall be allowed, done or kept in any apartments or common elements of the project which would overload or impair the floors, walls or roof of the project's building or buildings, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

THIS DOCUMENT DESCRIBES THE RESTRICTIONS CONTAINED IN THE DECLARATION OF CONDOMINIUM PROPERTY REGIME AND THE BYLAWS REGARDING THE USE AND OCCUPANCY OF THE APARTMENTS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT. IN ADDITION TO RESTRICTIONS ON USE AND OCCUPANCY, THE PROJECT DOCUMENTS CONTAIN OTHER RESTRICTIONS APPLICABLE TO THE APARTMENTS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS, SUCH AS RESTRICTIONS CONCERNING ALTERATION OF THE APARTMENTS. BUYER SHOULD THOROUGHLY REVIEW ALL PROJECT DOCUMENTS IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF ALL OF THE RESTRICTIONS APPLICABLE TO THE APARTMENTS, COMMON ELEMENTS AND LIMITED COMMON ELEMENTS.

End of Exhibit "E"

KUMAI/TAGAMI CONDOMINIUM

Exhibit "F"

Summary of Sales Contract

Following is a summary of the pertinent provisions of the Deposit, Receipt and Sales Contract for Kumai/Tagami Condominium:

Payment Terms. Initial deposit is required. Balance of purchase price payable in cash or loan proceeds at closing.

Property Description. An apartment at Kumai/Tagami Condominium, together with built-in furniture and built-in and existing appliances, if any; subject to the Declaration, Bylaws and encumbrances noted in the deed.

Financing Commitment. Buyer must present evidence of ability to finance purchase, through a loan or by cash, within time periods specified in contract.

Escrow Agreement. Seller has escrow agreement with Title Guaranty Escrow Services, Inc. Buyer should review terms of the agreement.

Conveyance Document. Upon payment of full purchase price, Buyer will be conveyed apartment by way of Apartment Deed.

Closing Costs. Buyer responsible for closing costs, including but not limited to preparation of deed, conveyance tax, recording fees, escrow fees and financing fees.

Delivery of Possession. Possession of apartment delivered to Buyer upon closing.

Managing Agent. Kumai/Tagami Condominium will be self-managed by the association of apartment owners.1233

Modification of Documents. Seller may modify or amend the Declaration, Bylaws and other project documents for the reasons permitted or required in the project documents or by law.

Assignment. Seller's consent required for Buyer to assign contract.

Subordination. Seller may subordinate Buyer's interest in contract to interest of lender, if any.

Warranties. None.

Buyer's Representations. Buyer acknowledges purpose of condominium map, responsibility for use and rental of own apartment, responsibility for determining economic benefits and tax consequences of purchase, agreement not to enter into rental pool, agreement to execute documents regarding non-violation of securities laws, agreement to injunction and other relief if Buyer found in violation of any securities laws and agreement to accept liquidated damages if Seller found in violation of any disclosure laws. Buyer's agreement to accept liquidated damages for Seller's violation of any disclosure laws is Buyer's sole remedy to the exclusion of any other remedy that Buyer may have for such violation. The amount of liquidated damages is equal to the purchase price of the apartment and closing costs actually paid, together with interest at the rate of 12% per annum from the final closing until the date of repayment.

Buyer's Rights Upon Delivery of Final Public Report. Buyer may cancel contract during thirty day period following delivery of Final Public Report.

Buyer's Rights Upon Notice of A Material Change. Buyer may rescind contract during thirty day period following receipt of written notice of disclosure of material change.

Seller's Remedies. If Buyer defaults on the contract, Seller may cancel contract and retain up to \$10,000.00 of Buyer's deposit as liquidated damages or pursue other remedies.

Buyer's and Seller's Option to Cancel. Buyer or Seller may cancel contract at any time until it becomes binding as provided in contract or by law.

Time is of the Essence. Closing date may be extended for thirty day for reasons beyond control of Buyer or Seller. Any other extension requires written agreement between the parties.

THIS DOCUMENT CONTAINS A SUMMARY OF THE PERTINENT PROVISIONS OF THE DEPOSIT RECEIPT AND SALES CONTRACT FOR KUMAI/TAGAMI CONDOMINIUM. BUYER SHOULD THOROUGHLY REVIEW THE CONTRACT IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF THE RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE CONTRACT.

End of Exhibit "F"

KUMAI/TAGAMI CONDOMINIUM

Exhibit "G"

Summary of Condominium Escrow Agreement

Following is a summary of the pertinent provisions of the Condominium Escrow Agreement for Kumai/Tagami Condominium:

Parties. Title Guaranty Escrow Services, Inc. ("Escrow") and Ivy Natsuko Kumai, Trustee under that certain unrecorded Revocable Trust of Ivy Natsuko Kumai dated May 31, 1985, and Wayne Sumiso Tagami and Iris Aiko Tagami, husband and wife ("Developer").

Recitals. Purpose of agreement is to provide escrow services in connection with the sale of apartments, including but not limited to receiving and holding documents and holding and disbursing funds received from buyers of apartments.

Sales Contracts. Sales contracts and initial deposit for sale of apartments are to be deposited in escrow.

Receipt of Funds. All funds received by Developer from buyers of apartments are to be held and disbursed by Escrow. Interest earned on deposited fund accrues to Developer unless separate account is opened for buyer.

Disbursement of Funds. No funds are to be disbursed by Escrow unless the Final Public Report on the project has been issued and received by buyer and Developer has complied with other statutory requirements.

Return of Funds. Escrow will return funds to buyer, without interest, if:

- (a) Developer and buyer request Escrow to do so in writing,
- (b) Developer notifies escrow of Developer's exercise of an option to cancel or rescind the sales contract pursuant to any right to cancellation or rescission in the sales contract or otherwise available to Developer,
- (c) with respect to a buyer whose funds were obtained prior to the issuance of the Final Public Report for the project, buyer exercises buyer's right to cancel the sales contract pursuant to §514A-62, Hawaii Revised Statutes (unless Buyer has waived or is deemed to have waived Buyer's right to cancel the sales contract), or

(d) buyer exercises buyer's right to rescind the sale pursuant to §514A-63, Hawaii Revised Statutes (unless Buyer has waived or is deemed to have waived Buyer's right to rescind the sale).

Escrow will also return funds to buyer, without interest, if Buyer is purchasing the apartment pursuant to the owner-occupant provisions of Part VI of Chapter 514A, Hawaii Revised Statutes, and:

(i) buyer was placed on Developer's reservation list of owner-occupant applicants but no sales contract is offered to buyer,

(ii) buyer is unable to obtain adequate financing or a commitment for adequate financing for the purchase of buyer's reserved unit within the time period specified in Part VI of Chapter 514A, Hawaii Revised Statutes,

(iii) buyer desires to cancel the sales contract on account of hardship circumstances, or

(iv) buyer indicates an intent not to become an owner-occupant of buyer's reserved unit.

Escrow may charge an escrow cancellation fee of not less than \$25.00 in the event a sales contract is canceled or rescinded pursuant to any of the preceding subparagraphs (a) through (d) and (ii) through (iv). No escrow cancellation fee will be charged in the event a sales contract is not offered to buyer.

Closing. Escrow will arrange for and supervise the execution of all documents and other matters required for closing and will handle the closing of the transaction. Escrow will have the appropriate documents recorded and return recorded copies to the parties.

Buyer's Default. Escrow will notify buyer of the amount and date of payments required under the sales contract. If buyer defaults, Escrow will hold all payments made by buyer for the account of the Developer.

Protection of Escrow. Escrow is not required to determine any dispute or difference between the parties or any conflicting demand made by the parties. Escrow may file an interpleader action for the purpose of resolving any dispute over funds that Escrow is holding.

Statutory Provisions. The escrow agreement is supplementary and subject to the provisions of Chapter 514A, Hawaii Revised Statutes.

Compensation of Escrow. Escrow will be compensated in accordance with its scheduled rates.

THIS DOCUMENT CONTAINS A SUMMARY OF THE PERTINENT PROVISIONS OF THE CONDOMINIUM ESCROW AGREEMENT FOR KUMAI/TAGAMI CONDOMINIUM. BUYER SHOULD THOROUGHLY REVIEW THE AGREEMENT IN ORDER TO OBTAIN A COMPLETE UNDERSTANDING OF THE RIGHTS AND OBLIGATIONS OF THE PARTIES TO THE AGREEMENT.

End of Exhibit "G"