

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Oneawa Land Company, LLC
Address 2764 C Booth Road, Honolulu, Hawaii 96813

Project Name(\*): HALE ONEAWA I
Address: 405 Oneawa Street, Kailua, Hawaii 96734

Registration No. 4678
Effective date: August 6, 2001
Expiration date: September 6, 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.

(\* ) 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-30 286/986/189/1190/892/0197/0800

**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 is a CONDOMINIUM PROJECT and not a subdivision. The land area beneath and immediately appurtenant to each apartment unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The broken lines on the Condominium Map bounding the designated number of square feet within each limited common element land area are for illustrative purposes only, and should in no way 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.

## TABLE OF CONTENTS

|   | Page |
|---|------|
| Preparation of this Report  | 1    |
| Expiration Date of Reports  | 1    |
| Type of Report  | 1    |
| Disclosure Abstract   | 2    |
| Summary of Changes from Earlier Public Reports                                      | 2    |
| Table of Contents   | 3    |
| General Information on Condominiums   | 4    |
| Operation of the Condominium Project  | 4    |
| <br>  |      |
| I. PERSONS CONNECTED WITH THE PROJECT   | 5    |
| Developer   |      |
| Attorney for Developer  |      |
| General Contractor  |      |
| Real Estate Broker  |      |
| Escrow Company  |      |
| Condominium Managing Agent  |      |
| <br>  |      |
| II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS                              |      |
| A. Declaration  | 6    |
| B. Condominium Map (File Plan)  | 6    |
| C. Bylaws   | 6    |
| D. House Rules  | 7    |
| E. Changes to Condominium Documents   | 7    |
| <br>  |      |
| III. THE CONDOMINIUM PROJECT  |      |
| A. Interest to be Conveyed to Buyer   | 8    |
| B. Underlying Land  | 9    |
| C. Buildings and Other Improvements   | 10   |
| D. Common Elements, Limited Common Elements, Common Interest                        | 13   |
| E. Encumbrances Against Title   | 14   |
| F. Construction Warranties  | 15   |
| G. Status of Construction   | 16   |
| H. Project Phases   | 16   |
| <br>  |      |
| IV. CONDOMINIUM MANAGEMENT  |      |
| A. Management of the Common Elements  | 17   |
| B. Estimate of Initial Maintenance Fees   | 17   |
| C. Utility Charges for Apartments   | 17   |
| <br>  |      |
| V. MISCELLANEOUS  |      |
| A. Sales Documents Filed with the Real Estate Commission                            | 18   |
| B. Buyer's Right to Cancel Sales Contract   | 18   |
| C. Additional Information Not Covered Above   | 20   |
| D. Signature of Developer   | 21   |
| <br>  |      |
| EXHIBIT A: Description of Apartments  |      |
| EXHIBIT B: Letter from the Department of Planning and Permitting dated May 21, 2001 |      |
| EXHIBIT C: Architect's Visual Inspection Report dated May 2, 2001                   |      |
| EXHIBIT D: Description of Common Elements   |      |
| EXHIBIT E: Limited Common Elements  |      |
| EXHIBIT F: Encumbrances Against Title   |      |
| EXHIBIT G: Estimate of Initial Maintenance Fees and Disbursements                   |      |
| EXHIBIT H: Summary of Pertinent Provisions of Sales Contract                        |      |
| EXHIBIT I: Summary of Pertinent Provisions of Escrow Agreement                      |      |
| EXHIBIT J: Warranty of Completion of Construction                                   |      |

## **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: Oneawa Land Company, LLC Phone: (808) 545-3176
Name\* 2764 C Booth Road (Business)
Business Address Honolulu, Hawaii 96813

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):

Peter J. Haines - Member
Hok Yau Yeung - Member
Fung Chiu Cheung - Member

Real Estate Broker\*: Peter J. Haines (B) Phone: (808) 545-3176
Name 2764 C Booth Road (Business)
Business Address Honolulu, Hawaii 96813

Escrow: First American Long & Melone Title Company, Ltd. Phone: (808) 536-3866
Name 333 Queen Street, Suite 700 (Business)
Business Address Honolulu, Hawaii 96813

General Contractor\*: Y.T. Construction, Inc. Phone: (808) 386-3232
Name 1934-A Pauoa Road (Business)
Business Address Honolulu, Hawaii 96813

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

Attorney for Developer: Law Offices of Anders G. O. Nervell, ALC Phone: (808) 523-0105
Name 700 Bishop Street, Suite 2100 (Business)
Business Address Honolulu, Hawaii 96813

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

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

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

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

The Declaration for this condominium is:

|                                     |            |                        |              |         |            |
|-------------------------------------|------------|------------------------|--------------|---------|------------|
| <input type="checkbox"/>            | Proposed   |                        |              |         |            |
| <input type="checkbox"/>            | Recorded - | Bureau of Conveyances: | Document No. | _____   |            |
|                                     |            |                        | Book         | _____   | Page _____ |
| <input checked="" type="checkbox"/> | Filed -    | Land Court:            | Document No. | 2717395 | _____      |

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

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

The Condominium Map for this condominium project is:

|                                     |            |                       |               |       |       |
|-------------------------------------|------------|-----------------------|---------------|-------|-------|
| <input type="checkbox"/>            | Proposed   |                       |               |       |       |
| <input type="checkbox"/>            | Recorded - | Bureau of Conveyances | Condo Map No. | _____ |       |
| <input checked="" type="checkbox"/> | Filed -    | Land Court            | Condo Map No. | 1421  | _____ |

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

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

The Bylaws for this condominium are:

|                                     |            |                        |              |         |            |
|-------------------------------------|------------|------------------------|--------------|---------|------------|
| <input type="checkbox"/>            | Proposed   |                        |              |         |            |
| <input type="checkbox"/>            | Recorded - | Bureau of Conveyances: | Document No. | _____   |            |
|                                     |            |                        | Book         | _____   | Page _____ |
| <input checked="" type="checkbox"/> | Filed -    | Land Court:            | Document No. | 2717396 | _____      |

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

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<br/>Set by Law</u> | <u>This Condominium</u>   |
|-----------------------------|-------------------------------|---------------------------|
| Declaration (and Condo Map) | 75%*                          | <u>100%</u>               |
| Bylaws                      | 65%                           | <u>65%</u>                |
| House Rules                 | ---                           | <u>Board of Directors</u> |

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

2. Developer:

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

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

1. To grant easements for utility easements (see paragraph 7.5 of the Declaration).
2. To amend the Declaration by filing an "as built" certificate (see paragraph 20.1 of the Declaration).
3. To amend the Declaration to comply with the requirements imposed by law, title insurers, lenders, etc. (see paragraph 20.2 of the Declaration).
4. To amend the By-Laws to comply with the requirements of any federal or State governmental agency (see Section 10.2(a) of the By-Laws).

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: 405 Oneawa Street Tax Map Key (TMK): (1) 4-3-62-45  
Kailua, Hawaii 96734

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

Land Area: 11,262  square feet  acre(s) Zoning: R-5

Fee Owner: Oneawa Land Company, LLC  
 Name  
2764 C Booth Road  
 Address  
Honolulu, Hawaii 96813

Lessor: N/A  
 Name  
 Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building: 2  
 Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood  
 Other \_\_\_\_\_

4. Uses Permitted by Zoning

|   | <u>No. of<br/>Apts.</u> | <u>Use Permitted By Zoning</u>          |                             |
|---|-------------------------|---|-----------------------------|
| <input checked="" type="checkbox"/> Residential | <u>2</u>                | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No |
| <input type="checkbox"/> Commercial             | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input type="checkbox"/> Mix Res/Comm           | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input type="checkbox"/> Hotel                  | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input type="checkbox"/> Timeshare              | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input type="checkbox"/> Ohana                  | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input type="checkbox"/> Industrial             | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input type="checkbox"/> Agricultural           | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input type="checkbox"/> Recreational           | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |
| <input type="checkbox"/> Other                  | _____                   | <input type="checkbox"/> Yes            | <input type="checkbox"/> No |

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?  
 Yes  No

5. Special Use Restrictions:

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

- Pets: \_\_\_\_\_
- Number of Occupants: \_\_\_\_\_
- Other: \_\_\_\_\_
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: none                      Stairways: yes                      Trash Chutes: none

| <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>SEE EXHIBIT "A"</u> | _____           | _____          | _____                        | _____                      | _____             |
| _____                  | _____           | _____          | _____                        | _____                      | _____             |
| _____                  | _____           | _____          | _____                        | _____                      | _____             |
| _____                  | _____           | _____          | _____                        | _____                      | _____             |

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment:  
SEE EXHIBIT "A"

Permitted Alterations to Apartments:

Subject to restrictions in the Declaration and the By-Laws, an apartment owner may make additions to or alterations of his or her apartment or limited common elements appurtenant to such apartment. Furthermore, handicapped occupants may make reasonable modifications to their apartments, the limited common elements appurtenant thereto, and/or the common elements, at their own expense.

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 N/A elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 6

|                             | <u>Regular</u> |             | <u>Compact</u> |             | <u>Tandem</u>  |             | <u>TOTAL</u> |
|-----------------------------|----------------|-------------|----------------|-------------|----------------|-------------|--------------|
|                             | <u>Covered</u> | <u>Open</u> | <u>Covered</u> | <u>Open</u> | <u>Covered</u> | <u>Open</u> |              |
| Assigned<br>(for each unit) | <u>2</u>       | <u>1</u>    | _____          | _____       | _____          | _____       | <u>6</u>     |
| Guest                       | _____          | _____       | _____          | _____       | _____          | _____       | _____        |
| Unassigned                  | _____          | _____       | _____          | _____       | _____          | _____       | _____        |
| Extra for Purchase          | _____          | _____       | _____          | _____       | _____          | _____       | _____        |
| Other: _____                | _____          | _____       | _____          | _____       | _____          | _____       | _____        |
| Total Covered & Open:       | <u>6</u>       | _____       | _____          | _____       | _____          | _____       | <u>6</u>     |

Each apartment will have the exclusive use of at least 3 parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit: "A" contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool                       Storage Area                       Recreation Area

Laundry Area                       Tennis Court                       Trash Chute/Enclosure(s)

Other: \_\_\_\_\_

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations SEE EXHIBIT "B"

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):

SEE EXHIBIT "C"

11. Conformance to Present Zoning Code

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

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

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

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

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

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

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

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

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

described in Exhibit     "D"     .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit “E”.

as follows:

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

described in Exhibit \_\_\_\_\_.

as follows: The percentage of common interest appurtenant to each apartment in the Project is 50%.

- 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 “F” describes the encumbrances against the title contained in the title report dated May 24, 2001 and issued by First American Long & Melone Title Company, Ltd.

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.

[ X ] 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<br/>or Lien is Foreclosed <b>Prior to Conveyance</b></u> |
|---------------------|--|
|---------------------|--|

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: The two apartments will have a standard contractor's one year warranty on material and craftsmanship commencing from the date of completion. SEE EXHIBIT J.
  
2. Appliances: The two apartments will be sold with warranties given by the appliance manufacturer.

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

The Notices of Completion for Dwelling Unit Nos. 405 and 407 were filed in July, 2001.

H. **Project Phases:**

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

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



## V. MISCELLANEOUS

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

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

- Notice to Owner Occupants
- Specimen Sales Contract  
Exhibit "H" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated June 28, 2001  
Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

### B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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

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

This Public Report is a part of Registration No. 4678 filed with the Real Estate Commission on June 29, 2001.

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

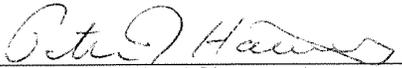
YELLOW paper stock             WHITE paper stock             PINK paper stock

C. **Additional Information Not Covered Above**

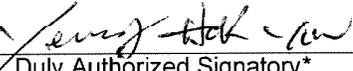
Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Developer/Owner(s), Oneawa Land Company, LLC, of which Peter J. Haines is a member. Peter J. Haines, RB17093, is a current and active Hawaii-licensed real estate broker. Further, that Peter J. Haines, as Sole Proprietor, is the project broker. 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'."

- 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 section 514A-1.6 (The developer is required to make this declaration for issuance of an effective date for a 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.

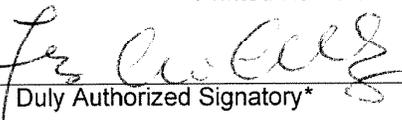
ONEAWA LAND COMPANY, LLC  
Print Name of Developer

By:  6/28/07  
Duly Authorized Signatory\* Date

PETER J. HAINES, its Member  
Printed Name & Title of Person Signing Above

By:  6/28/07  
Duly Authorized Signatory\* Date

HOK YAU YEUNG, its Member  
Printed Name & Title of Person Signing Above

By:  6/25/07  
Duly Authorized Signatory\* Date

FUNG CHIU CHEUNG, its Member  
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"**

### **Description of Apartments**

There are two (2) separate condominium apartments in the Project. Each of the two (2) residential dwellings contains one (1) condominium apartment. The apartments are referred to as "Dwelling Units" on the Condominium Map, and are more particularly described below:

(1) Dwelling Unit No. 405 is a two-story residential building without a basement, constructed recently. The first floor of Dwelling Unit No. 405 contains a wet bar/sitting area, a living room, two (2) bedrooms, a bath, and a laundry room. The first floor also contains a foyer. In addition, the first floor contains a two-car garage. The two (2) parking stalls in the garage are designated in the Declaration and on the Condominium Map as parking stalls nos. 2 and 3. The second floor of Dwelling Unit No. 405 contains a kitchen/dining/living room and a hall, three (3) bedrooms, and two (2) baths. The total net living area of Dwelling Unit No. 405 is approximately 2,000 square feet, with 832 square feet on the first floor, and 1,168 square feet on the second floor. Dwelling Unit No. 405 also has an appurtenant limited common element open parking stall as more particularly described in the Declaration, which parking stall is designated in the Declaration and on the Condominium Map as parking stall no. 1.

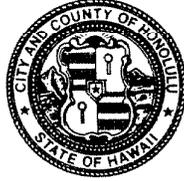
(2) Dwelling Unit No. 407 is a two-story residential building without a basement, constructed recently. The first floor of Dwelling Unit No. 407 contains a wet bar/sitting area, a living room, two (2) bedrooms, a bath, and a laundry room. The first floor also contains a foyer. In addition, the first floor contains a two-car garage. The two (2) parking stalls in the garage are designated in the Declaration and on the Condominium Map as parking stalls nos. 5 and 6. The second floor of Dwelling Unit No. 407 contains a kitchen/dining/living room and a hall, three (3) bedrooms, and two (2) baths. The total net living area of Dwelling Unit No. 407 is approximately 2,000 square feet, with 832 square feet on the first floor, and 1,168 square feet on the second floor. Dwelling Unit No. 407 also has an appurtenant limited common element open parking stall as more particularly described in the Declaration, which parking stall is designated in the Declaration and on the Condominium Map as parking stall no. 4.

Boundaries of Each Apartment. Each Unit consists of (a) all footings, floors, foundations, perimeter walls and roofs of the Building and all other improvements from time to time located upon the Dwelling Area appurtenant to the Units; (b) all of the space, fixtures, walls and other improvements located within such footings, floors, foundations, perimeter walls and roofs; (c) all exterior surfaces and finishes of such footings, floors, foundations, perimeter walls and roofs; (d) all decks, lanais, porches, steps, stairs or other improvements physically attached to any Building and for the exclusive use of the Owners and occupants of any Building; and (e) all portions of any carport or garage physically attached to, or contained in, any Building or located on the Dwelling Area appurtenant to the Unit and for the exclusive use of the owner and occupants of the Unit. A Unit shall not be deemed to include any pipes, wires, ducts, conduits, or other utility or service lines running through a Unit (or the Dwelling Area appurtenant to such Unit) which are utilized by or serve any other Unit.

**END OF EXHIBIT "A"**

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET • HONOLULU, HAWAII 96813  
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743 • INTERNET: [www.cc.honolulu.hi.us](http://www.cc.honolulu.hi.us)



JEREMY HARRIS  
MAYOR

RANDALL K. FUJIKI, AIA  
DIRECTOR

LORETTA K. C. CHEE  
DEPUTY DIRECTOR

2001/CLOG-1492(RLK)

May 21, 2001

Mr. Peter J. Haines  
Affordable Housing Specialists, Inc.  
2764 C Booth Road  
Honolulu, Hawaii 96813

Dear Mr. Haines:

Subject: Condominium Conversion Project  
405 & 407 Oneawa Street  
Tax Map Key: 4-3-62: 45

This is in response to your letter dated April 4, 2001 requesting verification that the structures on the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the two 2-story single-family detached dwellings with six all-weather surface off-street parking spaces are being constructed under BP 514410 and BP 514411 on this 11,262 square-foot R-5 Residential District zoned lot.

Investigation also revealed that 2000/SUB-240 was approved on February 9, 2001, subdividing Lot 1-F-13, as shown on Map 52 of Land Court Application 495, into two lots: Lot 1-F-13-A of 11,262 square feet (a flag lot) and Lot 1-F-13-B of 7,548 square feet; and the designation of Easement A (for access and utility purposes in favor of Lot 1-F-13-B) affecting Lot 1-F-13-A, leaving Lot 1-F-13-A with a net lot area of 10,046 square feet..

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

For your information, the Department of Planning and Permitting cannot determine all legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

**EXHIBIT " B "**

Mr. Peter J. Haines  
Affordable Housing Specialists, Inc.  
Page 2  
May 21, 2001

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; and does not create a separate lot of record.

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

Sincerely yours,



RANDALL K. FUJIKI, AIA  
Director of Planning and Permitting

RKF:ft  
document 95354 rev 1

**GESTALT ARCHITECTURAL DESIGN INC.**

5 Sand Island Access Road, Bldg. 931, Honolulu, HI 96819  
Telephone: (808) 847-2796

May 2<sup>nd</sup>, 2001

To: Oneawa Land Company LLC  
Owners/Developers of "Hale Oneawa I" CPR  
2764 C Booth road, Honolulu, HI 96813

As per your request, a visual inspection was made of the single family dwellings located at:

Units 405 and 407 Oneawa Street, Kailua, Hawaii 96734

The purpose of the inspection was to examine and comment on the present state of the buildings.

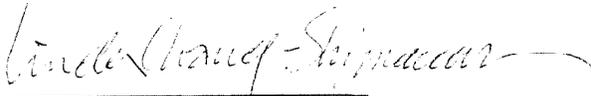
The following describes my assessment of the present condition of the buildings:

Unit 405 and 407:

1. The structures are new, unoccupied and appear to be in excellent condition. The units are habitable and appear to be free from major structural defects.
2. The electrical and plumbing systems appear to be functioning properly and seem to be in good condition.
3. The expected useful life is estimated to be between 30 to 40 years.

Conclusion: The buildings at present are in good condition with no major structural defects.

Sincerely Yours,



Linda Chang-Shimaura, AIA

**EXHIBIT " C "**

**EXHIBIT "D"**

**Description of Common Elements**

The common elements include the following located within the Project:

- (1) The land in fee simple described in Exhibit "A" in the Declaration;
- (2) The driveway access to the Units, having a total area of 2,488 square feet as shown on the Condominium Map;
- (3) All pipes, cables, wires, ducts, conduits, electrical equipment, or other utility or service lines, drainage ditches or appurtenant drainage structures and retaining walls (if any), which are located outside the Units and which are utilized for or serve more than one Unit;
- (4) All pipes, cables, wires, ducts, conduits, electrical equipment, or other utility or service lines running through a Unit which are utilized by or serve more than one Unit;
- (5) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

**END OF EXHIBIT "D"**

## EXHIBIT "E"

### Limited Common Elements

The limited common elements include the following located within the Project:

(1) The limited common elements so set aside and reserved for the exclusive use of Dwelling Unit No. 405 are as follows:

(a) The site on which Dwelling Unit No. 405 is located, consisting of the land beneath and immediately adjacent to Dwelling Unit No. 405 (including any yard areas, landscaping, driveways, walkways, and access areas), as shown and delineated on the Condominium Map (including the airspace above such site), is for the exclusive benefit of Dwelling Unit No. 405. Said site is referred to in the Declaration as the Dwelling Area, and the Dwelling Area for Dwelling Unit No. 405 contains an area of 3,959 square feet; and

(b) The uncovered parking stall located on the Dwelling Area for Dwelling Unit No. 405 as shown and delineated on the Condominium Map (parking stall no. 1).

(2) The limited common elements so set aside and reserved for the exclusive use of Dwelling Unit No. 407 are as follows:

(a) The site on which Dwelling Unit No. 407 is located, consisting of the land beneath and immediately adjacent to Dwelling Unit No. 407 (including any yard areas, landscaping, driveways, walkways, and access areas), as shown and delineated on the Condominium Map (including the airspace above such site), is for the exclusive benefit of Dwelling Unit No. 407. Said site is referred to in the Declaration as the Dwelling Area, and the Dwelling Area for Dwelling Unit No. 407 contains an area of 4,815 square feet; and

(b) The uncovered parking stall located on the Dwelling Area for Dwelling Unit No. 407 as shown and delineated on the Condominium Map (parking stall no. 4).

(3) Any other common element of the Project which is rationally related to fewer than all the Units shall be deemed a limited common element appurtenant to and for the exclusive use of such Unit to which it is rationally related.

END OF EXHIBIT "E"

**EXHIBIT "F"**

**Encumbrances Against Title**

Encumbrances against the title as contained in the Commitment for Title Insurance dated May 24, 2001, and issued by First American Long & Melone Title Company, Ltd. are as follows:

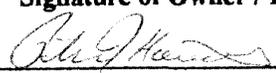
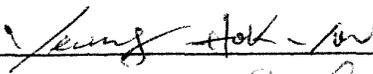
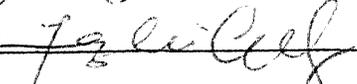
1. Real property taxes due and payable. For more information contact the City and County of Honolulu, Department of Finance, Real Property Tax Assessment.
2. Grant of Easement dated September 10, 1955 in favor of Hawaiian Electric Company, Limited, a Hawaii corporation, and GTE Hawaiian Telephone Company Incorporated, a Hawaii corporation, for utility purposes, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 179433.
3. Chainlink fence running along Lot 1-F-14-B starts in Lot 1-F-13 by 0.4 feet then crosses into Lot 1-F-14-B by 0.1 feet, as shown on the survey map of Lester T. Shimabukuro, Licensed Professional Land Surveyor, dated October 17, 2000. The foregoing encroachment(s) fall(s) within the de minimus area as defined under Sections 669.11 through 669.13, Hawaii Revised Statutes, as amended.
4. Easement 39 (16 feet wide) in favor of Lot 1-F-13-B, as shown on Map 681, filed with said Application No. 495, for access and utility purposes, as set forth by Land Court Order No. 142092, filed April 20, 2001.

**END OF EXHIBIT "F"**

## ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

| DESCRIPTION<br>OF ITEMS          | PAID BY ASSOC.<br>OR INDIVIDUAL? | UNIT<br>405  | UNIT<br>407  | MONTHLY<br>TOTAL |
|----------------------------------|----------------------------------|--------------|--------------|------------------|
| <b>UTILITIES &amp; SERVICES</b>  |                                  |              |              |                  |
| Air Conditioning.....            | Individual                       |              |              |                  |
| Electricity.....                 | Individual                       |              |              |                  |
| ( ) Common Elements.....         | n/a                              |              |              |                  |
| ( ) Common Elements.....         | n/a                              |              |              |                  |
| <b>and Apartments</b>            |                                  |              |              |                  |
| Gas.....                         | Individual                       |              |              |                  |
| Refuse Collection.....           | n/a                              |              |              |                  |
| Telephone.....                   | Individual                       |              |              |                  |
| Water & Sewer.....               | Individual                       |              |              |                  |
| <b>MAINTENANCE &amp; REPAIRS</b> |                                  |              |              |                  |
| Buildings.....                   | Individual                       |              |              |                  |
| Driveway & Utility Lines....     | Assoc.                           | \$ 0         | \$ 0         | \$ 0             |
| <b>MANAGEMENT</b>                |                                  |              |              |                  |
| Management Fee.....              | n/a                              |              |              |                  |
| Payroll & Payroll Taxes.....     | n/a                              |              |              |                  |
| Office Expenses.....             | n/a                              |              |              |                  |
| COMMON ELEMENT INSUR.....        | Assoc.                           | \$12.50      | \$12.50      | \$ 25            |
| HOMEOWNER'S INSURANCE....        | Individual                       |              |              |                  |
| RESERVES FOR PIPES & DRIVE       | Assoc.                           | \$12.50      | \$12.50      | \$ 25            |
| TAXES & GOVERNMT ASSESS          | n/a                              |              |              |                  |
| AUDIT FEE.....                   | n/a                              |              |              |                  |
| <b>TOTAL MONTHLY FEES / UNIT</b> |                                  | <b>\$ 25</b> | <b>\$ 25</b> | <b>\$ 50</b>     |
| <b>TOTAL ANNUAL FEES (X 12)</b>  |                                  | <b>\$300</b> | <b>\$300</b> | <b>\$600</b>     |

I/We, The Owners and Developers of the Hale Oneawa I CPR, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

| Name of Developer        | Member's Name / Title        | Signature of Owner / Developer   | Date    |
|--------------------------|------------------------------|--|---------|
| Oneawa Land Company, LLC | Mr. Peter Haines, Member     |  | 6/28/07 |
| Oneawa Land Company, LLC | Mr. Hok Yau Yeung, Member    |  | 6/28/07 |
| Oneawa Land Company, LLC | Mr. Fung Chiu Cheung, Member |  | 6/28/07 |

**Reserve Study** for the Association's common driveway and utility lines has not been completed. The association is planning to study the costs to maintain and replace the common elements, and will use this study to prepare a long-term budget for the maintenance and replacement of the common elements. The common elements consist of a common driveway, sewer lines, and water lines.

**Changes to Maintenance Fee Schedule:** This \$25/month/unit budget reflects the Developer's estimates of Association costs, and may be amended in the future according to the findings of the Reserve Study. This budget may be reviewed and revised by the Board of Directors on a continual basis.

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

### EXHIBIT "G"

## **EXHIBIT "H"**

### **Summary of Pertinent Provisions of Sales Contract**

The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

1. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.
2. That a buyer's deposits will be held in escrow until the sales contract is closed or cancelled.
3. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. That in the event of default:
  - If buyer defaults:
    - (1) Seller may bring an action for breach of contract;
    - (2) Seller may retain the deposits as liquidated damages;
    - (3) Buyer is responsible for any costs incurred under the sales contract.
  - If seller defaults:
    - (1) Buyer may bring an action for breach of contract;
    - (2) Buyer may bring an action for specific performance;
    - (3) Seller is responsible for any costs incurred under the sales contract.

The prevailing party is entitled to recover all costs incurred including reasonable attorney's fees. Escrow fees incurred shall be deducted before disbursement to the prevailing party.

THE SALES CONTRACT CONTAINS VARIOUS OTHER PROVISIONS WHICH THE BUYER SHOULD BECOME ACQUAINTED WITH. THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE SALES CONTRACT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE SALES CONTRACT AND READ IT THOROUGHLY.

**END OF EXHIBIT "H"**

## EXHIBIT "I"

### Summary of Pertinent Provisions of Escrow Agreement

The following is a summary of the escrow agreement dated June 28, 2001, entered into by and between ONEAWA LAND COMPANY, LLC, a Hawaii limited liability company ("Seller"), and FIRST AMERICAN LONG MELONE TITLE COMPANY, LTD., a Hawaii corporation ("Escrow").

The escrow agreement establishes an arrangement under which the deposits a buyer makes under a Deposit, Receipt, Offer and Acceptance ("sales contract") will be held by a neutral party (i.e., Escrow). Under the escrow agreement these things will or may happen:

- (a) Signed copies of the sales contract will be provided to Escrow.
- (b) Escrow will collect payments due pursuant to the sales contract.
- (c) Seller will notify Escrow who in turn will notify buyer when payments are due.
- (d) Escrow will accept buyer's payments pursuant to the sales contract and will hold the funds or make payments according to the escrow agreement.
- (e) The escrow agreement states under what conditions escrow will disburse buyer's funds. Escrow will disburse upon receipt of the following:
  - 1. the conveyance document;
  - 2. all necessary releases of encumbrances;
  - 3. the full amount of the purchase price;
  - 4. any mortgage or other instrument securing payment; and
  - 5. purchaser's share of the closing costs.
- (f) Under the escrow agreement buyer shall be entitled to a refund, if buyer makes a written request for a refund and Escrow has received a written request from Seller to return buyer's funds. In addition, by law, (under Sections 514A-62 and -63, Hawaii Revised Statutes) buyer has a right to rescind a sales contract.
- (g) The escrow agreement states what will happen to a buyer's funds upon default under the sales contract. Seller is required to certify to Escrow in writing that buyer defaults and that Seller is terminating the contract. Escrow will notify buyer by certified mail that Seller has cancelled contract. Escrow will treat the buyer's funds as belonging to the Seller subject to the provisions relating to dispute and conflicting demands.
- (h) Escrow will coordinate and supervise the signing of all necessary documents.
- (i) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

THE ESCROW AGREEMENT CONTAINS VARIOUS OTHER PROVISIONS AND ESTABLISHES CERTAIN CHARGES WITH WHICH THE PURCHASER SHOULD BECOME ACQUAINTED. THE INFORMATION CONTAINED HEREIN IS ONLY A SUMMARY OF THE TERMS OF THE AGREEMENT. FOR MORE DETAILED INFORMATION, YOU MUST SECURE A COPY OF THE AGREEMENT AND READ IT THOROUGHLY.

**END OF EXHIBIT "I"**

**WARRANTY OF COMPLETION OF CONSTRUCTION**

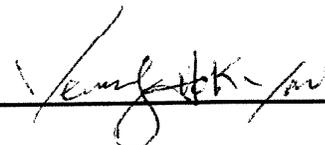
Project: "Hale Oneawa I" CPR  
Property: TMK: 143-62-45, Lot 1-F-13-A, Units 405 & 408  
Address: 405 & 407 Oneawa St. Kailua, HI 96734

The materials and labor furnished for the property identified above are constructed in substantial conformity with the renovation and remodelling plans and specifications prepared by Linda Chang-Shimaura, AIA and approved by the City and County of Honolulu.

A standard contractor's warranty is hereby given for a period of 1 (one) year from the designated dated of completion.

The warranty shall begin: July 1, 2001

Mr. Hok Yau Yeung, Contractor, BC# 22719

 Date: 6/28/01

1934-A Pauoa Rd., Honolulu HI 96813 Bus: 386-3232

**EXHIBIT " J "**