CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer A.Y. Investments, Inc.
Address 2250 Kalakaua Avenue #310, Honolulu, Hawaii 96815

Project Name (*): 5607 POOLA STREET
Address: 5607 Poola Street, Honolulu, Hawaii 96821

Registration No. 4613

Effective date: May 11, 2001
Expiration date: June 11, 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. A Final Public Report will be issued by the developer when complete information is filed.

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

____ **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

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

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report as Exhibit A [ ] 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.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental 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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EXHIBIT A: **Disclosure Abstract**
EXHIBIT B: **Developer's Reserved Rights to Change Condominium Documents**
EXHIBIT C: **Special Use Restrictions**
EXHIBIT D: **Permitted Alterations to Apartments**
EXHIBIT E: **Parking**
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EXHIBIT G: **Encumbrances Against Title**
EXHIBIT H: **Construction Warranties**
EXHIBIT I: **Summary of Pertinent Provisions of Sales Contracts**
EXHIBIT J: **Summary of Pertinent Provisions of Escrow Agreement**

General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set 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: A.Y. Investments, Inc.
Name*
2250 Kalakaua Avenue #310
Business Address
Honolulu, Hawaii 96815

Phone: (808) 926-8886
(Business)

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
Andy Yip - President, Vice President, Secretary, Treasurer, Director

Real Estate Broker*: Prudential Locations, LLC
Name
3465 Waialae Avenue, 4th Floor
Business Address
Honolulu, Hawaii 96816

Phone: (808) 732-5037
(Business)

Escrow: Island Title Corporation
Name
3465 Waialae Avenue, #380
Business Address
Honolulu, Hawaii 96816

Phone: (808) 739-1482
(Business)

General Contractor*: Benz Construction, Inc.
Name
42-115 Aleka Place
Business Address
Kailua, Hawaii 96734

Phone: (808) 226-7788
(Business)

Condominium Managing Agent*: self-managed by the Association
Name
of Apartment Owners
Business Address

Phone: _____
(Business)

Attorney for Developer: Arlene S. Kishi
Brooks Tom Porter & Quitiquit
Name
841 Bishop Street #2125
Business Address
Honolulu, Hawaii 96813

Phone: (808) 526-3011
(Business)

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

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2001-035480
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

N/A

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

The Condominium Map for this condominium project is:

[ ] Proposed
[X] Recorded - Bureau of Conveyances Condo Map No. 3229
[ ] Filed - Land Court Condo Map No. _____

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

N/A

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

The Bylaws for this condominium are:

[ ] Proposed
[X] Recorded - Bureau of Conveyances: Document No. 2001-035481
Book _____ Page _____
[ ] Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

N/A

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 [X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	—	Board of Directors

* 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.

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

See Exhibit B

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

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

[ ] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

For Sub-leaseholds:

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

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

[ ] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [ ] Month [ ] Year

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. **Underlying Land:**

Address: 5607 Poola Street
Honolulu, Hawaii 96821

Tax Map Key (TMK): (1) 3-5-73-114

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

Land Area: 17,937 [X] square feet [ ] acre(s) Zoning: R-7.5

Fee Owner: A.Y. Investments, Inc.
Name
2250 Kalakaua Avenue #310
Address
Honolulu, Hawaii 96815

Lessor: N/A
Name

Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building: 114A - 2 stories 114B - 3 stories

   [ ] Exhibit _____ contains further explanations.

3. Principal Construction Material:

   [X] Concrete [ ] Hollow Tile [X] Wood

   [ ] Other _____

4. Uses Permitted by Zoning:

		No. of Apts.	Use Permitted By Zoning	
[X]	Residential	2	[X] Yes	[ ] No
[ ]	Commercial		[ ] Yes	[ ] No
[ ]	Mix Res/Comm		[ ] Yes	[ ] No
[ ]	Hotel		[ ] Yes	[ ] No
[ ]	Timeshare		[ ] Yes	[ ] No
[ ]	Ohana		[ ] Yes	[ ] No
[ ]	Industrial		[ ] Yes	[ ] No
[ ]	Agricultural		[ ] Yes	[ ] No
[ ]	Recreational		[ ] Yes	[ ] No
[ ]	Other		[ ] Yes	[ ] No

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

[X] Pets: Household pets not to exceed two (2)

[ ] Number of Occupants: _____

[X] Other: See Exhibit C

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: N/A Stairways: 114A - 1, 114B - 2 Trash Chutes: N/A

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
114A	1	3/2.5	1,773	589	garage/storage
				228	lanais
114B	1	3/3.5	2,917	646	garage
				364	lanais

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment:

Each apartment shall be deemed to include the entire structure comprising the single-family condominium dwelling located on the limited common element land area appurtenant thereto.

Permitted Alterations to Apartments:

See Exhibit D

Apartments Designated for Owner-Occupants Only: N/A
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: 5

	Regular Covered	Regular Open	Compact Covered	Compact Open	Tandem Covered	Tandem Open	TOTAL
Assigned (for each unit)	4	1					5
Guest							
Unassigned							
Extra for Purchase							
Other: _____							
Total Covered & Open:	5		0		0		5

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.

[X] Exhibit E 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)

[X] Other: Driveway (See Exhibit C)

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below: [ ] Violations will be cured by _____ (Date)

The Project is in compliance with all zoning and building ordinances and codes of the City and County of Honolulu, and all other permitting requirements of the City and County of Honolulu which are applicable to the Project.

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): N/A

11. Conformance to Present Zoning Code N/A

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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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:

[X] described in Exhibit F.

[ ] 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:

[X] described in Exhibit __F____.

[ ] as follows:

***Note: Land areas referenced herein are not legally subdivided lots.**

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

[ ] described in Exhibit _____.

[X] as follows: **50% for each apartment**

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

Exhibit ___G___ describes the encumbrances against the title contained in the title report dated ____March 19, 2001_____ and issued by _____Island Title Corporation_____.

Blanket Liens:

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

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

[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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed **Prior to Conveyance**
First Mortgage, Security Agreement and Financing Statement and Absolute Assignment of Rentals and Lessor's Interest in Leases	**If Developer defaults prior to conveyance of an apartment to a buyer, the buyer's interest could be terminated. In that event, the buyer's deposit would be returned as set forth in the Sales Contract.**

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:

See Exhibit H

2. Appliances:

See Exhibit H

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

Construction of both apartments has begun, and they are estimated to be completed by April 30, 2001.

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
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or Developer's affiliate
[ ] Other: _____

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

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

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

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

See Exhibit A

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:

[X] None [ ] Electricity (___ Common Elements only ___ Common Elements & Apartments)

[ ] Gas (___ Common Elements only ___ Common Elements & Apartments)

[ ] Water [ ] Sewer [ ] Television Cable

[ ] Other _____

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

Sales documents on file with the Real Estate Commission include but are not limited to:

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit __I__ contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated __April 5, 2001__
Exhibit __J__ 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 Declaration of Restrictive Covenants and amendment.

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. 4613 filed with the Real Estate Commission on April 17, 2001.

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

[ ] YELLOW paper stock [X] WHITE paper stock [ ] PINK paper stock

C. **Additional Information Not Covered Above**

None

D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)

E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

A.Y. Investments, Inc.
Printed Name of Developer

By: _____ 3-30-01
Duly Authorized Signatory* Date

Andy Yip, President
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT A

DISCLOSURE ABSTRACT

1. Project: 5607 POOLA STREET
5607 Poola Street
Honolulu, Hawaii 96821

2. Developer: A.Y. Investments, Inc.
2250 Kalakaua Avenue, Suite 310
Honolulu, Hawaii 96815
(808) 946-8886

3. Managing Agent: self- managed

4. Maintenance Fees: The maintenance and repair of each condominium unit and all utility charges and insurance premiums, are the sole responsibility of the owner thereof. There are no common services or expenses which will require monthly assessments. Each unit has a non-exclusive easement over the "Common Element" driveway area designated on the Condominium Map, for the purpose of ingress, egress and access to and from the Project, to the portion of Poola Street within the Kahala Kua subdivision project which is a private road, and then to that portion of Poola Street which is a public road. Said driveway area includes "Easement A-1" shown on the Condominium Map (which is also sometimes referred to as "Easement R-5"), which Easement A-1 is also intended to be used by the owner(s) of the adjacent Lot 84 shown on the Condominium Map, for the aforesaid purpose. The terms and conditions for the use, maintenance, benefits and obligations of Easement A-1 are contained in that certain Grant of Easement R-5 dated August 4, 2000, recorded in the Bureau of Conveyances as Document No. 2000-108456.[1]

5. Warranties: Developer disclaims any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the units or their contents. Developer will not be liable to any persons for any construction or other defects, including any latent or hidden

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[1]While HRS §514A-86 requires the Association of Apartment Owners to purchase a fire insurance policy to cover the improvements of the projects and specifies that premiums for the policy are common expenses, the Developer anticipates that the Association will elect to permit apartment owners to obtain and maintain separate fire insurance policies and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of the apartment owner and not common expenses. Developer estimates the annual premium to be $1,300 per apartment, which includes hurricane coverage, for a $250,000 policy. In addition, Developer estimates that the annual premium for liability insurance covering the "Common Element" driveway area to be $400 per apartment if obtained separately by each owner or $200 per apartment if obtained by the Association. These estimates were prepared in accordance with generally accepted accounting principles.

defects in the Project, the units or anything contained therein. This means that unit owners will not have the right to file any lawsuit for damages against Developer for any defects discovered by the unit owners.

However, pursuant to the construction contract between the Developer and the Project's general contractor, the general contractor warranted that (a) the materials and equipment furnished under the contract will be new and of good quality unless otherwise required or permitted by the "Contract Documents" (as defined in the contract); (b) the "Work" (as defined in the contract) will be free from defects not inherent in the quality required or permitted; and (c) the Work will conform to the requirements of the Contract Documents; and the contractor agreed for a period of one (1) year after "Substantial Completion" (as defined in the contract) to correct work not conforming to the requirements of the Contract Documents. The Developer will assign said warranty, together with all transferable manufacturer's and dealer's warranties covering all appliances installed in the units by Developer, to the first owner of each unit. No owner will have any recourse against the Developer under any of said warranties.

6. Number of Apartments; Permitted Use. The Project contains two (2) apartments, both of which are intended for residential use. There is no commercial development in the Project.

Each apartment shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. No apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The respective residential apartments shall not be rented by the residential apartment owners thereof for transient or hotel purposes, nor in connection with any time-sharing purpose. Other than the foregoing restrictions, the residential apartment owners of the respective apartments shall have the absolute right to lease the same, provided that such lease covers an entire residential apartment, is in writing and is made subject to the covenants and restrictions contained in the Declaration and By-Laws for the Project, as amended.

7. Kahala Kua. The Project is located within and is a part of the Kahala Kua single-family residential subdivision. Each unit owner, upon acquiring his or her unit, shall automatically become a member of the Association of Owners of Kahala Kua, a nonprofit Hawaii corporation, aka the Kahala Kua Community Association (the "Kahala Kua Association"), and shall remain a member of the Kahala Kua Association until such time as his/her ownership of a unit ceases. The Kahala Kua Association

is separate from the Association of Apartment Owners of 5607 Poola Street. All unit owners and other persons and entities acquiring any right, title or interest in the Project, are subject to, bound by and shall comply with the provisions of Kahala Kua Declaration of Covenants and Restrictions dated December 23, 1994 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-006505, as amended, the Articles of Incorporation of the Association of Owners of Kahala Kua, as amended, the Bylaws of the Kahala Kua Community Association, as amended, and all rules and regulations promulgated by the Kahala Kua Association. Pursuant to said Declaration of Covenants and Restrictions, the Kahala Kua Association is authorized to impose assessments to cover expenses incurred by the Kahala Kua Association for, among other things, the maintenance and repair of the common areas and improvements located within the Kahala Kua subdivision of which the Project is a part. As such, each unit owner shall be responsible for paying all assessments imposed against his/her unit by the Kahala Kua Association, which assessments shall be separate from and in addition to, any assessments imposed by the Association of Apartment Owners of 5607 Poola Street.

The Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Dated: Honolulu, Hawaii, March 30, 2001.

A.Y. INVESTMENTS, INC., a
Hawaii corporation

By_____
Andy Yip, President

Developer

EXHIBIT B

DEVELOPER'S RESERVED RIGHTS
TO CHANGE CONDOMINIUM DOCUMENTS

Following is a brief summary of certain provisions in the Declaration, By-Laws and the Sales Contract, as indicated, wherein the Developer has reserved the right to change the condominium documents, including the Declaration, By-Laws and the Condominium Map:

I. DECLARATION

In paragraph S of the Declaration, the Developer reserves the right, at any time prior to the conveyance of an apartment to a buyer, to amend the Declaration and the By-Laws in any manner as the Developer may deem fit.

In paragraph U of the Declaration, the Developer reserves the right for itself and its agents, until such time as all the apartments in the Project are sold, to:

A. Grant utility and access easements and quitclaim any easements in favor of the Project which are not required for the Project. Apartment owners agree, upon request, to join in and execute any and all documents designating, granting and quitclaiming any such easements.

B. Amend the Declaration, the Condominium Map and By-Laws consistent with any grants or reservations of the Developer under the Declaration.

C. Conduct sales of apartments at the Project, including, but not limited to, maintaining model apartments, operating a sales office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales.

D. Amend the Declaration, the By-Laws and the Condominium Map, without the approval, consent or joinder of any purchaser or owner of an apartment, to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the apartments, by any institutional lender lending funds on the security of the Project or any of the apartments, by any purchaser, insurer or guarantor of loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to purchase, insure or guarantee a loan made on the security of the Project or any of the apartments, or by any governmental agency.

E. Reconfigure the Project or any unit with respect to which a deed has not been recorded.

F. To record the "as-built" verified statement required by Section 514A-12 of the Act, as each unit is completed.

II. BY-LAWS

In Article II, Section 2 of the By-Laws, the Developer reserves the right to exercise the powers, vote and act for the Association and the Board on all matters until the first unit in the Project is conveyed to a buyer (except as to those rights reserved to the Developer in paragraph U of the Declaration, which rights are reserved until all of the activities described therein have been completed).

III. SALES CONTRACT

The Developer, as Seller, reserves the right to modify all documents related to the Project, including the Declaration, By-Laws, Condominium Map, Condominium Deed, Disclosure Abstract and any exhibits to such documents, to alter the Project and the units (and to modify said documents accordingly).

Without limiting the generality of the foregoing, Seller reserves the right to change the configurations of, or to alter the number of rooms of or to decrease or increase the size of, or to change the location of any apartment in accordance with complete plans and specifications therefor prepared by a licensed architect, and to make other changes in the apartments and in the common elements, and to increase or decrease the purchase price of the Unit or any other unit in the Project.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE DECLARATION, THE BY-LAWS AND THE SALES CONTRACT RESPECTING THE DEVELOPER'S RESERVED RIGHTS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO THE DEVELOPER'S RESERVED RIGHTS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT C

SPECIAL USE RESTRICTIONS

The following provisions in the Declaration and By-Laws, as indicated, contain restrictions on the use of the apartments and the common elements of the Project:

I. DECLARATION

Paragraph H.5 of the Declaration provides that each unit shall have a non-exclusive easement over the "Common Element" driveway area designated on the Condominium Map, for the purpose of ingress, egress and access to and from the Project, to the portion of Poola Street within the Kahala Kua subdivision project which is a private road, and then to that portion of Poola Street which is a public road. Said driveway area includes "Easement A-1" shown on the Condominium Map (which is also sometimes referred to as "Easement R-5"), which Easement A-1 is also intended to be used by the owner(s) of the adjacent Lot 84 shown on the Condominium Map, for the aforesaid purpose. The terms and conditions for the use, maintenance, benefits and obligations of Easement A-1 are contained in that certain Grant of Easement R-5 dated August 4, 2000, recorded in the Bureau of Conveyances as Document No. 2000-108456.

Pursuant to paragraph J of the Declaration, each unit shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. No unit shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The units shall not be rented by the owners thereof for transient or hotel purposes, as defined in the Declaration. Neither said units nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. Other than the foregoing restrictions, the unit owners shall have the absolute right to lease the same, provided that such lease covers an entire apartment, is in writing and is made subject to the covenants and restrictions contained in the Declaration and in the By-Laws.

II. BY-LAWS

Article VIII, Section 5 of the By-Laws lists a variety of restrictions affecting the use of the apartments and common elements, including, without limitation, restrictions as to the posting of advertisements, posters or other signs on or about the Project; noise; disposal of garbage; uses which may cause an

increase in the ordinary premium rates or cancellation or invalidation of any insurance maintained by or for the Board; noxious or offensive activities; the storage of furniture, packages or other objects which could obstruct transit through the common elements; the construction or placement in the Project of any building or structure; the alteration of any common elements of the Project; installation or maintenance of any television or other antennas in the Project; and the keeping of pets.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN USE PROVISIONS STATED IN THE DECLARATION AND BY-LAWS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE USE RELATED PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT D

PERMITTED ALTERATIONS TO APARTMENTS

The Declaration and By-Laws permit alterations to the apartments as follows:

I. DECLARATION

Paragraph Q of the Declaration provides that restoration or replacement of any unit or construction of any additional improvements, alterations or additions to any unit different in any material respect from the Condominium Map of the Project shall be undertaken by a unit owner, subject to the conditions set forth below:

1. All plans and specifications therefor shall comply with applicable setback requirements, building codes and zoning ordinances.

2. No unit shall be changed so as to reduce the distance between improvements placed on each land area to less than the distance shown on the Condominium Map without the consent of the other owner, and no change to a unit shall be made if the effect of such change would be to exceed the unit's proportionate share of the allowable floor area or lot area coverage for the land on which the Project is located, pursuant to the then applicable zoning and building codes. The proportionate share for each unit shall be the same as its percentage interest in the common elements.

3. All changes shall be at the sole expense of the unit owner making such changes and shall be completed expeditiously and in a manner that will not unreasonably interfere with the other unit owners' use of their units or land areas.

4. During construction, the unit owner making such changes will obtain at its sole expense builder's all-risk insurance in an amount not less than the estimated cost of construction, and the Association shall be named as additional insured.

5. Promptly upon completion of such restoration, replacement or construction, the owner shall duly record or file of record an amendment to the Declaration, together with a complete set of floor plans of the unit as so altered, certified as built by a registered architect or professional engineer; provided, however, that notwithstanding any provision in this Declaration to the contrary, any alterations or additions within a unit may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the unit so

altered. All present and future unit owners and their mortgagees, by accepting an interest in a unit in the Project, shall be deemed to have given each unit owner a power of attorney to execute such an amendment to this Declaration, so that each unit owner shall have a power of attorney from all other unit owners to execute such an amendment. This power of attorney shall be deemed coupled with each owner's interest in such owner's unit and shall be irrevocable.

6. Each conveyance, lease and mortgage or other lien made or created on any unit in the Project and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph Q.

Developer does not give any assurances that the units can be expanded and Developer does not give any assurances that variances are obtainable from the City and County of Honolulu for any proposed improvements.

II. BY-LAWS

Article VIII, Section 4 of the By-Laws prohibits any owner from doing any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement or hereditament, nor may any owner add any material structure or excavate any additional basement or cellar, without in every such case the consent of seventy-five percent (75%) of the owners, together with the consent of all owners whose units or limited common elements appurtenant thereto are directly affected, being first obtained.

THIS EXHIBIT CONTAINS EXCERPTS OF THE PROVISIONS CONTAINED IN THE DECLARATION AND THE BY-LAWS RESPECTING PERMITTED ALTERATIONS TO THE APARTMENTS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO PERMITTED ALTERATIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT E

PARKING

Each unit has a two-car garage, which can accommodate two regular size cars.

There are no guest parking stalls in the Project which are designated as such; however, a portion of the driveway fronting unit 114B may be occupied by one car.

EXHIBIT F

DESCRIPTION OF COMMON
ELEMENTS AND LIMITED COMMON ELEMENTS

I. COMMON ELEMENTS

Paragraph E of the Declaration describes the common elements as all portions of the land and improvements (other than the apartments), the land on which the building is located and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements include, but are not limited to the following:

1. The land described in Exhibit "A", including but not limited to, the area designated on the Condominium Map as "Common Element", which contains approximately 4,182 square feet. [Paragraph H.5 of the Declaration provides that each unit will have appurtenant thereto a non-exclusive easement over the "Common Element" driveway area designated on the Condominium Map, for the purpose of ingress, egress and access to and from the Project, to the portion of Poola Street within the Kahala Kua subdivision project which is a private road, and then to that portion of Poola Street which is a public road. Said driveway area includes "Easement A-1" shown on the Condominium Map (which is also sometimes referred to as "Easement R-5"), which Easement A-1 is also intended to be used by the owner(s) of the adjacent Lot 84 shown on the Condominium Map, for the aforesaid purpose. The terms and conditions for the use, maintenance, benefits and obligations of Easement A-1 are contained in that certain Grant of Easement R-5 dated August 4, 2000, recorded in the Bureau of Conveyances as Document No. 2000-108456.]

2. All central and appurtenant installations for services such as power, lights, telephone, hot and cold water lines, television cable lines, sewage disposal and other utilities which serve more than one unit (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in units), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for common use.

3. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any unit.

II. LIMITED COMMON ELEMENTS

Paragraph F of the Declaration describes the limited common elements as certain parts of the common elements which are set aside and reserved for the exclusive use of certain apartments, which apartments shall have appurtenant thereto exclusive

easements for the use of such limited common elements. The limited common elements so set aside for each apartment are as follows:

1. One (1) mailbox located on the Project grounds, bearing the same number as the number of the unit.

2. The land area on which each unit is located, as shown and delineated on the Condominium Map, shall be a limited common element for the exclusive use of the unit to which it is appurtenant; provided that each unit owner shall be responsible for and shall bear the expense of installing and maintaining all landscaping within such limited common element land area, and of repairing, restoring or reinstating any walkways, stairways, fences, walls, pavement, water lines, and other improvements located within such designated limited common element land area; provided, further, that in the event of any sewer stoppage which affects any individual unit, the owner of such unit shall be responsible for and shall bear the expense of cleaning any sewer line which connects to any main sewer line running beneath the Project. The limited common element land area appurtenant to each unit is indicated on the Condominium Map and contains the following approximate number of square feet:

Unit 114A	6,714 square feet
Unit 114B	7,041 square feet

Notwithstanding any provision herein or in the By-Laws to the contrary all costs of every kind pertaining to each limited common element, including but not limited to, costs of landscaping, maintenance, repair, replacements, additions and improvements, shall be charged to and borne entirely by the owner(s) of the unit(s) to which it is appurtenant. Expenses which are attributable to more than one (1) mailbox or land area shall be allocated among the affected mailboxes or land areas on a per mailbox or land area basis. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense.

EXHIBIT G

ENCUMBRANCES AGAINST TITLE

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

2. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Deed:

   Date: July 13, 1988
   Recorded: Book 22165, Page 603

   The foregoing includes, but is not limited to, matters relating to the following:

   "EXCEPTING AND RESERVING out of this demise the following:

   The right of the Trustees, their tenants or licensees to discharge storm waters from the Waialae-Iki View Lots onto the land hereby demised and reserving all rights-of-way for storm drainage purposes that may at any time during the term hereby demised be required by Trustees, their tenants or licensees to convey said waters over and across said land."

3. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Kahala Kua Declaration of Covenants and Restrictions:

   Dated: December 23, 1994
   Filed: Document No. 2212377
   Recorded: Document No. 95-006505

   The foregoing includes, but is not limited to, matters relating to assessment lien shall be subject and subordinate to the lien of any recorded first mortgage or recorded purchase money mortgage.

   Consent and Joinder thereto by EIC, Inc., a Hawaii corporation, filed and recorded concurrently in said Office as Document No. 2212378 and in said Bureau as Document No. 95-006506.

   AMENDMENTS TO DECLARATION

DATED:	DOCUMENT NO.:	DOCUMENT NO.:
February 15, 1995	2219366	95-022763
April 4, 1995	2251018	95-095874

August 23, 1995 2256286 95-108910

4. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Restrictive Covenants:

Dated: ---
Filed: Document No. 2217085
Recorded: Document No. 95-017406

AMENDMENT TO DECLARATION

Dated: March 3, 1995
Filed: Document No. 2222420
Recorded: Document No. 95-030330

5. Encroachment of a chain link fence, as shown on survey map prepared by Alden S. Kajioka, Licensed Land Surveyor, with Controlpoint Surveying & Engineering, Inc., dated January 17, 1995.

6. Designation of Easement "R-5", area 3,238 square feet, more or less, for access purposes, in favor of Lot 84, shown on survey map prepared by Alden S. Kajioka, Licensed Land Surveyor, with Controlpoint Surveying & Engineering, Inc., dated July 7, 1995, and being more particularly described in Instrument:

Dated: July 23, 1997
Recorded: Document No. 97-099351

7. Surveyor's Certificate

Dated: July 23, 1997
Recorded: Document No. 97-099351

8. Nonexclusive perpetual Easement R-5 for the construction, maintenance, repair and improvement of a concrete driveway for ingress to and egress from Lot 84, File Plan No. 2141, over, across and upon Lot F, as granted by Grant of Easement R-5 (Lot F):

Dated: ----
Recorded: Document No. 2000-108456

9. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime:

Dated: February 22, 2001
Recorded: Document No. 2001-035480

10. Condominium Map No. 3229, filed in the Bureau of Conveyances, State of Hawaii.

11. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of 5607 Poola Street:

    Dated: February 22, 2001
    Recorded: Document No. 2001-035481

12. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.

13. For real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

EXHIBIT H

CONSTRUCTION WARRANTIES

The Sales Contract used in connection with the Project provides as follows:

> "Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the units or their contents, and that Seller will not be liable to the unit owners for any construction or other defects, including any latent or hidden defects in the Project, the units or anything contained therein. This means that unit owners will not have the right to file any lawsuit for damages against Seller for any defects discovered by the unit owners.
>
> However, pursuant to the construction contract between the Seller and the Project's general contractor, the general contractor warranted that (a) the materials and equipment furnished under the contract will be new and of good quality unless otherwise required or permitted by the "Contract Documents" (as defined in the contract); (b) the "Work" (as defined in the contract) will be free from defects not inherent in the quality required or permitted; and (c) the Work will conform to the requirements of the Contract Documents; and the contractor agreed for a period of one (1) year after "Substantial Completion" (as defined in the contract) to correct work not conforming to the requirements of the Contract Documents. Seller is assigning said warranty, together with all transferable manufacturer's and dealer's warranties covering all appliances installed in the units, to the purchasers of the units. No purchaser will have any recourse against Seller under any of said warranties."

EXHIBIT I

SUMMARY OF PERTINENT PROVISIONS OF SALES CONTRACT

Developer has filed a specimen Deposit Receipt Offer and Acceptance, and 5607 Poola Street Addendum (the "Contract"), with the Hawaii Real Estate Commission, which contains certain pertinent provisions summarized as follows:

Buyer's Acknowledgments. Buyer acknowledges that Buyer will examine and carefully read (or waive such examination and reading) prior to closing, a copy of the recorded Declaration, By-Laws and Condominium Map for the Project, the Final Public Report, the Disclosure Abstract, the form of Condominium Deed, the Condominium Escrow Agreement and all amendments to such documents, true copies of which are filed in the Office of the Commission and are available for Buyer's examination at the office of Seller's real estate broker. By signing the Condominium Deed, Buyer will be deemed to have approved all of the foregoing documents.

Buyer further acknowledges that Buyer's unit shall have appurtenant thereto a non-exclusive easement over the "Common Element" driveway area designated on the Condominium Map, for the purpose of ingress, egress and access to and from the Project, to the portion of Poola Street within the Kahala Kua subdivision project which is a private road, and then to that portion of Poola Street which is a public road. Said driveway area includes "Easement A-1" shown on the Condominium Map (which is also sometimes referred to as "Easement R-5"), which Easement A-1 is also intended to be used by the owner(s) of the adjacent Lot 84 shown on the Condominium Map, for the aforesaid purpose. The terms and conditions for the use, maintenance, benefits and obligations of Easement A-1 are contained in that certain Grant of Easement R-5 dated August 4, 2000, recorded in the Bureau of Conveyances as Document No. 2000-108456, a true copy of which is filed in the Office of the Commission and is available for Buyer's examination at the office of Seller's real estate broker. Buyer acknowledges that Buyer will examine and carefully read (or waive such examination and reading) prior to closing, a copy of the Grant of Easement, and by signing the Condominium Deed, Buyer will be deemed to have approved it.

In addition, Buyer acknowledges that the Project is located within and is a part of the Kahala Kua single-family residential subdivision. Buyer, upon acquiring his or her unit, shall automatically become a member of the Association of Owners of Kahala Kua, a nonprofit Hawaii corporation, aka the Kahala Kua Community Association (the "Kahala Kua Association"), and shall remain a member of the Kahala Kua Association until such time as

his/her ownership of a unit ceases. The Kahala Kua Association is separate from the Association of Apartment Owners of 5607 Poola Street. Buyer will be subject to and bound by, and shall comply with, the provisions of Kahala Kua Declaration of Covenants and Restrictions dated December 23, 1994 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 95-006505, the Articles of Incorporation of the Association of Owners of Kahala Kua, the Bylaws of the Kahala Kua Community Association, all rules and regulations promulgated by the Kahala Kua Association and all amendments to such documents, true copies of which are filed in the Office of the Commission and are available for Buyer's examination at the office of Seller's real estate broker. Buyer acknowledges that Buyer will examine and carefully read (or waive such examination and reading) prior to closing, a copy of the foregoing documents, and by signing the Condominium Deed, Buyer will be deemed to have approved them. Buyer understands that under said Declaration of Covenants and Restrictions, the Kahala Kua Association is authorized to impose assessments to cover expenses incurred by the Kahala Kua Association for, among other things, the maintenance and repair of the common areas and improvements located within the Kahala Kua subdivision of which the Project is a part. As such, Buyer shall be responsible for paying all assessments imposed against Buyer's unit by the Kahala Kua Association, which assessments shall be separate from and in addition to, any assessments imposed by the Association of Apartment Owners of 5607 Poola Street.

Cancellation Rights. In addition to any other rights of cancellation or termination reserved to Seller, if Buyer's initial deposit check is returned for insufficient funds, Seller reserves the right to return Buyer's check or payments, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses. Until Seller so elects to cancel the Contract, it shall remain in full force and effect. If Buyer (or any one of them if Buyer is more than one person) should die prior to closing, then either Buyer or Seller has the right to cancel this Contract, and upon such cancellation, Seller will return Buyer's check or payment, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses. Until either party so elects to cancel the Contract, it shall remain in full force and effect.

Buyer's Right To Rescind. Buyer has the right to rescind the Contract under the following terms:

(a) Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration, if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Unit or appurtenant limited common elements, or (2) those

amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale and to receive a prompt and full refund of any monies paid. Buyer's right of rescission is waived upon satisfaction of certain specified conditions.

Default. If Buyer defaults in any payment when required or fail to perform any other obligations required of Buyer and shall fail to cure such default within ten (10) days after receipt of written notice thereof from Seller, Seller may, at Seller's option, terminate the Contract by written notice to Buyer. In the event of such default, the sums paid by Buyer prior to such default shall belong to Seller as liquidated damages. In addition, Buyer shall pay all fees for the preparation of documents in connection with Buyer's proposed purchase of the Unit. Seller may also pursue any other remedy at law or in equity for specific performance, damages, and all costs, including attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

If Seller defaults in the performance of any obligation required of Seller under the Contract, Buyer shall be entitled to specific performance of the Contract or Buyer shall have the right to cancel the Contract. In the event of such cancellation, Seller shall repay to Buyer all sums paid by Buyer to Seller or Escrow Agent, and, in addition, Seller shall pay Buyer ONE HUNDRED AND NO/100 DOLLARS ($100.00) as liquidated damages for Seller's default. Buyer expressly waives any other right or remedy against Seller.

THIS EXHIBIT CONTAINS ONLY SUMMARIES OF CERTAIN PERTINENT PROVISIONS CONTAINED IN THE SALES CONTRACT. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED IN THE SALES CONTRACT.

EXHIBIT J

SUMMARY OF PERTINENT PROVISIONS OF ESCROW AGREEMENT

The Escrow Agreement (the "Escrow Agreement"), executed by and between Island Title Corporation, as Escrow, and A.Y. Investments, Inc., as Seller, provides that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Seller has requested Escrow in writing to return to purchaser the funds of purchaser held by Escrow; or

(b) Seller has notified Escrow of Seller's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised the purchaser's right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) The purchaser has exercised the purchaser's right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. PROSPECTIVE BUYERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE AGREEMENT.