

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer ABRAHAM WON HWAN LEE
Address P. O. Box 61099, Honolulu, Hawaii 96839
Project Name(*): PAHIA ROAD CPR
Address 45-535, 45-537D, E and F Pahia Road, Kaneohe, Hawaii

Registration No. 4765 (Conversion)

Effective date: November 13, 2001
Expiration date: August 13, 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 governmental agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

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

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

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

Type of Report:

PRELIMINARY: (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 CONTINGENT The developer has legally created a condominium and has filed complete information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.

FINAL (green) [X] No prior reports have been issued.
[] This report supersedes all prior public reports.
[] This report must be read together with

FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
[] 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 expire on

(*) Exactly as named in the Declaration

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5 HRS. The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contract executed pursuant to this report are **binding on the buyer under those conditions specified immediately below** and in Par V.B. of this report found on pages 18 & 19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

STATUTORY NOTICE

“The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of performance bond issued by a surety licensed in the State of not less than one hundred percent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:

- (1) The Developer will notify the Purchaser thereof by certified mail; and
- (2) Either the Developer or the Purchase shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment.” (§514A-64.5, HRS)

The developer is not required to submit but has for this registration submitted the following documents and information:

SPECIAL NOTICE:

THERE ARE COUNTY RESTRICTIONS ON THE NUMBER OF RESIDENTIAL DWELLING UNITS, OR OTHER STRUCTURES, WHICH MAY BE BUILT UPON THE PROPERTY. THEREFORE, UNLESS THE PURCHASER IS PURCHASING AN EXISTING RESIDENTIAL DWELLING, THERE IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO BUILD A RESIDENTIAL DWELLING UNIT ON THE PROPERTY. THERE ALSO IS NO ASSURANCE THAT THE PURCHASER WILL BE ABLE TO CONVERT AN EXISTING NON-RESIDENTIAL STRUCTURE TO A RESIDENTIAL USE. THE PURCHASER SHOULD CONSULT WITH THE APPROPRIATE COUNTY AGENCIES TO DETERMINE WHETHER THE PURCHASER MAY BUILD A RESIDENTIAL DWELLING UNIT, OR ANY OTHER TYPE OF STRUCTURE, UPON THE PROPERTY.

1. This Public Report does not constitute an approval of the project by the Real Estate Commission or any other governmental agency, nor does it ensure that all county codes, ordinances and subdivisions requirements have necessarily been complied with.
2. This Project does not involve the sale of individual subdivided lots. The land area beneath and immediate adjacent to each unit as shown on the condominium map is designated as a limited common element and does not represent a legally subdivided lot. The dotted lines on the condominium map merely represent the approximate location of the limited common element assigned to each unit.
3. Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for and services such as County street maintenance and trash collection will not be available for interior roads.

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

General Information on Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary of the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: ABRAHAM WON HWAN LEE Phone: (808) 988-3751
Name* (Business)
1585 Kapiolani Boulevard, Suite 1530
Business Address
Honolulu, Hawaii 96814

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

N/A

Real Estate Broker*: ABE LEE REALTY Phone: (808) 988-3751
Abraham W. H. Lee, Principal Broker (Business)
Name
1585 Kapiolani Boulevard, Suite 1530
Business Address
Honolulu, Hawaii 96814

Escrow: First Hawaii Title Corp Phone: (808) 521-3411
Name (Business)
201 Merchant Street, Suite 2000
Business Address
Honolulu, Hawaii 96813

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

Condominium Managing Agent*: self managed by the Association of Apartment Owners Phone: _____
Name (Business)
Business Address

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

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

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2001-161994
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances, Condo Map No. 3353
 Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium re:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2001-161995
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]:

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 45-535, 45-537D, E and F Pahia Road, Kaneohe, Hawaii Tax Map Key (TMK): (1) 4-5-21-29

Address TMK is expected to change because individual "CPR" numbers will be assigned to each unit by the Director of Finance, City and County of Honolulu

Land Area: 1.19 square feet acre(s) Zoning: R-5

Fee Owner: Gene Norio Yoshinaga, Trustee, Melvyn Akira Yoshinaga, Trustee, Leslie Yoshinaga, Trustee, Carol Ann Yoshinaga, Trustee
 Name
c/o 44-174 Nanamoana Street
 Address
Kaneohe, Hawaii 96744

Purchaser/Developer: Abraham Won Hwan Lee
 Name
1585 Kapiolani Boulevard, Suite 1530
 Address
Honolulu, Hawaii 96814

C. Buildings and Other Improvements:

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

2. Number of Buildings: 4 Floors Per Building 1

Exhibit B contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other and other allied materials

4. Permitted Uses by Zoning:

	<u>No of Apts.</u>	<u>Use Permitted By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>4</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: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>45-535</u>	<u> 1 </u>	<u> 3/1.5 </u>	<u> 1,578 </u>	<u> 441 / 1,280 </u>	<u> carport / hothouse </u>
<u>45-537D</u>	<u> 1 </u>	<u> 3/1 </u>	<u> 757 </u>	<u> 192 </u>	<u> carport </u>
<u>45-537E</u>	<u> 1 </u>	<u> 3/1 </u>	<u> 757 </u>	<u> 192 </u>	<u> carport </u>
<u>45-537F</u>	<u> 1 </u>	<u> 3/1 </u>	<u> 757 </u>	<u> 192 </u>	<u> carport </u>

Total Apartments: 4

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

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

Boundaries of Each Apartment:

The respective apartments shall be deemed to include its entire structure and all improvements located therein. The boundary of each unit is the exterior finished surfaces of the units perimeter walls, floors, roof, doors, frames, foundations, railings and entry and exterior finished surfaces of the windows and any sliding doors and the frames thereof.

Permitted Alterations to Apartments:

An owner may alter or renovate his unit, subject to all applicable building codes and zoning ordinances. However, see paragraph 7.0 of the Declaration for further information.

Apartments Designated for Owner-Occupants Only:

Units 45-537D and 45-537E are designated for owner-occupants

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 not elected to provide information in a published announcement or advertisement

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

An existing use permit (File No. 2000/EU-9) was issued for this Project. There are various restrictions contained in the Permit. A copy of the Permit is attached as Exhibit "D".

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 E.

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit 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 E.

as follows:

F. 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 I describes the encumbrances against the title contained in the title report dated October 18, 2001 and issued by FIRST HAWAII TITLE CORP..

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	If there is a default under the Mortgage, the lender may foreclose on the property. The lender would be able to terminate any purchase agreement entered into with a buyer. Any deposits shall be returned to the purchaser.

F. Construction Warranties:

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

1. Building and Other Improvements:

None. Seller makes no warranties or promises of any kind, express or implied, about the apartment or the Project (including the common elements of the Project), or about any furnishings, fixtures, appliances or other consumer products or anything else installed, attached, affixed or otherwise contained in the apartment or the Project (including the common elements of the Project), including any warranties or promises of "Merchantability", "Habitability", "Workmanlike Construction" or "Fitness For a Particular Use or Purpose". Without limiting the generality of any of the foregoing, Seller makes no warranties or promises that the apartment or the Project or any improvements in the apartment or the Project (including the common elements of the Project) will be free from cracks in, other damage to, the concrete, wood, roof, tile, walls, or other building materials. In other words, Seller makes no warranties or promises at all.

All improvements are sold in "AS-IS WHERE-IS CONDITION".

2. Appliances:

None. See 1. above.

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

This is a conversion of four existing residential structures.

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):

IV. CONDOMINIUM MANAGEMENT

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

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

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

not affiliated with the Developer the Developer or the Developer's affiliate.
 self-managed by the Association of Apartment Owners other _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and 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 F contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. Utility Charges for Apartments:

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

None Electricity (_____ Common Elements only _____ Common Elements & Apartments)
 Gas (_____ Common Elements only _____ Common Elements & Apartments)
 Water* Sewer Television Cable
 Other _____

*The water and sewer will either be metered separately or by a submeter.

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

Escrow Agreement dated October 1, 2001
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.

Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

A) The Developer delivers to the buyer a copy of:

- 1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent 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.

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

A) The Developer delivers to the buyer a copy of:

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

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

This Public Report is part of Registration No. 4765 filed with the Real Estate Commission on November 2, 2001.

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

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

C. Additional Information Not Covered Above

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

RESERVES. Developer discloses that no reserve study was done in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

SPECIAL POWER OF ATTORNEY. Each Purchaser of a Unit from the Developer will be required to execute and deliver to the Developer a Special Power of Attorney, the form of which is attached as Exhibit "J". The primary purpose of the Special Power of Attorney is to facilitate the exercise of the Developer's reservations described in Exhibit A.

REAL ESTATE BROKER. Abraham Won Hwan Lee, dba Abe Lee Realty, is the real estate broker for the condominium project. Abraham Won Hwan Lee is a licensed Real Estate Broker (RB #11309). Pursuant to sections 16-99-3(g) and 16-99-11(d), Hawaii Administrative Rules ("HAR"), prospective purchasers are hereby advised that Abraham Won Hwan Lee, dba Abe Lee Realty is a current and active Hawaii-licensed real estate company. Further, that Abraham Won Hwan Lee has a principal interest in both the Development and his real estate company. 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'."

FLOOD ZONE. A portion of the Project may be in a flood zone. Each apartment shall be subject to such flood zones. The Purchaser shall be responsible to obtain and/or verify whether the apartment being purchased is in a recognized flood area or zone

EXISTING USE PERMIT. The Project and all apartments in the Project are subject to the terms, covenants, provisions, and conditions of the Existing Use Permit (EU), File No. 2000/EU-9 (the "EU Permit"), issued by the Department of Planning and Permitting, City and County of Honolulu, a copy of which is attached to the Public Report and incorporated herein by this reference. The Association of Unit Owners, in addition to all of the rights and powers that it has as set forth in the Bylaws for the Project, shall have the right to enforce the terms and provisions of the EU Permit the Purchaser or tenant that is in violation thereof and to seek and collect any damages including reasonable attorney's fees and cost of enforcement in connection therewith.

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

ABRAHAM WON HWAN LEE

Printed Name of Developer

By: Abrah Won Hwan Lee
Duly Authorized Signatory*

10/05/01
Date

Abrahamn Won Hwan Lee

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"

Developer's Reserved Rights

Developer has the right to re-designate the land area designated as Park E to be the Limited Common Element of Unit 45-537E and to re-designate the current Limited Common Element of Unit 45-537E to be the Limited Common Element of Unit 45-537F. This reservation shall be for a period of ten years from the date of the recording of the Declaration of Condominium Property Regime (the "Declaration"). In connection with the Developer's rights, each Purchaser shall:

a) Grant to the Developer and his successor in interest (including any succeeding mortgagee) an irrevocable power of attorney, coupled with an interest, to act on behalf of apartment owners to sign any joinder or other agreements and amendments and to execute, acknowledge and deliver such further instruments as may from time to time be required under any rights granted to, accruing to, or reserved by the Developer under the Declaration or by the provisions of Chapter 514A, Hawaii Revised Statutes, as amended and execute such amendments to the Declaration, By-laws, Condominium Map, and apartment deeds as may be required from time to time for the purpose of carrying out and exercising its rights under Paragraph 27.0 of the Declaration.

b) Acknowledges and consents to Developer's reservation and right to construct and complete the construction of a dwelling or other improvement on area Park E and in connection therewith reserves the right to use and excavate the surface and subsurface of the ground for the erection, construction and installation of said improvements and foundations, footings, floorings and basements, easements and rights of way.

c) Consents and grants to the Developer the right to locate, install, maintain, repair all utilities and utility lines and sewers necessary for such construction, reconstruction, maintenance and operation of Unit 45-537E within or on Park E. Developer reserves the right to grant to the City and County of Honolulu or any other utility provider easements or rights of way for ingress and egress to permit furnishing of municipal services and the right to convey or relinquish control to proper municipal authorities of all sewer mains, water mains and pipelines together with suitable easements or rights of way over the common driveway for the continued maintenance, repair, replacement and operation thereof and to enter into such agreements, filings or plattings with the City and County of Honolulu in the nature of a planned-unit development project, cluster development, or otherwise as the City and County may require or amendments or changes therein in connection with the construction of a residential structure on Park E.

d) All improvements, if any, constructed by or on behalf of the Developer or any other party pursuant to or in accordance with this reserved right shall be done and made without any representations or warranties, express or implied, including any warranties or promises of "Merchantability", "Habitability", "Workmanlike Construction" or "Fitness For a Particular Use or Purpose".

e) As a condition precedent to the exercise of Developer's rights hereunder, Developer may require that the improvements required to establish a condominium unit on Park E be undertaken by the owner of Unit 45-537E.

f) Developer may assign, transfer, mortgage, hypothecate or pledge its reserved rights and Paragraph 27.0 of the Declaration by an instrument which transfer shall be effective upon the recording of an instrument of conveyance at the Bureau of Conveyances, State of Hawaii.

EXHIBIT "B"

Description of Units

The Project is hereby divided into the following four units:

a. Unit 45-535. Unit 45-535 consists of one freehold estate consisting of a one-story residential structure and a hot house. This residential structure consists of a living/dining room, kitchen, family room, three bedrooms, one and one-half bathroom, a utility room with a half bath and shower, and a two car carport. The other structure is a hot house with a screen roof and batton walls. The net living area of the residential structure is approximately 1,578 square feet, the carport consists of approximately 441 square feet and the hot house consists of approximately 1,280 square feet.

b. Unit 45-537D. Unit 45-537D consists of one freehold estate consisting of a one-story residential structure and a detached one-car carport. This residential structure consists of a living/dining room, kitchen, 3 bedrooms and 1 bathroom. The net living area of this residential structure is approximately 757 square feet and the carport consists of approximately 192 square feet.

c. Unit 45-537E. Unit 45-537E consists of one freehold estate consisting of a one-story residential structure and a detached one-car carport. This unit consists of a living/dining room, kitchen, 3 bedrooms and 1 bathroom. The net living area of this unit is approximately 757 square feet and the carport consists of approximately 192 square feet.

d. Unit 45-537F. Unit 45-537F consists of one freehold estate consisting of a one-story residential structure and a detached one-car carport. This unit consists of a living/dining room, kitchen, 3 bedrooms and 1 bathroom. The net living area of this unit is approximately 757 square feet and the carport consists of approximately 192 square feet.

e. Parking. The unit owners of Units 45-537D, 45-537E and 45-537F may park at least one additional car within their respective limited common land areas.

EXHIBIT "C"

Developer Report

DEVELOPER REPORT
(conversion)

REAL ESTATE COMMISSION
Department of Commerce and Consumer Affairs
State of Hawaii
Seventh Floor, 1010 Richards Street
Honolulu, Hawaii 96813

Re: Project: PAHIA ROAD CPR
Address: 45-535, 45-537D, E and F Pahia Road
Kaneohe, Hawaii
TMK: (1) 4-5-21-29

Gentlemen:

The undersigned developer of the above-mentioned project, hereby makes the following representations based solely on the statement of Edward A. Resh, AIA attached hereto:

1. The residential structures identified as Unit 45-535 is in satisfactory condition; Unit 45-537D is in good condition; Unit 45-537E is in satisfactory condition and Unit 45-537F is in poor condition.
2. The estimated useful remaining life of the residential structures as of the date hereof are as follows:
 - a. between 10 and 15 years for Unit 45-535;
 - b. between 15 and 20 years for Unit 45-537D;
 - d. between 10 and 15 years for Unit 45-537E; and
 - e. between 5 and 10 years for Unit 45-537F.

Please note that the Developer has not made its own independent investigation and inspection of the improvements and accordingly, relying solely on the report of the Architect.

Please feel free to contact the undersigned if you have any questions concerning the foregoing representations.

DEVELOPER:


ABRAHAM WON HWAN LEE

ARCHITECTURAL ASSOCIATES
1400 Kapialani Boulevard C-21
Honolulu, Hawaii 96814

July 12, 2001

Abe Lee
2907 Lomomis Street
Honolulu, HI.

Attention: Abe Lee

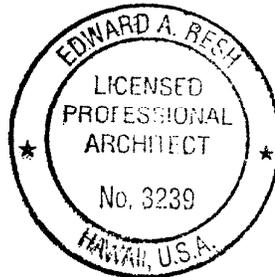
Subject : Drawing certification

I Edward Resh Architect license number 3239 here do certify that drawings A-1 to A-7 are true and accurate from my observations. These drawings are for Tax Map Key number 4-3-47:59 with address 47-355 & 47-357 D, E & F Pahia Street, on this site. These drawings depict actual as-built conditions for 3 dwelling units, 1 storage building, 1 hut house and 3 free standing carports located on this site.

Yours truly,



Edward Resh Architect



July 12, 2001

To: Abe Lee
2907 Lomomis Street
Honolulu, Hi.

Dear: Abe Lee

As per your instructions, A visual inspection was made of the property located at 47-357 E Pahia Road. Tax map key number is 4-3-47: 59.

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

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

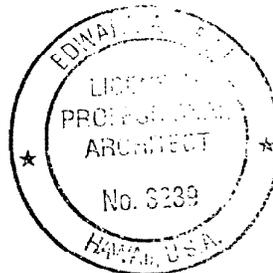
1. The structure appears in satisfactory condition. The unit is habitable and appears to have minor structural defects.
2. The electrical system and plumbing systems appear to be functioning properly and seem to be in satisfactory condition.
3. The expected useful life is estimated to be between 10 and 15 years

CONCLUSION: The building at present is in satisfactory condition with minor structural defects.

Very truly yours,



Edward Resh Architect
Hawaii Registration Number 3239



July 12, 2001

To: Abe Lee
2907 Lommis Street
Honolulu, Hi.

Dear: Abe Lee

As per your instructions, A visual inspection was made of the property located at 47-357 F Pahia Road. Tax map key number is 4-3-47: 59.

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

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

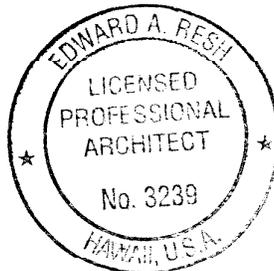
1. The structure appears in poor condition. The unit is habitable and appears to have structural defects.
2. The electrical system and plumbing systems appear to be functioning properly and seem to be in fair condition.
3. The expected useful life is estimated to be between 5 and 10 years.

CONCLUSION: The building at present is in poor condition with structural defects.

Very truly yours,



Edward Resh Architect
Hawaii Registration Number 3239



July 12, 2001

To: Abe Lee
2907 Lomomis Street
Honolulu, Hi.

Dear: Abe Lee

As per your instructions, A visual inspection was made of the property located at 47-355 Pahia Road. Tax map key number is 4-3-47: 59.

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

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

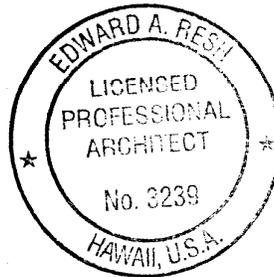
1. The structure appears in satisfactory condition. The unit is habitable and appears to have minor structural defects.
2. The electrical system and plumbing systems appear to be functioning properly and seem to be in satisfactory condition.
3. The expected useful life is estimated to be between 10 and 15 years.

CONCLUSION: The building at present is in satisfactory condition with minor structural defects.

Very truly yours,



Edward Resh Architect
Hawaii Registration Number 3239



July 12, 2001

To: Abe Lee
2907 Lomomis Street
Honolulu, Hi.

Dear: Abe Lee

As per your instructions, A visual inspection was made of the property located at 47-357 D Pahia Road. Tax map key number is 4-3-47: 59.

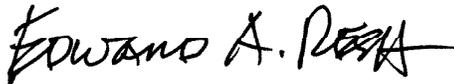
The purpose of this inspection was to examine and comment on the present state of the building.

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

1. The structure appears in good condition. The unit is habitable and appears to have no structural defects.
2. The electrical system and plumbing systems appear to be functioning properly and seem to be in satisfactory condition.
3. The expected useful life is estimated to be between 15 and 20 years.

CONCLUSION: The building at present is in good condition with no structural defects.

Very truly yours,



Edward Resh Architect
Hawaii Registration Number 3239

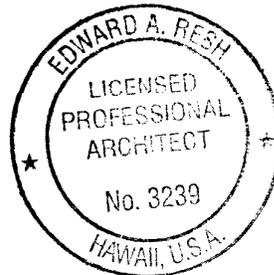


EXHIBIT "D"

Existing Use Permit

DEPARTMENT OF PLANNING AND PERMIT
CITY AND COUNTY OF HONOLULU FILE

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
 TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743 • INTERNET: www.co.honolulu.hi

JEREMY HARRIS
 MAYOR



RANCALL K. FUJIKI, AIA
 DIRECTOR

LORETTA K.C. CHEE
 DEPUTY DIRECTOR

2000/EU-9(JS)

EXISTING USE PERMIT	EXISTING USE PERMIT
File Number	: 2000/EU-9
Project	: Yoshinaga Existing Use Permit
Location	: 45-535, 45-537D, 45-537E and 45-537F Pahia Road - Kaneohe
Tax Map Key	: 4-5-021: 029
Zoning	: R-5 Residential District
Applicant	: Gene N. Yoshinaga
Date Accepted	: July 11, 2000

APPROVAL is granted to the existing use, four (4) existing single-family dwelling units, in accordance with the application documents (plans date-stamped June 28, 2000), subject to the following conditions:

1. All work shall be in accordance with approved application documents, the conditions enumerated below, and the Land Use Ordinance (LUO) unless otherwise stated by this permit.
2. The Existing Use (EU) permit is only for the continued use, repair, alteration, expansion, relocation, or reconstruction of the existing dwellings. This Existing Use approval does not certify that the existing structures and improvements comply with the current zoning code or other regulations.
3. In accordance with Section 2.100(a) of the LUO, in the event of destruction, use may be continued and structures may be rebuilt under the approved existing use plan, provided that such restoration is permitted by the Building Code and Flood Hazard Regulations and is started within two years. In particular, no house shall be reconstructed within the Floodway, and all other reconstructed dwellings shall be reconstructed above the required flood elevation.
4. Only minor modifications to the EU plans shall be allowed. Any major modification which may have an adverse impact on surrounding land uses, increases the number of dwelling units, and/or involves the reconstruction and/or expansion of a dwelling(s) which is part of a larger development, shall require the processing of a Cluster Housing Permit.
5. The applicant or owner(s) shall incorporate this EU permit into a restrictive covenant which runs with the land, to serve as notice to all owners and tenants. The draft covenant shall be submitted for review and approval by the DPP. Upon approval of the covenant, a certified recorded copy shall be filed with the DPP, prior to the change in any ownership or the issuance of any permits.

2000/EU-9(JS)
Page 2

6. If the project will be condominiumized, the applicant or owner(s) shall submit a draft copy of the Condominium Property Regime (CPR) map, including flood district designations, and documents to the DPP for our review. The creation of any limited common element shall take into consideration the location of the flood hazard districts and where dwellings may or may not be reconstructed. Future work subsequent to the creation of a CPR may require approval from the homeowner's association prior to the start of work. If the EU permit is incorporated into the CPR documents, a separate declaration of restrictive covenant is not required.
7. All work shall comply with the applicable LUO standard for the underlying zoning district, unless otherwise stated herein:
 - (1) A minimum 10-foot setback, for structures fences or walls, shall be required from the common access drive, except that newly constructed carports or garages shall have a minimum 16-foot setback from the common access drive;
 - (2) Within the project, the minimum distances between buildings shall be as follows:
 - (I) 10 feet between two one-story dwellings;
 - (II) 15 feet between a one-story and a two-story dwelling or portion thereof; and
 - (III) 20 feet between two-story dwellings.

If the property is condominiumized, then, buildings shall comply with required yards and height setbacks of the underlying zoning district as measured from limited common element (CPR) lines;
 - (3) Maximum building area shall not exceed 30 percent of the original lot area of 51,836 square feet. If the property is condominiumized, then, within each limited common element, the maximum building area shall not exceed 40 percent of the area for each limited common element.
8. All new work shall be compatible in design with the existing and surrounding structures. If a dwelling is reconstructed, it shall be in the same general location and size. The Director may require the redesign of exterior entrances, stairways, bar areas, including plumbing and electrical systems, to ensure that the number of dwellings is not increased.
9. A minimum of eight (8) parking spaces, 2 stalls for each dwelling unit, shall be provided prior to the issuance of any building permits subsequent to this approval. Dwelling additions shall comply with the LUO parking regulations. Existing parking spaces within carports or garages shall not be converted into usable floor area (including garage or carport storage areas).
10. An all-weather surface shall be provided at all driveway or parking areas prior to the issuance of any building permits, subsequent to this approval.
11. If the property is condominiumized, a Fence Master Plan shall be submitted to the DPP for review and approval prior to the issuance of any new building permit for fences or walls. Perimeter chain-link fencing shall require a two-foot landscape strip with a minimum five-foot high hedge, maintained in a healthy condition.
12. All existing trees six (6) inches or greater in diameter shall be retained on-site, or replacement landscaping shall be required. All landscaping shall be maintained in a healthy visual condition at all times.

13. The addition, alteration or reconstruction of dwelling units 45-537D, 45-537E or 45-537F Pahle Road shall comply with Fire Department requirements for access, water and fire protection, and shall be submitted to the Fire Department for review and approval prior to issuance of building permits. The following shall be provided:
- (1) An approved automatic fire sprinkler system in accordance with NFPA 13D, Standard for the Installation of Sprinkler Systems in One- and Two-Family Dwelling for all new construction; and
 - (2) A vertical clearance of 13'-6" along the driveway shall be maintained for fire apparatus access.
14. Any modification to the application documents and conditions stated herein shall be subject to approval by the DPP. For good cause, the Director may impose additional requirements and/or amend the above conditions.

doc460771

THIS COPY, WHEN SIGNED BELOW, IS NOTIFICATION OF THE ACTION TAKEN.


for Director
August 8, 2000

SIGNATURE
TITLE
DATE

This approval does not constitute approval of any other required permits, such as building or sign permits.

Kanohuliʻoʻi, Hawaii

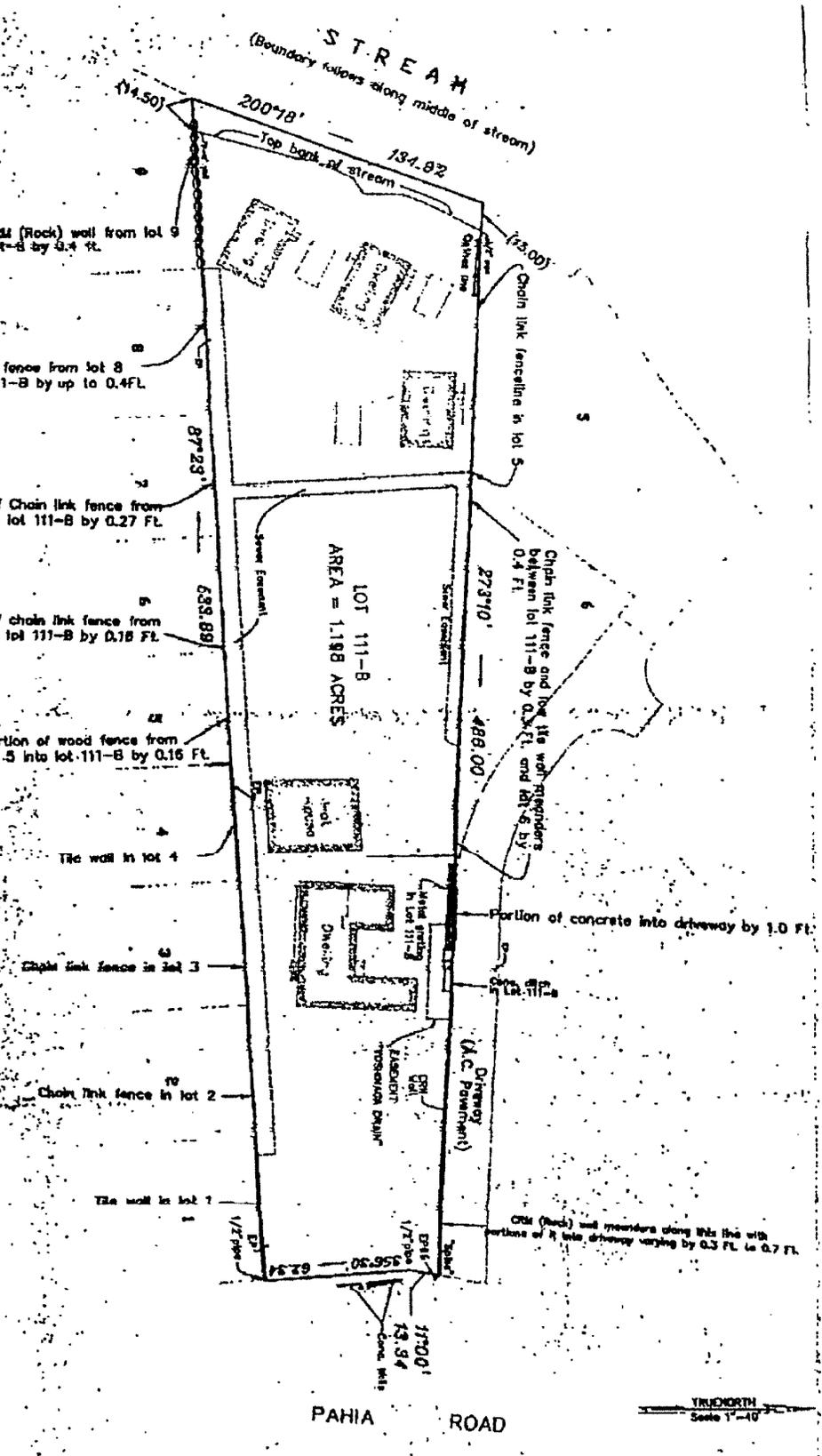
TOWILL, SHIMODA & ASSOCIATES INC.

1270 Queen Emma Street #701
Honolulu, Hawaii 96813

NOTE:
CRM (Rock) wall
Refer to attached report



PERIMETER SURVEY
Lot 111-B, Halekauwila Farms
Kanohuliʻoʻi, Kaneohe, Oahu, Hawaii
Tax Map Key: 4-5-21:29



TRUENORTH
Scale 1" = 40'

EXHIBIT "E"

Common Elements

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

- a. The land in fee simple and common driveway.
- b. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, drainage, hot and cold water and like utilities which services more than one unit and any easements for such utility services.
- c. The park areas designated and described in the Condominium Map as Park E consisting of approximately 6,001 square feet and Park consisting of approximately 5,000 square feet. The area designated as Park E may be reclassified and designated as a Limited Common Element which shall be appurtenant to Unit 45-537E upon the exercise by the Declarant of the rights and reservations contained in Paragraph 27.0 hereof.
- d. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

Limited Common Elements.

The limited common elements for the units in the Project are as follows:

- a. Unit 45-535. The land area around and under Unit 45-535 which is delineated in the Condominium Map as a limited common element for Unit 45-535 is a limited common element of Unit 45-535 and is for the exclusive use of Unit 45-535 and consists of approximately 16,834 square feet.
- b. Unit 45-537D. The land area around and under Unit 45-537D which is delineated in the Condominium Map as a limited common element for Unit 45-537D is a limited common element of Unit 45-537D and is for the exclusive use of Unit 45-537D and consists of approximately 8,226 square feet.
- c. Unit 45-537E. The land area around and under Unit 45-537E which is delineated in the Condominium Map as a limited common element for Unit 45-537E is a limited common element of Unit 45-537E and is for the exclusive use of Unit 45-537E and consists of approximately 4,773 square feet. In the event the Declarant exercises its rights under Paragraph 27.0 hereof, the limited common element for Unit 45-537E shall be the land area described as Park E on the Condominium Map, consisting of approximately 6,001 square feet. Upon such redesignation, Unit 45-537E shall thereafter have no interest or rights in the limited common element area presently designated as 45-537E on the Condominium Map.
- d. Unit 45-537F. The land area around and under Unit 45-537F which is delineated in the Condominium Map as a limited common element for Unit 45-537F is a limited common element of Unit 45-537F and is for the exclusive use of Unit 45-537F and consists of approximately 6,364 square feet. In the event the Declarant exercises its rights under Paragraph 27.0 hereof, the limited common element for Unit 45-537F shall be enlarged to include the limited common element land area of Unit 45-537E consisting of approximately 4,772 square feet so that after the amendment occurs, the limited common element appurtenant to Unit 45-537F shall consist of the present 6,364 square feet plus the 4,773 square feet for a total of 11,137 square feet. Unless and until the redesignation occurs, Unit 45-537F shall not have any right or interest in the limited common element land area of Unit 45-537E nor any improvements thereon. In the event the redesignation occurs, the added limited common element land area shall be accepted in "as is - where is" condition.
- e. Subject to Access Easements. The limited common element land area of each unit are subject to an easement over the existing driveways within such land area to the extent that the driveway provides vehicle access to and from another unit to the common element driveway. No owner may alter, change or use the existing driveways in a manner which would restrict or interfere with access.

Common Interest

<u>Unit</u>	<u>Percentage Interest</u>
45-535	25%
45-537D	25%
45-537E	25%
45-537F	<u>25%</u>
Total	100%

The common interest was computed by allocating the same percentage to each of the four units.

EXHIBIT "F"

Estimate Maintenance Fee Disbursements

“45-535 PAHIA ROAD CPR”
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

DESCRIPTION OF ITEMS	PAID BY ASSOC. OR INDIVIDUAL	UNIT 45- 535#	UNIT 45- 537D#	UNIT 45- 537E#	UNIT 45- 537F#	MONTHLY TOTAL
<u>UTILITIES & SERVICES</u>						
AIR CONDITIONING	INDIVIDUAL					
ELECTRICITY	INDIVIDUAL					
COMMON ELEMENTS	N/A					
COMMON ELEMENTS & APARTMENTS	N/A					
GAS	INDIVIDUAL					
REFUSE COLLECTION	N/A					
TELEPHONE	INDIVIDUAL					
WATER & SEWER	INDIVIDUAL	\$60.88	\$45.66	\$45.66	\$45.66	\$197.86
<u>MAINTENANCE & REPAIRS</u>						
BUILDINGS	INDIVIDUAL					
DRIVEWAY & UTILITY LINES	ASSOCIATION					
<u>MANAGEMENT</u>						
MANAGEMENT FEE	N/A					
PAYROLL & PAYROLL TAXES	N/A					
OFFICE EXPENSES	N/A					
COMMON ELEMENT INSURANCE	ASSOCIATION	\$46.42	\$27.84	\$27.84	\$27.84	\$129.94
HOMEOWNER'S INSURANCE	INDIVIDUAL					
RESERVES FOR PIPES & DRIVE	ASSOCIATION	\$15	\$15	\$15	\$15	\$60
TAXES & GOVERNMENT ASSESSMENT	N/A					
AUDIT FEE	N/A					
<u>TOTAL MONTHLY FEES/ UNIT</u>		\$122.30	\$88.50	\$88.50	\$88.50	\$387.80
<u>TOTAL ANNUAL FEES (X12)</u>		\$1,467.60	\$1,062.00	\$1,062.00	\$1,062.00	\$4,653.60

I/We, The Owners and Developers of "45-535 Pahia Rd. 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.

<u>Name of Developer</u>	<u>Member's Name/Title</u>	<u>Signature of Owner/Developer</u>	<u>Date</u>

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 \$122.30/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.

EXHIBIT "G"

Summary of Sales Contract

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

Among other things, the Sales Contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.
2. Identifies the escrow agent and states that purchaser's deposit will be held in escrow until the Sales Contract is closed or canceled.
3. Requires that Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. Permits the Developer without the consent or approval of a purchaser to modify the Declaration, By-Laws Condominium Map or other documents provided that purchaser may cancel the Sales Contract and obtain a refund if such modification:
 - a. substantially and materially impairs the use and enjoyment of the apartment;
 - b. substantially and materially alters the arrangement of the rooms or usable space of an apartment or building;
 - c. renders unenforceable a purchasers' loan commitment;
 - d. increases the purchaser's share of common expenses or maintenance fees;
 - e. reduces the obligations of Developer of common expenses on unsold apartments.
5. Provides that the Developer is selling the apartments in "AS-IS WHERE-IS" condition. This means that the Developer is not making any warranties or representations with respect to the apartments and Project.
6. If purchaser dies (any one of them) prior to closing, Developer has the right to return purchaser's funds, less any escrow cancellation fees and cost, and cancel the Sales Contract.
7. Provides that the closing cost shall be paid as follows:
 - a. By purchaser: title insurance, drafting of any note and mortgage, purchaser notary fees, recording fees, one half of escrow fees, and also a start fee for common expenses, if any.
 - b. By Developer: drafting of apartment deed and Developer notary fees, conveyance taxes, preliminary title report, and one half of escrow fees.
8. Provides the following remedies, in the event of default under the Sales Contract:

by purchaser:

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

by Developer:

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

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

9. Contingent Final Public Report. If Purchaser has entered into the Contract on the basis of a Contingent Final Public Report, Developer has the obligation of obtaining an effective date from the Real Estate Commission for a Final Public Report within nine (9) months from the issuance of the Contingent Final Public Report or such comply with such other applicable rules that may be permitted by the Real Estate Commission. If Developer does not obtain the Contingent Final Public Report or comply with such other applicable rule within that period, it shall send written notice to the Purchaser by way of certified mail that the Final Public Report was not obtained. The Purchaser shall then have the right to terminate, rescind, and cancel the purchase and upon cancelling such purchase, Purchaser shall be entitled to receive a refund of all deposits previously made, together with any interest accrued thereon (unless such interest otherwise accrues for the benefit of Developer). Purchaser shall also be reimbursed by the Developer for any escrow fees, financing commitment fees, and other lender's charges previously paid or incurred by Purchaser in connection with satisfying its financing obligations under the Contract.

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

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

EXHIBIT "H"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is FIRST HAWAII TITLE CORPORATION. Under the Escrow Agreement dated October 1, 2001, these things will or may happen:

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

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

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

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

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

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

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

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

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

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

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

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

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

EXHIBIT I

Encumbrances Against Title

SUBJECT, HOWEVER, to the following:

1. Title to all minerals and metallic mines reserved to the State of Hawaii.
2. An easement located along the westerly boundary of Lot 111-B, as shown on the tax map.
3. Streams running over and across Lot 111-B, as shown on the tax map.
4. The rights of the United States of America, State of Hawaii, the municipality or the public, in and to that part of the premises in question falling in the bed of the streams; also to the rights of the riparian owners in and to the free and unobstructed flow of the water of said stream, if any.
5. Grant in favor of the City and County of Honolulu, dated July 14, 1962, granting an easement for drainage and incidental purposes, recorded in the Bureau of Conveyances, State of Hawaii, in Book 4338, Page 265.
6. Grant in favor of the City and County of Honolulu, dated April 6, 1971, granting an easement for sewer and incidental purposes, recorded in said Bureau, in Book 7509, Page 246.
7. The terms, provisions, conditions and restrictions, if any, contained in that certain Trust Agreement(s) herein referred to.
8. The following "de minimus structure position discrepancy" (as said term is defined in Chapter 669, Hawaii Revised Statutes, as amended), as shown on the revised survey map prepared by Lester T. Shimabukuro, Licensed Professional Land Surveyor, No. 2723 dated September 20, 2001:
 - a. Boundary line between Lots 111-B and 5/6/7 (roadway) (Northerly boundary): Chain link fence and low tile wall running along adjacent to Lot 6 meanders between Lot 111-B by 0.3 ft. and Lot 6 by 0.4 ft.
 - b. Boundary line between Lots 111-B and 1-9 (incl.) (Southerly boundary): Portion of wood fence from Lot 5 in Lot 111-B by 0.16 ft.
 - c. Boundary line between Lots 111-B and 1-9 (incl.) (Southerly boundary): Chain link fence adjacent to Lot 6 into Lot 111-B by 0.16 ft.
 - d. Boundary line between Lots 111-B and 1-9 (incl.) (Southerly boundary): Portion of chain link fence adjacent to Lot 7 in Lot 111-B by 0.27 ft.
 - e. Boundary line between Lots 111-B and 1-9 (incl.) (Southerly boundary): Chain link fence adjacent to Lot 8 in Lot 111-B by 0.4 ft.
 - f. Boundary line between Lots 111-B and 1-90 (incl.) (Southerly boundary): Portion of CRM (rock) wall from Lot 9 into Lot 111-B by up to 0.4 ft.
9. The following encroachment(s) as shown on the revised survey map prepared by Lester T. Shimabukuro, Licensed Professional Land Surveyor, No. 2723, dated September 10, 2001:
 - a. Boundary line between Lots 111-B and 5/6/7 (roadway) (northerly boundary): Portion of CRM (Rock) wall from driveway into Lot 111-B varying by 0.6 ft. to 1.25 ft.

10. Short Form DROA dated September 21, 2001, recorded as Document No. 2001-161993.

11. The covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime of "Pahia Road CPR" dated September 21, 2001, recorded in said Bureau, as Document No. 2001-161994.

Condominium Map No. 3353, and the By-Laws attached thereto, to which reference is hereby made.

12. By-Laws of the Association of Apartment Owners of Pahia Road CPR dated September 21, 2001, recorded in said Bureau, as Document No. 2001-161995 to which reference is hereby made.

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

EXHIBIT J

Special Power of Attorney

PAHIA ROAD CPR
SPECIAL POWER OF ATTORNEY

KNOW ALL MEN BY THESE PRESENTS:

THAT I, _____, whose address is _____, have made, constituted and appointed and by this act and these presents, do make, constitute and appoint as my agent ABRAHAM WON HWAN LEE, whose address is 1221 Kapiolani Boulevard, Suite _____, Honolulu, Hawaii 96814, and their successor in interest to the grantee of unit _____ in the Pahia Road CPR condominium project (the "Project"), TMK (1) 4-5-21-29, my true and lawful attorney with full power to act in my stead and in my behalf, to make and do the following, to wit:

To execute any and all applications for building permits, amendments to the Declaration of Condominium Property Regime, the Condominium Map, joinder and/or consents and approvals and amendment to any of the foregoing easement agreements and any other documents of whatsoever nature necessary or appropriate to exercise any of the reservations and rights contained in Paragraph 27.0 of the Declaration of Condominium Property Regime dated _____ and to apply for and obtain one or more building permits for the purpose of building a dwelling or other improvements on the land area referred to as Park E on the Condominium Map and to redesignate and/or realign the limited common element land areas appurtenant to Units 45-537E and 45-537F of the Project.

The power of our attorney to act in accordance with the foregoing shall not be affected by any disability or incapacity suffered by me subsequent to my execution of this instrument. All acts done by my attorney pursuant to this power during any period of disability or incompetency shall have the same effect and inure to the benefit of and bind me, my heirs, devisees and personal representatives as if I were alive, competent and not disabled.

GIVING AND GRANTING to my said Attorney full power and authority as set forth above, to do and perform any and all acts and deeds as aforesaid as I might or could do if personally present, the powers enumerated above being in said of the special powers herein granted and not in limitation thereof; and hereby ratifying all that my said Attorney shall lawfully do or cause to be done by virtue of these presents.

In the event ABRAHAM WON HWAN LEE is unavailable or unable to serve, then I appoint the then successor trustee of the revocable living trust of Abraham Won Hwan Lee Revocable Trust to be the Attorney in Fact ("Secondary Attorney in Fact"), to serve without bond.

IN WITNESS WHEREOF, I have hereunto set our hands this ____ day of _____, 20____.

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

On this _____ day of _____, before me personally appeared _____, to me known to be the person described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed.

Notary Public, State of Hawaii

My commission expires: