

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer CELESTINO PADRE ANCHETA and MICHELE CHUN ANCHETA
Address 952 16th Avenue, Honolulu, Hawaii 96816

Project Name (*): ILIMA COURT
Address: 900 Ala Nanala Street and 3180 Ala Ilima Street, Honolulu Hawaii 96818

Registration No. 4809 (Partial Conversion) Effective date: April 4, 2002 Expiration date: May 4, 2003

Preparation of this Report:

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

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

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

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

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

Type of Report:

PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.

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

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

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

(*) Exactly as named in the Declaration This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

A buyer should understand that development and use of the property shall be in compliance with all County Codes and Ordinances. If County facilities are not already in place, the prospective purchaser is advised that owners in the project will not necessarily receive the same County benefits as owners of approved subdivided lots; owners who develop their properties later than others may find that land use and zoning changes or insufficient utility capacities may thwart their expectations. Zoning and land use restrictions are subject to change and each purchaser should maintain awareness of such conditions.

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

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: CELESTINO PADRE ANCHETA
MICHELE CHUN ANCHETA Phone: (808) 2829355
Name* (Business)
952 16th Avenue
Business Address
Honolulu, Hawaii 96816

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):

Real Estate Broker*: Pacific Resource Realty Roberta K. Sunahara dba
1357 Kapiolani Boulevard, Suite 900 Roberta K. Brown, Realtor
Honolulu, Hawaii 96814 725 Kapiolani Boulevard, Suite 309
Phone: (808) 9730830/9730849 Honolulu, Hawaii 96814
Phone: (808) 7356653/5968535

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 5210211
Name (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor*: Celestino Ancheta dba
DINO'S CONSTRUCTION & ISLANDER CABINETS Phone: (808) 2829355
Name (Business)
952 16th Avenue
Business Address
Honolulu, Hawaii 96816

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

Attorney for Developer: Hiroshi Sakai Phone: (808) 7348619
Name (Business)
3773 Diamond Head Circle
Business Address
Honolulu, Hawaii 96815

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

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2766528

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

First Amendment to Declaration dated February 22, 2002, filed as Land Court Document No. 2783173.

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 1451

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

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2766529

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

D. House Rules. The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%**</u>
Bylaws	65%	<u>65%</u>
House Rules	—	<u>65%</u>

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

** The common interest appurtenant to each apartment shall have a permanent character and cannot be altered without consent of all the owners.

2. Developer: permanent character and cannot be altered without consent of all the owners.
 No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

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

Developer has reserved the right under Paragraph 15.0 of the Declaration to alter the units in the Project which it owns without the approval of the Association or the other apartment owner and to amend the Condominium Map to note changes resulting from the exercise of the Developer's reserved rights under Paragraph 15.0. Developer has also reserved the right under Paragraph 16.0 to record any "as built" statements as required by law.

[] 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:

900 Ala Nanala Street
Address: 3180 Ala Ilima Street Tax Map Key (TMK): (1) 1-1-059: 001
Honolulu, Hawaii 96818

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

Land Area: 30,317 [X] square feet [] acre(s) Zoning: A-2

Fee Owner: CELESTINO PADRE ANCHETA
MICHELE CHUN ANCHETA
 Name
952 16th Avenue
 Address
Honolulu, Hawaii 96816

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: Units 1 - 6 Floors Per Building: 2
Units 7 & 8 1
 Exhibit _____ contains further explanations.

3. **Principal Construction Material:**
 Concrete Hollow Tile Wood
 Other 4 metal posts and shade cloth for Units 7 & 8

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>6</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 checked="" type="checkbox"/> Other - Shade Structure	<u>2</u>	<input checked="" 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: See Section VI of Building and House Rules as Exhibit F

Number of Occupants: _____

Other: See Section 8 of the Declaration and Exhibits E and F.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -0- Stairways: Apts 1 to 6: 1 Trash Chutes: _____

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
1	1	4BR/4BA	2,150	360	Carpport
2 & 3	2	5BR/4BA	2,336	420	Carpport
4	1	6BR/4BA	2,456	420	Carpport
5	1	6BR/4BA	2,678	396	Carpport
6	1	6BR/4BA	2,492	396	Carpport
7 & 8	2			16	Shade Structure

Total Number of Apartments: 8

* 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 limited common element land area for each apartment as set forth in the Declaration and Condominium Map.

Permitted Alterations to Apartments:

Apartments 7 and 8 may build a building with two living units similar to existing buildings or a two story townhouse of two units. As to the other buildings no additions or alterations that will change the original design of the buildings.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has -- elected to provide the information in a published announcement or advertisement.

11. Conformance to Present Zoning Code

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	_____	_____
Structures	<u> X </u>	_____	_____
Lot	<u> X </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 A .

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 _____.

as follows:

Apartment 1 - 3,677 square feet.

Apartment 2 - 3,623 square feet.

Apartment 3 - 3,456 square feet.

Apartment 4 - 3,744 square feet.

Apartment 5 - 3,700 square feet.

Apartment 6 - 3,448 square feet.

Apartment 7 - 3,275 square feet.

Apartment 8 - 3,219 square feet.

Note: Land area referenced herein are not legally subdivided lots. See Condominium Map for description of the limited common element area for each apartment.

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:

Each apartment shall have a 12.5% appurtenant common interest: in the Project, save and except that until such time that Apartments 7 and 8 shall construct and build their respective apartments for dwelling purposes the common profits and expenses shall be allocated 15% for Apartments 1 through 6 and 5% each for Apartments 7 and 8.

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 B describes the encumbrances against the title contained in the title report dated January 8, 2002 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage, Security Agreement and Financing Statement dated 4/12/94 in favor of GECC FINANCIAL CORPORATION filed as Land Court Document No. 2138100 in the amount of \$1,000,000. Above mortgage assigned to GE CAPITAL HAWAII INC. dated 11/22/95 filed as Land Court Document No. 2280213.	Buyer's interest may be terminated in which case Buyer's deposit shall be refunded, less cancellation fees.

F. **Construction Warranties:**

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

1. **Building and Other Improvements:**

None

2. **Appliances:**

None

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

Apartments 1 through 6 were completed in 1987.

Apartments 7 and 8 were completed on September 27, 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 C contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated 12/8/01
Exhibit D 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. 4809 filed with the Real Estate Commission on February 8, 2002.

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

Declaration of Covenants dated November 24, 1970 for Lakeside Unit V.

The Declaration of Covenants dated November 24, 1970 attached hereto as Exhibit G will require the submission of any plan for improvements that are to be made to Lot 3325 (the Project) to be submitted to Loyalty Development Corp. the agent of the Seller for their approval.

The foregoing restrictions shall continue in effect for a period of 30 years from the date of filing and for successive 10 year periods provided that the covenants may be terminated or amended at any time by a majority of subdivided lots, which shall be duly filed with the Office of the Assistant Registrar of the Land Court, State of Hawaii.

All of the restrictions shall run with the land. And the full text of such restrictions are set forth in Exhibit G.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

CELESTINO PADRE ANCHETA

Printed Name of Developer

By:  12/28/01
 Duly Authorized Signatory* Date

CELESTINO PADRE ANCHETA, DEVELOPER

Printed Name & Title of Person Signing Above

MICHELE CHUN ANCHETA

Printed Name of Developer

By:  12/28/01
 Duly Authorized Signatory* Date

MICHELE CHUN ANCHETA, DEVELOPER

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

Common Elements

The common elements which the apartments have immediate access to include:

- a. The land in fee simple.
- b. There is a sewer line 5 feet wide of 808 square feet as shown on the Condominium Map which services all of the apartments in the project.
- c. The central and appurtenant installations for services such as power, light, gas, telephone, sewer, hot and cold water and like utilities that services the common elements of the project.
- d. All other parts of the Project existing for the common use or necessary to the existence, maintenance and safety of the Project.

EXHIBIT "B"

ENCUMBRANCES AGAINST TITLE

The title report of Title Guaranty of Hawaii, Inc. reports that title to the land is subject to the following encumbrances.

1. Real property taxes - Information pending. To have a confirmation with respect to taxes contact the Director of Finance, City and County of Honolulu. Tax Key (1) 1-1-059-001, area assessed: 30,317 sq. ft.

2. Exception and Reservation in favor of the Trustees under the Will and of the Estate of Samuel M. Damon, deceased, of all artesian and other underground water and rights appurtenant to the land described herein, as excepted and reserved in Deed dated October 7, 1965, filed as Land Court Document No. 372554, recorded in Liber 5163 at Page 496, said Trustees having released all right to enter upon the surface of said land to exercise said exception and reservation, including any rights of ingress and egress upon said land, by Release dated October 12, 1965, filed as Land Court Document No. 372562, recorded in Liber 5163 at Page 572.

3. Grant in favor of Hawaiian Electric Company, Inc. and Verizon Hawaii, Inc., dated October 30, 1987, filed as Land Court Document No. 1510002, granting a perpetual easement to construct, reconstruct, operate, maintain, repair and remove pull boxes, handholes and underground power lines, etc. for the transmission and distribution of electricity, etc.

4. The terms and provisions including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Covenants dated November 24, 1970, filed as Land Court Document No. 520605.

5. Mortgage, Security Agreement and Financing Statement dated April 12, 1994 filed as Land Court Document No. 2138100 made by Celestino Padre Ancheta and Michele Chun Ancheta, husband and wife, as Mortgagor, in favor of GECC FINANCIAL CORPORATION, a Hawaii corporation, as Mortgagee, in the amount of \$1,000,000.00. Above Mortgage was assigned to GE CAPITAL HAWAII, INC., a Hawaii corporation, dated November 22, 1995, filed as Land Court Document No. 2280213.

6. Assignment of Lessor's interest in Lease dated April 12, 1994, recorded as Document No. 94-065701, by and between Celestino Padre Ancheta and Michele Chun Ancheta, husband and wife, "Assignor", and GECC FINANCIAL CORPORATION, a Hawaii corporation in and to all of the right, title and interest of the Assignor in, to and under each and all of the tenant and/or space leases, recorded or unrecorded, covering the premises described in the Project.

EXHIBIT "C"

Summary of Sales Contract

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) A buyer must obtain his own financing. Buyer must make an application for a mortgage loan within 10 days after notification by Seller and if approval is not concluded within 30 days after submission of the application then Seller has the option to terminate the contract. Buyer acknowledges that this Sales Contract is contingent on any financing after the issuance of the final public report.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That interest on deposits shall belong to the Seller unless Buyer arranges with Escrow to establish a separate savings account and to pay \$25.00 to Escrow for the establishment and maintenance of such account, then such interest shall accrue to the benefit of the Buyer.

(d) That the unit will be subject to various legal documents, including Declaration, By Laws, Final Public Report including Encumbrances and Disclosure Statement attached thereto, Building/House Rules, Escrow agreement, Apartment Deed, Certificate of Architect and Condominium Map and any other documents which the buyer is given a copy of and for which he has received for the same.

(e) That the buyer must close the purchase at a certain date and pay all closing costs, in addition to the purchase price.

(f) If Buyer defaults, Seller shall give written notice to Buyer by certified mail and if such default is not cured within 10 days after receipt of notice, Seller may terminate the Sales Contract and retain the Buyer's deposits as liquidated damages. Seller may in addition pursue any other remedy including specific performance and all costs by reason of such default shall be borne by Buyer.

(g) If Buyer has paid all payments required under the Sales Contract, Buyer shall be entitled to specific performance.

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

7. Financing Statement recorded April 15, 1994 with Celestino Padre Ancheta and Michele Chun Ancheta, husband and wife, as Debtor and GECC FINANCIAL CORPORATION, a Hawaii corporation, as Secured Party, recorded as Document No. 94-065702.

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations as contained in the Declaration of Condominium Property Regime for "ILIMA COURT" Condominium project dated December 8, 2001, recorded as Land Court Document No. 2766528 and noted therein Condominium Map No. 1451 to which reference is hereby made and any amendments thereto.

9. The terms and provisions including the failure to comply with any covenants, conditions and reservations, contained in the By Laws of the Association of Apartment Owners for "ILIMA COURT" Condominium Project dated December 8, 2001, recorded as Land Court Document No. 2766529 to which reference is hereby made.

EXHIBIT "D"

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"). Under the Escrow Agreement these things will or may happen:

(a) Developer will let purchasers know when payments are due.

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

(c) The Escrow Agreement states the following conditions under which a refund will be made to a purchaser. Developer and Purchaser must make a written request to Escrow: (a) Requesting the return of purchaser's funds to purchaser; (b) Notifying Escrow of Developer's exercise of any option to rescind the sales contract; or (c) Notifying Escrow that the conditions provided for a refund under Sections 514A-62 or 514A-63 of the Condominium Act have been met.

(d) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract, that is, the Purchaser's funds shall be retained by the Seller as liquidated damages.

(e) A summary of the conditions under which disbursement of the buyer's fund may be made are as follows:

(1) Escrow shall make no disbursements of purchaser's funds or proceeds on the sale of such apartments (including any payments made on loan commitments from Permanent Lenders), except by way of refunds thereof as provided hereinbelow, until:

(i) Escrow receives a copy of a "Receipt for Public Report(s) and Notice of Right to Cancel, in the form specified by Section 514A-62 of the Condominium Act for the Final and any Supplementary Public Reports, executed by the purchaser;

(ii) Escrow has received a certification from Developer, acceptable to Escrow, stating that the Sales Contract has become effective and requirements of Section 514A-39 and 514A-63 have been met as those quoted phrases are used in Section 514A-65 of the Condominium Act; and

(iii) until the purchaser's apartment deed is recorded in the Bureau of Conveyances of the State of Hawaii.

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

Note: Section 514A-63, Hawaii Revised Statutes provides for Rescission Rights to a purchaser under a binding contact if there is a material change in the project which directly, substantially and adversely affects the use or value of (1) such purchaser's apartment or appurtenant limited common elements, or (2) those amenities of the project available for such purchaser's use.

EXHIBIT "E"

ILIMA COURT

REGISTRATION NO. 4809

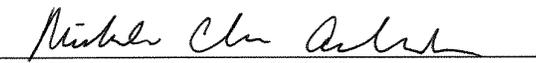
DISCLOSURE STATEMENT AS OF December 28, 2001

1. Name of Project: ILIMA COURT
2. Address: 900 Ala Nanala Street and 3180 Ala Ilima Street, Honolulu, Hawaii 96818
3. Name of Developer: CELESTINO PADRE ANCHETA and MICHELE CHUN ANCHETA
4. Address: 952 16th Avenue, Honolulu, Hawaii 96816
5. Telephone: (808) 2829355
6. Project Manager or Agent: To be initially self managed by Association of Apartment Owners.
7. Address: 952 16th Avenue, Honolulu, Hawaii 96816
8. Maintenance Fees: The maintenance fees are set forth in Exhibit "A" attached hereto and incorporated herein by reference.
9. Commencement of Maintenance Fees: At such time that the first sale of an apartment is made. If not, the Declarant will continue to maintain the premises at his own cost and expenses.
10. Warranties: The Project is a fee simple condominium project and is a conversion of six (6) existing dwellings and two (2) storage structures. There are no warranties.
11. Project: The Project consists of eight (8) condominium apartments. Apartments 1, 2, 3, 4, 5 and 6 are free standing detached apartment dwellings. Apartment 7 and 8 have free standing storage structures. The uses will be apartment, residential and other uses that are permitted by the zoning ordinances and building code of the City and County of Honolulu.

Dated: Honolulu, Hawaii, this 28th day of
December, 2001.



CELESTINO PADRE ANCHETA



MICHELE CHUN ANCHETA

Estimate Maintenance Fee Services

Monthly x 12 = Yearly total

Maintenance, Repairs and Supplies

Grounds \$200 x 12 = \$2,400.00

Management

Management Fee \$60 x 12 = \$720.00

TOTAL \$260 x 12 = \$3,120.00

NOTE THE FOLLOWING:

Each Apartment (building) is separately metered for Utilities and Services and each owner to pay for the costs of the same individually.

Insurance is taken out as a project and the insurer will inspect each building and determine the amount of insurance that each apartment shall be responsible for.

Real property taxes and government assessments shall be directly assessed to each apartment with the establishment of the condominium property regime and each apartment shall be responsible for the same.

Each Apartment (building) owner is responsible for its own replacement reserve since each owner owns its own building and responsible for the maintenance and upkeep of his/her/its apartment building.

I, Michelle Chun Ancheta, as a co-developer of the Ilima Court, condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursement were prepared in accordance with generally accepted accounting principles.



Michelle Chun Ancheta

December 28, 2001

Date

EXHIBIT E-1

STATEMENT OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = yearly total</u>				
1	\$43.34	x	12	=	\$520.08
2	\$43.34	x	12	=	\$520.08
3	\$43.34	x	12	=	\$520.08
4	\$43.34	x	12	=	\$520.08
5	\$43.34	x	12	=	\$520.08
6	\$43.34	x	12	=	\$520.08
TOTAL	\$260.04	x	12	=	\$3,120.48

NOTE: Apartments 7 and 8 upon completion of their respective buildings shall commence paying the same amounts as stated above for each apartment.

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

EXHIBIT F

ILIMA COURT
BUILDING AND HOUSE RULES

The purpose of these Building and House Rules are to protect all occupants from annoyance and nuisance caused by improper use of the condominium apartments and to promote harmonious living and the maximum enjoyment of **ILIMA COURT** condominium. The responsibility for enforcement of these rules may be delegated to a managing agent by the Board of Directors of the Association of Apartment Owners. All occupants, tenants and their guests shall be bound by these rules and by standards of reasonable conduct whether covered by these rules or not.

The House Rules may be amended by a majority vote of the Board of Directors. Amendments to the House Rules may be proposed by any owner by submission of such proposal in writing to the Board of Directors for consideration. Renters may make recommendations through their respective owner(s) for consideration by the Board of Directors.

I. OCCUPANCY

1. An apartment shall be used and occupied as an apartment, residential or other uses as permitted by zoning ordinances by the owners, their tenants, families domestic servants, and social guests, subject to such limitation as may be contained in the Declaration, By Laws and the House Rules which may be adopted from time to governing the use of the apartments.

2. Upon request of the Association or its Agent, for good cause, apartment owners shall immediately abate and remove any lessee or guest from the Project premises, without compensation for lost rentals or any other damage resulting therefrom.

3. Owners renting their units shall be responsible for designating a local agent to represent their interest if their residence is outside of Hawaii or if they will be absent from their apartment for more than thirty (30) days. Such owners shall file with the Manager their out-of-town address and telephone number and the telephone number of their local agent.

II. COMMON AREAS, ENTRANCES AND LANAIS

1. The throwing of firecrackers and the explosion of fireworks anywhere on the Project building grounds or within the Project buildings is expressly prohibited.

III. INTERIOR OF APARTMENTS

1. All apartments shall have window drapes, vertical blinds, or mini-blinds of white or light beige in color as seen from the Project buildings' exterior. Interiors of other colors are allowed. Window tinting may only be natural, grey, or brown

(excludes reflective, blue, rose, or other colors).

IV. USE OF PREMISES

1. No open fires or barbecuing shall be permitted on lanais, patios or entry courts. Barbecues must be attended at all times by a responsible adult.

V. CHILDREN

1. Parents have the responsibility to insure that their children conform to all rules and regulations and are properly supervised at all times.

2. Children under 7 years of age will be under direct adult supervision at all times. This is both for the safety and protection of the child as well as the resident.

3. Children will be cautioned against undue noise and will be properly instructed on maintaining common areas in a neat, safe, orderly fashion and on avoiding damage to the landscaping.

4. Games and other activities which damage or disturb the common areas are forbidden. For example, bicycling, skate boarding and roller skating are forbidden on common areas including landscaped areas

5. Children will be cautioned against any unsafe practice which would endanger life, limb or property. Parents will be held directly responsible for their children's behavior.

6. Bicycling, skate boarding, roller skating are prohibited in the parking areas. Parents will be directly accountable for any damages.

VI. PETS

1. A pet may be kept in an apartment. Health, sanitation and other requirements for the particular pet as prescribed by the Board of Directors shall be observed by the person keeping the animal.

2. No livestock, poultry or other animals whatsoever shall be allowed in any part of the project, except that one dog, cat or other household pet may be kept in his and/or her respective apartment, but shall not be allowed on any common elements except in transit.

3. All household pet owners must care for the animal in a proper and sanitary manner, which includes but is not limited to defleaing and prompt pick up of fecal matter, and secured disposal (i.e., plastic bag tied up and securely wrapped in

paper).

4. Dogs or other animals shall be on a leash or carried when taken outside. Barking or other animal sounds for a continuous period of 10 minutes or more is considered a nuisance and action for the removal of the animal from the project.

5. Lanais and entry courts will not be used for unsupervised permanent animal habitation. Pets may not be left unattended in lanais, open entry courts, open garages, or limited common elements.

6. Owner shall maintain the interior and exterior of the apartment to be free of fleas and ticks and will have the interior and exterior of the apartment professionally treated for eradication of fleas and ticks whenever necessary to eliminate any infestation of fleas and ticks from the apartment and the project.

After one written notice given by the Board of Directors or managing agent, any pet causing a nuisance, fleas, ticks or unreasonable disturbance to any other occupant of the project shall be promptly removed to the Hawaii Humane Society.

VII. ALTERATIONS AND ADDITIONS

1. Any alterations and additions may be made within an existing building of an apartment in accordance with the Building Code and Zoning Ordinances of the City and County of Honolulu.

2. No radio or television antenna, antennas or cable wires shall be erected or maintained outside of the apartments except as approved on a uniform basis by the Board of Directors.

VIII. PARKING AREAS

1. Parking Stall Use.

The following shall be observed in the use of parking stalls:

a. An Apartment Owner shall park his vehicle in the parking stall assigned under the Declaration of Condominium Property Regime.

b. Automobiles shall be centered in parking spaces so as to prevent crowding of adjacent spaces and/or blocking of passages.

c. Violators of parking regulations shall have their cars towed away at their own expense. If the violator is a lessee or guest of an owner, the owner shall be held responsible.

d. Owners working, washing, cleaning or polishing cars on the Project premises shall clean the area thoroughly before leaving.

e. Extensive repairs of a motor vehicle, boat, surfboard or other equipment shall not be permitted on the Project premises.

f. Owner must maintain their assigned parking area to remove excess oil or fluid drippings.

2. Passenger Parking Areas

a. Assigned spaces are limited to use of operative passenger motor vehicles or trucks that are no greater length and width of passenger motor vehicles with current registration and safety stickers.

b. All vehicles must be registered with the Association of its agent. Unregistered, abandoned or illegally parked vehicles may be towed away by management at owners expense without advance notice.

c. There are no guest parking spaces. Guests will be required to park outside of the project.

d. Bicycles and mopeds and similar type vehicles are to be parked in the respective areas of the apartments.

IX. NOISE

1. Excessive noises of any type are prohibited at any time.

2. No workmen are allowed in the project before 7:30 a.m. or after 7:00 p.m., except in an emergency.

3. Radios, T.V.'s, stereos, etc., are to be played at reduced volume after 10:00 p.m. and early in the morning. No radio, T.V., stereo or other electronic equipment will be played at a noise level that is annoying to neighbors at any time.

X. BUILDING MODIFICATIONS

1. The owners(s) of Apartments 7 and 8 may remove the storage structure and build a building with two living units similar to existing buildings or a two story townhouse building in the limited common element land area for each of the apartments.

2. As to the other apartments the original design of the buildings shall not be changed.

XI. GENERAL

1. Apartment owners shall observe and adhere to these House Rules and ensure that their lessees, licensees, and invitees observe and adhere to these House Rules. Apartment owners will be responsible for their guests' observance of all House Rules as set forth herein. In the event expenses are incurred due to violations of House Rules by lessees, licensees and invitees, the Owner shall be responsible for payment of same.

XII. BY LAWS USE AND CHANGE OF USE PROVISIONS

1. Article V, Section 3 of the By Laws are incorporated in these House Rules by reference and shall be observed by the owners and occupants of the Condominium.

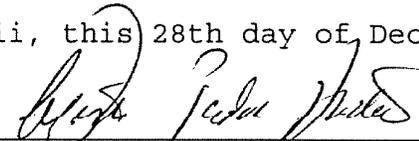
XIII. THE VIOLATION OF ANY HOUSE RULES ADOPTED BY THE ASSOCIATION OF APARTMENT OWNERS OF THE ILIMA COURT SHALL GIVE THE ASSOCIATION OR ITS AGENT THE RIGHT TO:

1. ENTER THE APARTMENT IN WHICH, OR AS TO WHICH SUCH VIOLATION OR BREACH EXISTS AND TO SUMMARILY ABATE AND REMOVE, AT THE EXPENSE OF THE DEFAULTING APARTMENT OWNER, ANY STRUCTURE, THING OR CONDITION THAT MAY EXIST THEREIN CONTRARY TO THE INTENT AND MEANING OF THE PROVISIONS HEREOF AND THE BOARD OF DIRECTORS OR THE MANAGING AGENT SHALL NOT THEREBY BE DEEMED GUILTY IN ANY MANNER OF TRESPASS; OR

2. TO ENJOIN, ABATE OR REMEDY BY APPROPRIATE LEGAL PROCEEDINGS, EITHER AT LAW OR IN EQUITY, THE CONTINUANCE OF ANY SUCH BREACH, AND ALL COSTS THEREOF, INCLUDING ATTORNEY'S FEES, SHALL BE BORNE BY THE DEFAULTING APARTMENT OWNER.

3. The Association shall have the right to assess such fees, charges, fines and penalties as it deems appropriate to ensure compliance with these Building and House Rules. Such fee will be posted and may include the following: (i) Cleaning up a parking stall that has oil or fluid drippings or is otherwise dirty; (ii) having the Association or its Agent unlock the apartment during the hours from 6:00 p.m. in the evening until 6:00 a.m. the following morning.

Adopted in Honolulu, Hawaii, this 28th day of December, 2001.



CELESTINO PADRE ANCHETA, Developer



MICHELE CHUN ANCHETA, Developer

EXHIBIT G

Land Court Document NO. 52060 5

DECLARATION OF COVENANTS

KNOW ALL MEN BY THESE PRESENTS:

THAT, WHEREAS, CLARENCE THING CHOCK CHING,
husband of Dorothy Tom Ching, and FONG TING MAU, husband of Rose
Yet Kui Mau, all of Honolulu, City and County of Honolulu, State of Hawaii,
General Partners of International Development Company, a registered
limited partnership, whose principal office and place of business is 233
Merchant Street, Honolulu aforesaid (hereinafter referred to as "Sellers"),
are the fee simple owners of Lots 3293 to 3329, inclusive, as shown on
Map 444

and with Land Court Application No. 1074, and described in and covered
by Transfer Certificate of Title No. 137,118 and

WHEREAS, said Lots 3329 to 3329, inclusive,

constitute the subdivision known and designated as "Lakeside Unit V"; and

WHEREAS, said Lakeside Unit V is part of a larger development
known and designated as the "Lakeside Development Project" or "Lakeside
Subdivision" (formerly known as the "Lakeshore Development Project" or
"Lakeshore Subdivision"), which project contemplates the development of
the lands situated on the perimeter of the Salt Lake at Moanalua, Honolulu
aforesaid; and

WHEREAS, notwithstanding this Declaration of Covenants, Sellers have advised, and/or do hereby advise, all purchasers of lots within said Lakeside Development Project that Sellers may from time to time amend the general plan of development of said project, including the possible filling of said Salt Lake and constructing other improvements thereon; and

WHEREAS, by the declaration of covenants hereinafter set forth, it is the intent and purpose of the Sellers to insure the use of the properties within said Lakeside Unit V for purposes consistent with the general plan of said Lakeside Development Project as it now exists or may from time to time be amended to prevent nuisance, to promote and maintain uniformity and attractiveness, and thereby to secure to each lot owner the full benefit and enjoyment of his property;

NOW, THEREFORE, the Sellers do hereby make the following declarations as to limitations, restrictions, and uses which the lots hereinabove described may be put, hereby specifying that said declarations shall constitute covenants to run with the land and shall be binding on all parties and persons claiming under them and for the benefit of and restrictions and limitations upon all future owners of said Lots 3263 to 3329, inclusive:

1. No lot shall be used except for multifamily dwellings and except for such uses as are permitted under the applicable zoning ordinances of the City and County of Honolulu, including such ordinances providing for planned development projects; provided, that no such planned development projects shall include commercial uses.

3. The front yard space of each lot, except a portion or portions thereof devoted to pedestrian and vehicular access, and fifty percent (50%) of the aggregate area of the rear yard space and side yard spaces shall be devoted to and be maintained and landscaped with plants, shrubs, and other ground covering plantings other than grass; provided, that the landscaping of the front yard space shall include, for every seventy five (75) lineal feet of frontage or any fraction thereof, not less than one tree, which when originally planted shall be not less than three (3) feet in height and when full grown shall attain a minimum height of eight (8) feet; provided, further, however, that the landscaped areas of the rear yard space and side yard spaces shall have a depth of five (5) feet from the side or rear lot line, as the case may be. In the case of corner lots, one front yard space shall be landscaped to a depth of five (5) feet and the second front yard space shall be landscaped to a depth of three (3) feet and the landscaping of each of such front yard spaces shall include not less than one tree for every seventy five (75) lineal feet of frontage or any fraction thereof as hereinabove provided. The term "front yard space" shall mean that area along and parallel to the lot line or lot lines abutting a roadway to a depth of five (5) feet; the term "rear yard space" shall mean that area along and parallel to the rear lot line to a depth of five (5) feet; and the term "side yard spaces" shall mean that area between the front yard and rear yard spaces along and parallel to the side lot line to a depth of five (5) feet.

In the event that any of said lots shall be subdivided or consolidated or consolidated and resubdivided, the foregoing landscaping requirements shall be applicable to each such subdivided or consolidated or

or consolidated and resubdivided lot in accordance with the circumstances then existent; provided, that in the case of a lot created by the consolidation of two or more lots or in the case of a lot created by the consolidation and resubdivision of three or more lots wherein the number of lots created thereby is less than the number of the lots originally consolidated and the area of such resubdivided lots is not less than one and one-half times the area of the smallest of the consolidated lots, yard spaces having a minimum width of five (5) feet shall be provided along each of the boundary lines of such lots and the same shall be landscaped as hereinabove set forth; provided, further, that the landscaping for the front yard space of such lots shall include one tree as hereinabove required for every seventy-five (75) feet of frontage or any fraction thereof.

In the event that two or more adjacent lots shall be developed as a single development complex or as a single planned unit development, incrementally or otherwise, without consolidating said lots into a single lot, then in such case the entire development shall be deemed to be a single lot and the landscaping requirements for consolidated lots hereinabove set forth shall apply.

With the prior written approval of the Sellers, any lot may be landscaped in accordance with plans which do not fully comply with the requirements hereinabove set forth where the size or shape or location or any other physical characteristics of the lot are such so as to make it impossible or impractical for the owner to conform fully with said requirements and where the area to be landscaped and the owner's plans therefor, in the opinion of the Sellers, are adequate under the circumstances and will not detract materially from the value of other properties thereabouts,

or where the owner's plans for landscaping, although not in full and strict compliance with said requirements, are, in the opinion of the Sellers, unique or in harmony with the building erected or to be erected on the lot and are adequate under the circumstances and will not materially detract from the appearance and value of other properties thereabouts.

Anything to the contrary contained herein notwithstanding, the yard space and landscaping requirements hereinabove set forth shall not be applicable to any lot or lots which shall be developed as a planned development project under the applicable zoning ordinances of the City and County of Honolulu; provided, however, that such lots shall be landscaped in accordance with landscaping plans which have been approved by Sellers or their designated agents therefor. Sellers shall have the exclusive discretion to approve or disapprove such landscaping plans submitted to them as herein provided as long as Sellers shall not arbitrarily or capriciously withhold their approval.

3. No building shall be erected or placed on any lot until the construction plans and specifications therefor, a plan of the location of the structure, a lot grading plan and a landscaping plan (herein collectively referred to as "plans") have been approved by Sellers or their designated agents therefor as to quality of workmanship and materials, harmony of external design with existing structures or contemplated structures, as to location with respect to topography and finished grade elevation and as to adequacy of landscaping, it being the intent and purpose of this covenant to assure that all buildings constructed within said Lakeside Unit V shall be of a quality of workmanship and materials acceptable to Sellers and consistent with the standards required by Sellers and reasonably accepted

by purchasers of other lands thereabout and that each lot shall be adequately landscaped to assure the continued attractiveness of the area. No plans shall be deemed to be approved unless the same shall bear Sellers' stamp of approval thereon. Sellers shall have the exclusive discretion to approve or disapprove said plans submitted to them as herein provided as long as Sellers shall not arbitrarily or capriciously withhold their approval.

4. No structure of a temporary character, trailer, basement, tent, shack, garage, barn or other outbuilding shall be used on any lot as a residence, either temporarily or permanently.

5. No used or secondhand lumber shall be used or incorporated in the construction of any improvements to be erected upon any lot, nor shall there be placed or maintained upon any lot any "quonset hut" type of building, nor shall there be erected, placed, or maintained upon any lot any war surplus or abandoned Army or Navy buildings, or any other buildings or parts thereof which have been previously located on other property.

6. No sign of any kind shall be displayed to the public view on any lot, except one professional sign of not more than one square foot or one sign of not more than five square feet advertising the property for sale or rent.

7. No animals, poultry or livestock of any kind shall be bred, raised or kept on any lot, except that dogs, cats or other household pets may be kept as long as they are not kept for any commercial purpose.

8. No noxious or offensive activity shall be carried on upon any lot, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

9. No lot shall be used or maintained as a dumping ground for rubbish. Trash, garbage, or other waste shall not be kept, except in sanitary containers. All equipment for the storage or disposal of such material shall be kept in a clean and sanitary condition.

10. Sellers hereby reserve the right to waive, in whole or in part, and under such conditions as Sellers may impose, any one or more of the limitations, restrictions, requirements, covenants, conditions, and provisions contained in the foregoing paragraphs where the application of the same as to any lot or lots by reason of the physical characteristics of the lot or any peculiar or unusual circumstances will create hardship to the owner or owners of such lot or where, in the opinion of the Sellers, the circumstances then existing merit such waiver.

11. Upon the purchase of any lot within the Lakeside Development Project by any purchaser subsequent to the filing hereof in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, such purchaser or grantee shall be deemed to have acknowledged the existence of this Declaration of Covenants and that the Sellers may from time to time amend the general plan of development, including the filling of the said Salt Lake and constructing other improvements thereon, and by such purchase or acceptance of any conveyance, any and all such purchasers or grantees shall be conclusively deemed to have acknowledged the Sellers' right to so amend said general plan of development, and such purchasers or grantees, and each of them, covenant not to complain on account thereof; provided, nothing herein contained shall be construed as authorizing Sellers to make any changes or amendments to the lot purchased by any such purchasers or grantees. The provisions of this paragraph shall automatically expire upon the expiration of ten (10) years from the date hereof.

12. No deed, mortgage, lease, or instrument transferring any interest or estate in the premises shall be made or delivered by any owner conveying, mortgaging, leasing or transferring any lot, or any part thereof, at any time during the effective period of these covenants unless such deed, mortgage, lease or instrument shall contain expressly, or by reference to this document, the same restrictive terms, covenants, and conditions as herein set forth and unless the same is made expressly subject thereto.

13. For any breach or failure in the observance of these covenants, or any of them, the Sellers, any owner or owners of one or more of the lots within said Lakeside Subdivision Unit V shall have a remedy against the offending party or parties by action for damages, suit for injunction, mandatory or restraining, or any other appropriate remedy, and the adoption or pursuit of any one remedy for any such breach or failure shall not preclude or prevent the adoption or pursuit of any other remedy thereafter for the same breach or any subsequent breach or failure, and waiver of and acquiescence in by Sellers or said owners of any such breach or failure shall not operate to extinguish the limitation, restriction or condition, the breach whereof has been waived, nor be deemed to be a waiver of any other breach thereof. In the event any owner shall be adjudged to be in breach of any of these covenants by a court of competent jurisdiction, such owner shall be assessed all costs for such legal proceedings, including reasonable attorney's fees incurred by such party or parties who shall have initiated and pursued to conclusion such legal proceedings.

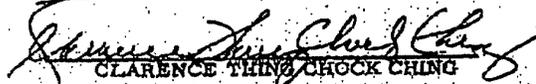
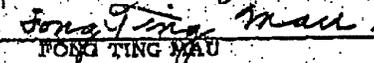
14. The covenants above set forth shall be construed as covenants running with the land and shall, except as otherwise provided, continue in force for a period of thirty (30) years from the date of filing hereof, whereafter they shall be automatically extended for successive periods of ten (10) years; provided, however, that these covenants may be terminated or amended at any time by an instrument signed by a majority of the then owners of the lots to which these covenants are applicable, which instrument shall be duly filed in the Office of the Assistant Registrar of the Land Court.

15. Invalidation of any one of these covenants by judgment or court order shall in no wise affect any of the other provisions which shall remain in full force and effect.

Except as otherwise provided, all covenants set forth hereinabove shall apply and be in force with respect to all of said Lots 3283 to 3286, inclusive

provided, however, that the foregoing covenants shall not be applicable to any of said lots, all or a portion of which may hereafter be converted into a roadway lot or which may be sold or conveyed to any public utility for public utility purposes, eleemosynary institutions for religious, charitable or educational purposes, or the City and County of Honolulu or the State of Hawaii or any governmental agency or authority for public purposes.

IN WITNESS WHEREOF, the Sellers above named have executed this instrument this 24th day of November, 1970.


CLARENCE TING CHOCK CHING

FONG TING MAU

STATE OF HAWAII)
CITY AND COUNTY OF HONOLULU) SS;

On this 24th day of November, 1970, before me personally appeared CLARENCE THING CHOCK CHING and FONG TING MAU, to me known to be the persons described in and who executed the foregoing instrument and acknowledged that they executed the same as their free act and deed.

Leed Harris
Notary Public, First Judicial Circuit
State of Hawaii

My Commission Expires: July 1, 1978