

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: CHRISTOPHER EDWARD WALKER, husband of Mary Michelle Walker
54-290 Kawaipuna Place
Hauula, Hawaii 96717

JAMES HARRY BOLTON and CONSTANCE PAMELA BOLTON, husband and wife
3274 East Ford Place
Twin Falls, Idaho 83301

Project Name (*): 53-036 Pokiwai Place
Address: 53-036 Pokiwai Place, Hauula, Hawaii 96717

Registration No. 4831 (Conversion) Effective date: May 8, 2002 Expiration date: June 8, 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.
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.
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. *Not Required - Disclosures covered in this report.*
Attached as Exhibit G.

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 NOTICE

1. **This Public Report does not constitute an approval or disapproval of the project nor a representation that the project is in compliance with all County Codes, ordinances and subdivision requirements.**
2. **This project does not involve the sale of individual subdivided lots. The land area beneath and immediately adjacent to each unit as shown on the Condominium Map is designated as a limited common element for that unit and does not represent a legally subdivided lot. The dark dashed lines on the Condominium Map do not represent legally subdivided lots, but merely the location of the limited common element assigned to each unit.**
3. **The Apartments share a septic tank.**
4. **The project is located in a Special Management Area. The prospective purchaser is cautioned to review all rules, ordinances, or statutes regarding Special Management Areas.**

**THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW
THIS PUBLIC REPORT AND THE ATTACHED DOCUMENTS 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: **CHRISTOPHER EDWARD WALKER** Phone: (808) 293-8614
54-290 Kawaipuna Place
Hauula, Hawaii 96717

JAMES HARRY BOLTON and Phone: (208) 734-5216
CONSTANCE PAMELA BOLTON
3274 East Ford Place
Twin Falls, Idaho 83301

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) (attached separate sheet if necessary):

N/A

Real Estate
Broker*: **Daryl R. Gerloff ®** Phone: (808) 235-8623
Gerloff Realty
44-113 Puuohalai Place
Kaneohe, Hawaii 96755

Escrow: **Title Guaranty Escrow Services, Inc.** Phone: (808) 521-0211
235 Queen Street (808) 521-0280 (Facsimile)
Honolulu, Hawaii 96813

General
Contractor*: [N/A] Phone: _____

Condominium
Managing
Agent*: **[SELF-MANAGED by the**
Association of Apartment Owners]
Contact: Christopher Edward Walker Phone: (808) 293-8614

Attorney for
Developer: **William C. Byrns, Esq.** Phone: (808) 523-3080 (Business)
MacDonald Rudy Byrns O'Neill & Yamauchi, LLP (808) 523-0759 (Facsimile)
1001 Bishop Street
Pacific Tower, Suite 2650
Honolulu, Hawaii 96813

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

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2784231

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

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 1461

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: **None**

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. 2784232

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: **None**

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%*	75%
Bylaws	65%	65%
House Rules	--	Not Applicable

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

2. Developer:

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

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.**
- Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit ___ contains a schedule of the lease rent for each apartment per: Month Year

For Sub-leaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit ___ contains a schedule of the lease rent for each apartment per: Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 53-036 Pokiwai Place, Hauula, Hawaii 96717 Tax Map Key (TMK): (1) 5-3-14:32

Address TMK is expected to change because _____

Land Area: 8,567 | X | square feet acre(s) Zoning: R-5

Fee Owners: Christopher Edward Walker
54-290 Kawaipuna Place
Hauula, Hawaii 96717

James Harry Bolton and Constance Pamela Bolton
3274 East Ford Place
Twin Falls, Idaho 83301

Lessor: N/A

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: Two (2) Floors Per Building: Two (2) – Apartment A
Two (2) – Apartment B

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Uses Permitted by Zoning:

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

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

Yes (Declaration, Section 9, Permitted Uses) 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 Bylaws, Article V, Section 5.3(9)

Number of Occupants: _____

Other: restrictions on noxious or offensive activity and hazardous activities; see Bylaws, Sections 5.3(10) and 5.3(11), respectively.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0		Stairways: 1 (Apartment A)		Trash Chutes: 0	
Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A	1	4 / 2	2,003.5 sq. ft.	96 sq. ft.	Lanai
B	1	1 / 1	834.25 sq. ft.	328 sq. ft. 158 sq. ft.	Lanai Decks

Total Number of Apartments: **Two (2)**

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

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

Boundaries of Each Apartment: **The exterior walls of the respective apartments.**

Permitted Alterations to Apartments: Generally, individual apartment owners may remodel, expand or otherwise alter their apartment, provided the same is permitted by and done in complete accordance with all applicable ordinances, codes, rules, regulations or other requirements in force at the time of said construction. Such alterations shall not require the consent or permission of the other apartment owner in the Project or the Association. See, Declaration, Section 18.

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 not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: Four (4)

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	_____	<u>2 ea.</u>	_____	_____	_____	_____	<u>4</u>
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>4</u>		<u>0</u>		<u>0</u>		<u>4</u>

Each apartment will have the exclusive use of at least two (2) parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute/Enclosure(s)
- Other: _____

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

- There are no violations.** Violations will not be cured.
- Violations and cost to cure are listed below: Violations will be cured by _____.
- (Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):
(For conversions of residential apartments in existence for at least five years): **Based on a report prepared by an independent professional architect, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the Apartments appear to be in a condition consistent with their age. However, no representations of any kind are made as to the expected useful life, if any, of the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartments. See, Architect's Verified Statement attached hereto and made a part hereof as Exhibit "H."**

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:

Apartment B permitted to expand nonconformity to exceed 500 square feet of floor area by Findings of Fact, Conclusions of Law, and Decision and Order issued by the Zoning Board of Appeals of the City and County of Honolulu, State of Hawaii, Case No. 79/ZBA-84, issued August 23, 1979.

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> </u>	X (Apartment B)	<u> </u>
Lot	<u> </u>	X (Less than 50' wide)	<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: The common elements shall remain undivided and no right shall exist to partition or divide any part thereof, except as provided in the Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgages on Apartments.

The Apartments are located in the manner shown on the Condominium Map. Apartment A and Apartment B have direct access via their limited common elements to Pokiwai Place. The common elements include the remaining portions of the Project including, without limitation:

- a) The land;
- b) Any improvements now or hereafter constructed for utilities purposes such as electricity, gas, water, sewer, telephone, radio and television signal distribution, irrigation and other utilities which serve more than one Apartment, including, without limitation, the Septic Tank; and
- c) Any and all elements and facilities naturally in common use or necessary to the existence, upkeep and safety of the Project.

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 F.

as follows: The land surrounding each Apartment and set aside for the exclusive use of that Apartment, as shown by dark dashed lines on the Condominium Map, constitutes a limited common element appurtenant to such Apartment; such land area being 5,358 square feet for Apartment A and 3,209 square feet for Apartment B, except that Apartment B's two parking stalls shall be limited common elements of Apartment B. These are not subdivided lots. The portion of the New Addition Roof and the lanai thereunder, as shown on the Condominium Map, located in the land area for each Apartment shall be a limited common element for such Apartment; Apartment A has a limited common element lanai of 96 square feet, and Apartment B has a limited common element lanai of 328 square feet.

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

described in Exhibit _____.

as follows: The common interest appurtenant to Apartment A for all purposes, including voting, is fifty percent (50%). The common interest appurtenant to Apartment B for all purposes, including voting, is fifty percent (50%).

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

Exhibit A describes the encumbrance against the title contained in the title report dated February 4, 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>
Finance Factors, Limited – Mortgage Land Court Document No. 2645031	Purchaser's interest may be terminated by mortgage but Purchaser shall be entitled to return of his deposit less escrow cancellation fee.

F. **Construction Warranties: None**

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:

Based upon tax records, Apartment A was completed in or about 1948, and Apartment B was completed in or about 1948. Apartment A was relocated to its present location and the New Addition Roof was added in or about December 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).

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, a lien may be placed on your apartment and the apartment may be sold through a foreclosure proceeding.

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

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

- 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: **Septic Tank**

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 February 12, 2002**
Exhibit B contains a summary of the pertinent provisions of the escrow agreement.
- Other:**
 - 1. **Exclusive Right to Sell Listing Agreement regarding Apartment A (\$279,900 list price);**
 - 2. **Exclusive Right to Sell Listing Agreement regarding Apartment B (\$139,900 list price);**Exhibit J is a true and correct copy of each Listing Agreement.

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 6-107, 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 part of Registration No. 4831 filed with the Real Estate Commission on March 22, 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:

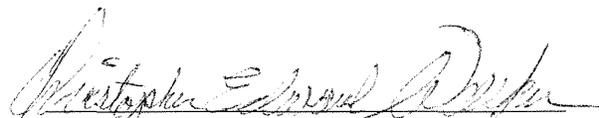
1. With respect to the estimate of monthly maintenance fees attached hereto as Exhibit "D," the Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Chapter 107, Hawaii Administrative Rules, as amended.
2. The lanais are adjacent to each other and the lanai roofs are joined. The lanais are shown on the site plan, which is the first page of the Condominium Map. The lanais and lanai roofs are limited common elements appurtenant to the respective apartments. Each apartment owner shall bear all costs and expenses for the lanai and lanai roof appurtenant to his or her apartment.
3. The tile wall shown on the first page of the Condominium Map on Plat 12 is not a portion of the subject property. The tile wall located along the boundary of Lot 82 is a part of the subject property. The portion of any wall(s) located in the limited common element yard area appurtenant to Apartment A shall be a limited common element of Apartment A. The portion of any wall(s) located in the limited common element yard area appurtenant to Apartment B shall be a limited common element of Apartment B. Each apartment owner shall be responsible for all costs and expenses of repair, maintenance and replacement of any wall(s) that are limited common elements to its apartment.
4. As referenced in Section 3 of the Declaration of Condominium Property Regime of 53-036 Pokiwai Place, the Zoning Board of Appeals of the City and County of Honolulu previously issued a variance with respect to Apartment B. However, subsequent to the issuance of such variance, Apartment B was relocated and physically connected, by the lanai roofs, to Apartment A. It is the Developers' understanding that the variance is no longer in effect and that Apartments A and B constitute a conforming two-family dwelling, detached, as more particularly described in Table 21-3.2 of the Land Use Ordinance of the City and County of Honolulu. However, all prospective purchasers should verify and confirm such information and the Developers hereby disclaim any liability or obligation in connection with the foregoing.
5. The lanai roofs were completed in November 1999 pursuant to building permits issued by the City and County of Honolulu. The Developers represent and warrant that they have paid in full all costs and expenses incurred in such construction.
6. Hazardous Materials. The developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.

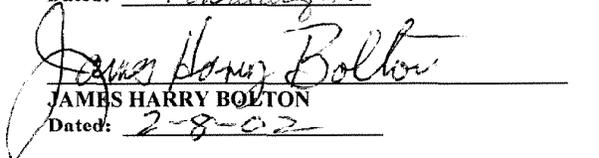
(continued on page 20a)

Additional Information Not Covered Above (continued from page 20):

7. **Lead Warning Statement.** Pursuant to federal law, 42 U.S.C. 4852(d), the Residential Lead-Based Paint Reduction Act, “Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller’s possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase.”

- 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.


CHRISTOPHER EDWARD WALKER
Dated: February 1, 2002


JAMES HARRY BOLTON
Dated: 2-8-02


CONSTANCE PAMELA BOLTON
Dated: 2-7-02

“Developer”

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"
53-036 Pokiwai Place Condominium Project
Encumbrances Against Title

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The terms and provisions, including the failure to comply with any covenants, conditions, and reservations contained in that certain Deed dated July 6, 1961, filed in said Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 276268.
3. Grant to Hawaiian Electric Company, Inc., and GTE Hawaiian Telephone Company Incorporated dated July 6, 1959, filed in said Office as Document No. 240398, granting an easement for utility purposes.
4. The terms and provisions of that certain Declaration of Condominium Property Regime of 53-036 Pokiwai Place condominium project, as amended from time to time, dated February 8, 2002, recorded in said Office of the Assistant Registrar on March 5, 2002, as Land Court Document No. 2784231.
5. The terms and provisions of those certain Bylaws of the Association of Apartment Owners of 53-036 Pokiwai Place condominium project, as amended from time to time, dated February 8, 2002, recorded in said Office of the Assistant Registrar on March 5, 2002, as Land Court Document No. 2784232.
6. That certain Condominium Map No. 1461, a copy of which is on record with the Office of the Assistant Registrar aforesaid.
7. Mortgage, Security Agreement and Financing Statement dated July 27, 2001, in favor of Finance Factors, Limited, a Hawaii corporation, in the amount of \$432,000.00, filed in said Office of the Assistant Registrar as Land Court Document No. 2725972, which Mortgage covers the land described herein, besides other land.

Being a portion of the property conveyed by Deed dated August 15, 2000, between American Savings Bank, F.S.B., a federal savings bank, as grantor, and Christopher Edward Walker, husband of Mary Michelle Walker, and James Harry Bolton and Constance Pamela Bolton, husband and wife, collectively as grantee, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii on August 21, 2001, as Document No. 2645031 and noted on Transfer Certificate of Title No. 561,105.

End of Exhibit "A"

EXHIBIT "B"
53-036 Pokiwai Place Condominium Project
Summary of Escrow Agreement

The Escrow Agreement ("Agreement") between TITLE GUARANTY ESCROW SERVICES, INC., a Hawaii corporation ("Escrow"), and CHRISTOPHER EDWARD WALKER, husband of Mary Michelle Walker, JAMES HARRY BOLTON and CONSTANCE PAMELA BOLTON, husband and wife (collectively the "Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.
2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project.
3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Final Public Report on the project and forty-eight (48) hours have elapsed since Buyer's receipt of a copy of the Final Public Report; (b) Buyer has waived its right to cancel the sales contract; and (c) Seller has notified Escrow that all other requirements of Sections 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Where sales contracts are entered into, Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Final Public Report and with notification by Seller that all of the requirements of Section 514A-39 and 514A-63, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under sales contract.
4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Final Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Final Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514A-62, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or those amenities of the project available for Buyer's use, of a nature entitling the Buyer to

cancel his sales contract pursuant to Section 514A-63, Hawaii Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow.

5. As Escrow's compensation for its performance under this Agreement, Escrow will receive an amount to be determined by Escrow for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional sum.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, HE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

EXHIBIT "C"
53-036 Pokiwai Place Condominium Project
Summary of Sales Contract

Seller intends to use the standard form DROA as the form of sales contract for the project.

1. Evidence of Title. Seller shall furnish Buyer evidence of Seller's marketable title to the interest which is to be conveyed to Buyer. If Seller fails to deliver title as herein provided, Buyer has the option to terminate this agreement and have any of Buyer's deposits returned to Buyer. The foregoing shall not exclude any other remedies available to Buyer. Buyer will receive an Owner's standard coverage policy of title insurance at closing: (a) Seller shall pay 60% of the premium to be charged for an Owner's standard coverage policy of title insurance to be issued to the buyer in the amount of the sales price; and (b) Buyer shall pay 40% of such premium and any additional costs relating to the issuance of any extended coverage policy, including a Lender's policy.
2. Risk of Loss. Risk of loss passes to Buyer upon transfer of title or occupancy whichever occurs first.
3. Default. *It is expressly understood and agreed: First: In the event Buyer fails to pay the balance of the purchase price or complete the purchase as herein provided, Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein, as liquidated damages; and (c) Buyer shall be responsible for any cost incurred in accordance with this contract. Second: In the event Seller fails to perform his obligations as herein provided, Buyer not being in default, Buyer may (a) bring an action against Seller for damages for breach of contract; (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a REALTOR for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees. All expenses incurred by escrow shall be deducted from deposited funds prior to any disbursement to the prevailing party.*
4. Consent. The obligations of Buyer or Seller hereunder are conditioned upon obtaining those necessary consents of vendors, existing mortgagees, lessors and/or condominium, co-op or other such associations, Buyer or Seller agree to cooperate and take all reasonable action to obtain such consents.

5. Time Is Of The Essence. If either Buyer or Seller for reasons beyond his control cannot perform his obligation to purchase or sell the property by the closing date, then such party by giving escrow written notice prior to the closing date called for in this contract with copies to all parties to this contract, can extend closing for no longer than 30 calendar days to allow performance. Thereafter time is of the essence and the default provisions of paragraph 5 apply. Any further extension must then be agreed to in writing by both parties. There is no automatic right to extend. This provision relates only to the extension of the closing date.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE DROA. THE BUYER MUST REFER TO THE BUYER'S DROA TO DETERMINE THE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DROA, THE DROA WILL CONTROL, NOT THIS SUMMARY.

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months =</u>	<u>Yearly Total</u>
A	\$43.50 x 12 =	\$522.00
B	\$16.50 x 12 =	\$198.00

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

The estimated maintenance fees and maintenance fee disbursements set forth herein are estimates only of projected waters bills, which are commonly metered, and periodic regular pumping costs of the Septic Tank. The actual bills and costs may be substantially higher than such estimates.

Estimate of Maintenance Fee Disbursements:

monthly x 12 months = Yearly Total

Utilities and Services

Air Conditioning
 Electricity
 common elements only
 common elements and apartments
 Elevator
 Gas
 common elements only
 common elements and apartments
 Refuse Collection
 Telephone
 Water and Sewer \$50.00 x 12 = \$600.00

Maintenance, Repairs and Supplies

Building
Grounds

Management

Management Fee
Payroll and Payroll Taxes
Office Expenses

Insurance

Reserves(*)

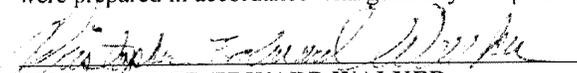
Taxes and Government Assessments

Audit Fees

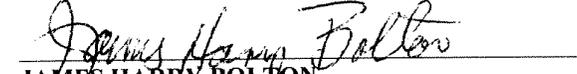
Other Septic Tank \$10.00 x 12 = \$120.00

TOTAL \$60.00 x 12 = \$720.00

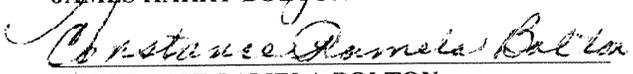
We, CHRISTOPHER EDWARD WALKER, JAMES HARRY BOLTON and CONSTANCE PAMELA BOLTON, the owners/developers of the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


CHRISTOPHER EDWARD WALKER

February 1, 2002
Date


JAMES HARRY BOLTON

02-08-02
Date


CONSTANCE PAMELA BOLTON

02-07-02
~~02-07-02~~
Date

(*)Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 1070, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "E"
53-036 Pokiwai Place Condominium Project
Description of Common Elements

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgages on Apartments.

The Apartments are located in the manner shown on the Condominium Map. Apartment A and Apartment B have direct access, via their limited common elements, to Pokiwai Place. The common elements include the remaining portions of the Project including, without limitation:

- a. The land;
- b. Any improvements now or hereafter constructed for utilities purposes such as electricity, gas, water, sewer, telephone, radio and television signal distribution, irrigation and other utilities which serve more than one Apartment, including, without limitation, the Septic Tank shown on the Condominium Map; and
- c. Any and all elements and facilities naturally in common use or necessary to the existence, upkeep and safety of the Project.

EXHIBIT "F"
53-036 Pokiwai Place Condominium Project
Description of Limited Common Elements

The land surrounding each Apartment and set aside for the exclusive use of that Apartment, as shown by dark dashed lines on the Condominium Map, constitutes a limited common element appurtenant to such Apartment; such land area being 5,358 square feet for Apartment A and 3,209 square feet for Apartment B, except that Apartment B's two parking stalls shall be limited common elements of Apartment B. These are not subdivided lots. The portion of the New Addition Roof and the lanai thereunder, as shown on the Condominium Map, located in the land area for each Apartment shall be a limited common element for such Apartment; Apartment A has a limited common element lanai of 96 square feet, and Apartment B has a limited common element lanai of 328 square feet.

EXHIBIT "G"
53-036 Pokiwai Place Condominium Project
Disclosure Abstract

Pursuant to Hawaii Revised Statutes, Section 514(A)-61, the Developer of 53-036 Pokiwai Place makes the following disclosures:

1. The Developer of the Project is:

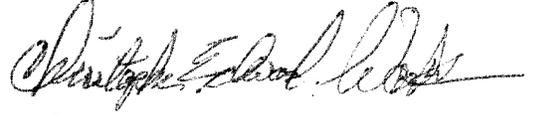
Christopher Edward Walker, husband of Mary Michelle Walker
54-290 Kawaipuna Place
Hauula, Hawaii 96717
Phone: (808) 293-8614

James Harry Bolton and
Constance Pamela Bolton
3274 East Ford Place
Twin Falls, Idaho 83301
Phone: (208) 734-5216

2. With respect to the estimate of monthly maintenance fees, see Exhibit D of the Condominium Public Report, the Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Chapter 107, Hawaii Administrative Rules, as amended. There are no depreciable common elements in this Project. The Developer hereby certifies that the estimates have been based on generally accepted accounting principles.
3. There are no warranties against defects of material and workmanship in individual apartments, common elements or exclusive use areas, and the purchaser buys his/her unit in an "AS IS" condition.
4. Both of the Apartments of the Project are to be used for permitted residential uses only.
5. The undersigned Developer of the 53-036 Pokiwai Place condominium project hereby certifies that the enclosed estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles. The Developer has not conducted

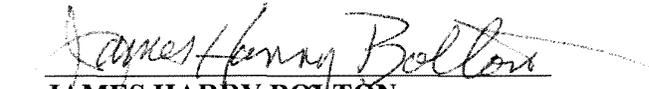
a reserve study in accordance with Section 514A-83.6, H.R.S., and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

This Disclosure Abstract may be signed in counterparts.



CHRISTOPHER EDWARD WALKER

Dated: February 1, 2002



JAMES HARRY BOLTON
Dated: February 8, 2002



CONSTANCE PAMELA BOLTON
Dated: February 8, 2002

“Developer”

RECEIPT

The undersigned has received a copy of the foregoing disclosure abstract with Exhibit D this ____ day of _____, _____.



MACDONALD RUDY & BYRNS
ATTORNEYS AT LAW

1001 BISHOP STREET
PACIFIC TOWER, SUITE 2650
HONOLULU, HAWAII 96813

Stephen B. MacDonald
Michael D. Rudy
William C. Byrns
Ralph J. O'Neill

Tel. (808) 523-3080
Fax (808) 523-0759
email napuakea@hawaii.rr.com

February 23, 2001

Department of Planning and Permitting
City and County of Honolulu
650 South King Street
Honolulu, Hawaii 96813

Re: 36 Pokinai Place; TMK No. (1) 5-3-14:32

Gentlemen:

I represent Chris and Michelle Walker, owners of the above-referenced property. Mr. and Mrs. Walker seek to condominiumize the property.

The Condominium Property Regime Act (HRS, Section 514A) requires that the developer file with the Real Estate Commission the following:

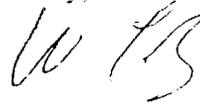
- 1) A verified statement signed by an appropriate county official that the project complies with all ordinances, codes, rules, regulations and other requirements in force at the time of its construction.
- 2) A verified statement signed by an appropriate county official of whether any variance has been granted from any ordinance, code, rule, regulation and other requirement in force at the time of its constructions, or from any current ordinance, code, rule, regulation or other requirement.

Department of Planning and Permitting
City and County of Honolulu
February 23, 2001
Page 2

- 3) A list of any outstanding notices of incurred violation of the building code or other municipal regulation.

We would greatly appreciate your assistance with respect to the above requirements. Please contact Mr. Walker at 293-8614 or 222-1608 at your earliest convenience to set a date and time for a site inspection.

Sincerely,



William C. Byrns

WCB:js

cc: Mr. and Mrs. Chris Walker

DEPARTMENT OF PLANNING AND PERMITS
CITY AND COUNTY OF HONOLULU

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

JEREMY HARRIS
MAYOR



RANDALL K. FUJIKI, AIA
DIRECTOR

LORETTA K. C. CHEE
DEPUTY DIRECTOR

2001/CLOG-812(LT)

June 4, 2001

Mr. William C. Byrns
MACDONALD RUDY & BYRNS
Attorneys at Law
1001 Bishop Street
Pacific Tower, Suite 2650
Honolulu, Hawaii 96813

Dear Mr. Byrns:

Subject: Condominium Conversion Project
36 Pokiwai Place
Tax Map Key: 5-3-14: 032

This is in response to your letter dated February 23, 2001 requesting verification that the structures at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed two-story single-family detached dwelling located on the 8,567 square-foot R-5 Residential zoned property. The front dwelling met all applicable code requirements when it was relocated and reposted in 1962 with building permits Nos. 203076 and 203077. The other two-story structure was originally a one-story nonconforming detached guest quarters. There are four all-weather surface parking spaces on property.

79/ZBA-84 was approved with conditions on August 23, 1979 to permit an addition to a nonconforming detached guest quarters (without kitchen facilities) which allowed the expansion of the nonconformity use to exceed 500 square feet of floor area by 70 square feet.

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

- 1) The guest cottage at rear of property, which was relocated in 1967, illegally encroaches into the required five-foot rear and side yard setback.

Mr. William C. Byrns

Page 2

June 4, 2001

- 2) The nonconforming one-story guest cottage (with no kitchen) has been illegally converted into a two-story single-family detached dwelling. Two one-family detached dwellings are not permitted on this zoning lot. However, a two-family detached dwelling is permitted on 7,500 square feet.

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

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

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

Sincerely yours,


RANDALL K. FUJIKI, AIA
Director of Planning and Permitting

RKF:ft
g:\cso\pokiwa1.cnv

DEPARTMENT OF PLANNING AND PERMIT
CITY AND COUNTY OF HONOLULU

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

received
3/14/02

JEREMY HARRIS
MAYOR



RANDALL K. FUJIKI, AIA
DIRECTOR

LORETTA K. C. CHEE
DEPUTY DIRECTOR

(LT)

March 12, 2002

Mr. William C. Byrns
MACDONALD RUDY & BYRNS
Attorneys at Law
1001 Bishop Street
Pacific Tower, Suite 2650
Honolulu, Hawaii 96813

Dear Mr. Byrns:

Subject: Condominium Conversion Project
36 Pokiwai Place, Tax Map Key: 5-3-14: 032

This is to confirm that the deficiencies mentioned in our letter dated June 4, 2001 have been corrected.

Inspection on March 6, 2002 revealed the following:

- 1) The guest cottage at rear of property has been relocated and does not encroach into the required five-foot rear and side yard setbacks.
- 2) The guest cottage has been relocated and attached to the front dwelling with a new lanai.

Investigation revealed Building Permit #529905 was issued on December 27, 2001 to relocate and connect the rear dwelling to the front single-family dwelling with a new lanai to convert both dwelling units to a two-family detached dwelling.

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

Sincerely yours,


RANDALL K. FUJIKI, AIA
Director of Planning and Permitting

RKF:ft
Doc 144187

Exhibit "1"
Page 5 of 5



EXCLUSIVE RIGHT-TO-SELL LISTING AGREEMENT
Hawaii Association of Realtors® Standard Form
Release 11/01A



Disclaimer: This form is available for use by the entire real estate industry. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

Listing Broker is is not a REALTOR® and member of the National Association of REALTOR®. Seller is aware that the National Association of REALTORS® holds its members accountable for their actions through a strict Professional Code of Ethics, which includes a grievance system to address complaints. Non-members are not required to participate in the grievance system.

TO Gerloff Realty
Name of Real Estate Firm and Address
91-1048 Wahipana Street
Kapolei HI 96707
Daryl R. Gerloff (PB) 808-674-8994
Name of Real Estate Agent and Phone

TYPE OF PROPERTY
 Residential Condo/Co-op Land
 Commercial/Indus Business/Income
 PROPERTY TMK: 1 5 3 014 032
 ADDRESS: 53-036 Pokiwai Place #A
Hauula, HI 96717

I own the property described on the ATTACHED EXHIBIT A or I have the right to sign this listing agreement. I want to hire you to market the property. I offer you a listing on this property from Completion of CPR to 6 months from that date. Either you or I may end the listing with 30 days advanced written notice to the other. However, neither of us may end this listing before midnight, the first 90 days unless we both agree to an earlier date. I will list the property at a sales price of \$ 279,900.00. I will pay you a commission of ***** Six Percent ***** of the sales price or exchange value of the real and personal property sold or exchanged (refer to Standard Listing Term regarding Commission). The PROTECTION PERIOD for paragraph 4 and 14 shall be 180 days.

Agency: State law requires real estate licensees in Hawaii, prior to preparing any contract, to disclose orally or in writing to Seller and/or Buyer whom it is that they represent. The licensee could be:

- (a) **Seller's Agent.** Represents Seller only, unless a disclosed dual agency exist. Seller's agent owes highest duties to Seller, including confidentiality, loyalty, and utmost care.
- (b) **Buyer's Agent.** Represents Buyer only, unless a disclosed dual agency exist. Buyer's agent owes the highest duties to Buyer, including confidentiality, loyalty, and utmost care.
- (c) **Seller's Subagent.** Represents Seller only. Seller's subagent owes the same duties to you as does your agent. The subagency arises if Seller offers subagency in the Multiple Listing Service ("MLS") and the cooperating broker accepts your offer. There will be no subagency unless it is specifically agreed to as a special term or as an addendum to this listing agreement and made a part of the DROA.
- (d) **Dual Agent.** Represents both Seller and Buyer as clients. To lessen the conflict, the dual agent plays a neutral role in negotiations and must not advance the interest of one party ahead of the other. It commonly arises when other licensees in the listing company have Buyer clients looking for similar types of property. Both Seller and Buyer need to sign a written agreement describing the role of the dual agent. The dual agent acts as a facilitator to bring Seller and Buyer to a common ground of understanding in the negotiations.

Customer. Seller's Agent can also assist Buyer, as a customer. As a customer Buyer is not represented by Seller's Agent. Seller's Agent can assist Buyer in writing the DROA, can present the DROA to Seller, and can report back any acceptance or request for changes to the DROA.

THIS OFFER TO LIST INCLUDES ALL THE STANDARD LISTING TERMS. This offer also includes the following special terms:

If Seller procures the unrepresented Buyer, Gerloff Realty agrees to accept a total commission of only three percent of the sales price.

By executing this offer to list, I affirmatively state that I own the property and/or hold a power of attorney to execute this document on behalf of the other owners of property.

04/02/02 Date *Christopher Edward Walker* Signature Christopher Edward Walker Name (print or type)

54-290 Kawaipuna Place, Hauula, HI 96717 Address 808-293-8614 Phone

4-9-02 Date *James H. Bolton* Signature James H. and C. Pamela Bolton Name (print or type)

3275 E. Ford Place, Twin Falls, ID 83301 Address 208-734-5216 Phone

We accept your offer to list and agree to comply with the terms of this agreement.

Gerloff Realty Name of Real Estate Firm 808-674-8994 Phone By: *Daryl R. Gerloff* Principal Broker or Broker in Charge 04-12-02 Date

I have received a filled-in and fully signed copy of this listing agreement and the attached Exhibit A (MLS Data Sheet). *CAJ H B C PB* Initials of Seller



STANDARD LISTING TERMS

DEFINITIONS: The word "I" refers to the person or to all persons (if more than one) signing this listing as property owners. Each person who signs this listing as a property owner is fully responsible, either alone or with the others, for this agreement. The word "you" refers to the real estate firm that accepts the listing. The word "Buyer" refers to any person who has bought or may buy in the future. The word "days" refers to calendar days. "Exclusive Right To Sell" means that I shall list this property only with you and you are entitled to a commission if the property is sold by you, by me, or by anyone else. "Option" is an agreement to keep open, over a set period, an offer to sell or buy property.

- 1. ADVERTISING: You may advertise the property by newspaper, radio, TV, internet, MLS or by placing signs on the property, or by way of any other medium which is in compliance with County, State, or Federal law or any subdivision/CPR covenants.
2. AGENT'S OBLIGATIONS: I expect you to try to find a Buyer for the property and to keep me informed of your efforts. You are not responsible for the care or control of the property.
3. BUYER'S DEPOSIT: You may accept deposits from any person. If any deposit is forfeited, we shall each get one-half of the deposit. But you shall not get more than what would have been your full commission.
4. COMMISSION: I will pay you the commission and any agreed upon general excise tax under this agreement: (a) if a Buyer and I sign a binding sales or exchange contract at any price and terms during the listing period no matter who finds Buyer (even if I find one); (b) if you find a Buyer who is ready, willing and able to pay the asking price and meet the other terms of this listing even if I refuse to sign a written sales contract; (c) if I sign a written sale or exchange contract with any of your prospects within the PROTECTION PERIOD (your prospects include only those persons to whom the property was presented during this listing and who are named on a written list which you must give me within ten days of the end of this listing); or (d) if I withdraw the property from sale before the end of this listing without your consent. I will pay you commission in U.S. dollars.
5. CONFLICT IN TERMS: Any handwritten word in this listing prevails over any typed or printed word. Any typed word prevails over any printed. Any special term prevails over any standard term.
6. COSTS: I will pay for the following items if required: (a) customary closing costs; (b) my own legal fees (if any); (c) fees for a termite inspection report; (d) costs related to providing documents for homeowner associations; and (e) any other costs agreed to by me.
7. DISCLOSURE OF MATERIAL FACTS: I understand that under Hawaii law, unless I have not lived in the property for one hundred and eighty (180) days prior to receiving the DROA, I am obligated and hereby agree to give a written disclosure statement to a Buyer containing any fact, defect, or condition, past or present, which materially affects the value of the property. Such disclosure statement shall be prepared in good faith and with due care and shall disclose all material facts relating to the property that: (i) are within my knowledge or control; (ii) are disclosed by documents recorded in the Bureau of Conveyances; or (iii) can be observed from visible, accessible areas. When the property lies: (i) within the boundaries of a special flood hazard area as officially designated on Flood Insurance Administration maps promulgated by the appropriate Federal agencies for the purposes of determining eligibility for emergency flood insurance programs; (ii) within the boundaries of the noise exposure area shown on maps prepared by the Department of Transportation in accordance with Federal Aviation Regulation Part 150-Airport Noise Compatibility Planning (14 Code of Federal Regulations Part 150) for any public airport; (iii) within the boundaries of the Air Installation Compatibility Use Zone of any Air Force, Army, Navy or Marine Corps airport as officially designated by military authorities; or (iv) within the anticipated inundation areas designated on the Department of Defense's Civil Defense Tsunami Inundation Maps; subject to the availability of maps that designate the four areas by tax map key (zone, section, plat, parcel), I shall include such material information in the disclosure statement, if the information is available. I also understand that I may be liable for damages if I negligently fail to comply with this statute. I further understand that if I fail to provide a written disclosure statement or if your inspection of the property reveals facts inconsistent with or contradictory to my disclosure statement or the inspection report of a third party, Hawaii law requires that you disclose these facts to me, to Buyer, and to Buyer's agent. It is also my understanding that Hawaii law requires that at any time prior to closing, I correct all information earlier disclosed within ten days of when I discover that it is incomplete or inaccurate and in any event, no later than twelve noon of the last business day prior to the recorded sale of the property. This obligation of disclosure limits my agent's duty of confidentiality.
8. ESCROW: I agree to use a bonded company to help with the conveyance of this property. I hereby instruct Escrow to pay your commission and any agreed upon general excise tax directly to you at closing. I agree that I cannot change this instruction without your written consent.
9. FAIR HOUSING LAWS: You and I will both comply with state and federal antidiscrimination laws. I understand that it is illegal to discriminate against prospective Buyers on the basis of sex, race, religion, color, national origin, handicap, and familial status.
10. FIRPTA: Withholding Required if Seller Is A Foreign Person. Under the Internal Revenue Code, if Seller is a foreign person or entity (non resident alien, corporation, partnership, trust or estate), then Buyer is, generally, required to withhold a specified percentage of the "amount realized" by Seller on the sale of the property and forward the amount to the Internal Revenue Service ("IRS"). Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. Seller must complete the authorized exemption or waiver form, or Escrow will withhold/collect from Seller the required amount at closing and forward it to the IRS.

Handwritten initials and date: 03/30/01

SELLER'S INITIALS & DATE

Handwritten initials and date: 03/30/01

BROKER'S INITIALS & DATE

HONOLULU/KONA BOARD OF REALTY
CATEGORY 1 - SINGLE FAMILY

1

KEYWORDS: Fill in the boxes for each keyword. (R)s denote required entries for adding a listing. (RC)s denote conditionally required entries for adding a listing.

(R)Status: 1A (R)TMK Div/Zon/Sec: 153 (R)Plat: 214 (R)Parcel: 0001 CPR#: 0001 (R)List Price: 279900 (R)MLS Number:

(R)Street Number: 53-034 Street Dir (N/E/S/W): (R)Street Name: PICKLEWINE Unit Number (no hyphens or #s):

(R)City: HAWAII (R)State: HI (R)Zip Code: 96717 (R)Listing Office Broker Code: 6106 (R)Listing Agent Code: 17052

Co-Listing Agent Code: (R)Listing Date (MM/DD/YYYY): 09/11/08 (R)Listing Expire Date (MM/DD/YYYY): FOR 6 MONTHS (R)Listing Type (ER/EA): ER (R)Coop Broker Compensation: 3%

Comp Subj To (LNDR/CRT): (RC)Method (Comp Subj To): Dual/Var Rt Comm (Y/N): Lockbox (M/E): W (R)Take Photo? (Y/N/S): S

(R)Show/Internet? (H/A/N): H A (RC)Show Addr Intran? (F/P/N): F

(R)# of Bedrooms: (R)# of Baths (ex:1.50): Furnished (F/P/N): (R)Resale (Y/N): Year Built: Remodeled Year: 2001 Full/Partial Remodeled (F/P):

Roofed Liv Area: Roofed Oth Area: Open Lanai Area: (R)Land Sq Ft: (R)Land Acres (ex:10.25): Zoning: RHS

Mon Maint Fee: Mon Assn Fees: Oth Mon Fees: Mon Rental Inc: (R)Flood Zone Code: F1M (R)Condo (Y/N): Public Rpt #:

Community Association: Community Association Phone #:

(R)Elementary School: HAWAII (R)Intermediate School: KAHUKU (R)High School: KAHUKU

(R)Assessed Value: Land: (R)Assessed Value: Imprvmts: (R)Monthly Taxes: (R)Tax Year (YYYY/YYYY): Home Exemption:

(R)Land Tenure (FS/LH): FA/FP if LH: Fee Purchase Amt: (RC)Lessor: (RC)Cur Mon Lease/Rnt: (RC)Lse Until Year:

Next Step-Up Mon Rent: Next Until Year: 2nd Step-Up Mon Rent: 2nd Until Year: Reneg Date: Mon/Yr (MM/YYYY): (RC)Lse Expires: Mon/Yr (MM/YYYY):

1st Mtg Balance: 1st Mtg Pmt: 1st Interest Rt (ex: 9.275): 2nd Mtg Balance: 2nd Mtg Due: Mon/Yr (MM/YYYY): 2nd Interest Rt (ex: 10.500):

Lender: Min Down if Seller Finance: Seller Financed Max Loan: Seller Fin Term (Yrs): Seller Fin Interest Rate:

Developer/Architect: Model Name:

Models Open Days/Hours: Model Site Contact: Site Contact Phone #:

REMARKS: Line 1 - AWESOME LOCATION WITH THE OCEAN. 11 OF 21
CPR UNITS JUST REMODELED.

REMARKS: Line 2 - CONCRETE PROTECTED STEPS FROM THE OCEAN.

REMARKS: Line 3 - SEE ONLINE AT: DANIELBETTERUS.FP.REALTOR.COM

PUBLIC REMARKS (INTERNET): Line 1 - STEPS TO THE OCEAN. AWESOME VIBRATION FROM
PERFECT FRESHLY REMODELED & CPR'D.

PUBLIC REMARKS (INTERNET): Line 2 - 1 OF 21 CPR UNITS. SEE INUS # FOR INFO ON
THE OTHER UNIT.

SHOWING REMARKS: Line 1 - CALL GERUOFF REALTY @ 808-235-8123.

SHOWING REMARKS: Line 2 - TENANT OCCUPIED / FBI HAS NOTICE LICENSE.



EXCLUSIVE RIGHT-TO-SELL LISTING AGREEMENT
Hawaii Association of Realtors® Standard Form
 Release 11/01A



Disclaimer: This form is available for use by the entire real estate industry. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

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TO Gerloff Realty
Name of Real Estate Firm and Address
91-1048 Wahipana Street
Kapolei HI 96707
Daryl R. Gerloff (PB) 808-674-8994
Name of Real Estate Agent and Phone

TYPE OF PROPERTY
 Residential Condo/Co-op Land
 Commercial/Indus Business/Income
 PROPERTY TMK: 1 5 3 014 032
 ADDRESS: 53-036 Pokiwai Place #B
Hauula, HI 96717

I own the property described on the ATTACHED EXHIBIT A or I have the right to sign this listing agreement. I want to hire you to market the property. I offer you a listing on this property from Completion of CPR to 6 months from that date. Either you or I may end the listing with 30 days advanced written notice to the other. However, neither of us may end this listing before midnight, the first 90 days, unless we both agree to an earlier date. I will list the property at a sales price of \$ 144,900.00. I will pay you a commission of *****six percent***** of the sales price or exchange value of the real and personal property sold or exchanged (refer to Standard Listing Term regarding Commission). The PROTECTION PERIOD for paragraph 4 and 14 shall be 180 days.

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04/02/02 Date Christopher Edward Walker Signature Christopher Edward Walker Name (print or type)

54-290 Kawaipuna Place, Hauula, HI 96717 Address 808-293-8614 Phone

4-9-02 Date James H. Bolton Pamela Bolton Signature James H. and C. Pamela Bolton Name (print or type)

3275 E. Ford Place, Twin Falls, ID 83301 Address 209-734-5216 Phone

We accept your offer to list and agree to comply with the terms of this agreement.

Gerloff Realty Name of Real Estate Firm 808-674-8994 Phone By: Daryl Gerloff Principal Broker or Broker in Charge 04-12-02 Date

I have received a filled-in and fully signed copy of this listing agreement and the attached Exhibit A (MLS Data Sheet). CWJHB CRB Initials of Seller



STANDARD LISTING TERMS

DEFINITIONS: The word "I" refers to the person or to all persons (if more than one) signing this listing as property owners. Each person who signs this listing as a property owner is fully responsible, either alone or with the others, for this agreement. The word "you" refers to the real estate firm that accepts the listing. The word "Buyer" refers to any person who has bought or may buy in the future. The word "days" refers to calendar days. "Exclusive Right To Sell" means that I shall list this property only with you and you are entitled to a commission if the property is sold by you, by me, or by anyone else. "Option" is an agreement to keep open, over a set period, an offer to sell or buy property.

1. **ADVERTISING:** You may advertise the property by newspaper, radio, TV, internet, MLS or by placing signs on the property, or by way of any other medium which is in compliance with County, State, or Federal law or any subdivision/CPR covenants.
2. **AGENT'S OBLIGATIONS:** I expect you to try to find a Buyer for the property and to keep me informed of your efforts. You are not responsible for the care or control of the property.
3. **BUYER'S DEPOSIT:** You may accept deposits from any person. If any deposit is forfeited, we shall each get one-half of the deposit. But you shall not get more than what would have been your full commission.
4. **COMMISSION:** I will pay you the commission and any agreed upon general excise tax under this agreement: (a) if a Buyer and I sign a binding sales or exchange contract at any price and terms during the listing period no matter who finds Buyer (even if I find one); (b) if you find a Buyer who is ready, willing and able to pay the asking price and meet the other terms of this listing even if I refuse to sign a written sales contract; (c) if I sign a written sale or exchange contract with any of your prospects within the PROTECTION PERIOD (your prospects include only those persons to whom the property was presented during this listing and who are named on a written list which you must give me within ten days of the end of this listing); or (d) if I withdraw the property from sale before the end of this listing without your consent. I will pay you commission in U.S. dollars.
5. **CONFLICT IN TERMS:** Any handwritten word in this listing prevails over any typed or printed word. Any typed word prevails over any printed. Any special term prevails over any standard term.
6. **COSTS:** I will pay for the following items if required: (a) customary closing costs; (b) my own legal fees (if any); (c) fees for a termite inspection report; (d) costs related to providing documents for homeowner associations; and (e) any other costs agreed to by me.
7. **DISCLOSURE OF MATERIAL FACTS:** I understand that under Hawaii law, unless I have not lived in the property for one hundred and eighty (180) days prior to receiving the DROA, I am obligated and hereby agree to give a written disclosure statement to a Buyer containing any fact, defect, or condition, past or present, which materially affects the value of the property. Such disclosure statement shall be prepared in good faith and with due care and shall disclose all material facts relating to the property that: (i) are within my knowledge or control; (ii) are disclosed by documents recorded in the Bureau of Conveyances; or (iii) can be observed from visible, accessible areas. When the property lies: (i) within the boundaries of a special flood hazard area as officially designated on Flood Insurance Administration maps promulgated by the appropriate Federal agencies for the purposes of determining eligibility for emergency flood insurance programs; (ii) within the boundaries of the noise exposure area shown on maps prepared by the Department of Transportation in accordance with Federal Aviation Regulation Part 150-Airport Noise Compatibility Planning (14 Code of Federal Regulations Part 150) for any public airport; (iii) within the boundaries of the Air Installation Compatibility Use Zone of any Air Force, Army, Navy or Marine Corps airport as officially designated by military authorities; or (iv) within the anticipated inundation areas designated on the Department of Defense's Civil Defense Tsunami Inundation Maps; subject to the availability of maps that designate the four areas by tax map key (zone, section, plat, parcel), I shall include such material information in the disclosure statement, if the information is available. I also understand that I may be liable for damages if I negligently fail to comply with this statute. I further understand that if I fail to provide a written disclosure statement or if your inspection of the property reveals facts inconsistent with or contradictory to my disclosure statement or the inspection report of a third party, Hawaii law requires that you disclose these facts to me, to Buyer, and to Buyer's agent. It is also my understanding that Hawaii law requires that at any time prior to closing, I correct all information earlier disclosed within ten days of when I discover that it is incomplete or inaccurate and in any event, no later than twelve noon of the last business day prior to the recorded sale of the property. This obligation of disclosure limits my agent's duty of confidentiality.
8. **ESCROW:** I agree to use a bonded company to help with the conveyance of this property. I hereby instruct Escrow to pay your commission and any agreed upon general excise tax directly to you at closing. I agree that I cannot change this instruction without your written consent.
9. **FAIR HOUSING LAWS:** You and I will both comply with state and federal antidiscrimination laws. I understand that it is illegal to discriminate against prospective Buyers on the basis of sex, race, religion, color, national origin, handicap, and familial status.
10. **FIRPTA: Withholding Required if Seller Is A Foreign Person.** Under the Internal Revenue Code, if Seller is a foreign person or entity (non-resident alien, corporation, partnership, trust or estate), then Buyer is, generally, required to withhold a specified percentage of the "amount realized" by Seller on the sale of the property and forward the amount to the Internal Revenue Service ("IRS"). Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. **Seller must complete the authorized exemption or waiver form, or Escrow will withhold/collect from Seller the required amount at closing and forward it to the IRS.**

MA *03/30/01*
SELLER'S INITIALS & DATE

JRG *03/30/01*
BROKER'S INITIALS & DATE

11. **HARPTA: Withholding Required if Seller Is A Non-Resident Of The State Of Hawaii.** Under Hawaii law, if Seller is a non-resident person or entity (corporation, partnership, trust or estate) of the State of Hawaii, Buyer must withhold a specified percentage of the "amount realized" by Seller on the sale of the property and forward the amount with the appropriate form to the State Department of Taxation. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. **Seller must complete the authorized exemption or waiver form, or Escrow will withhold/collect from Seller the required amount at closing and forward it to the State Department of Taxation.**
12. **LEASEHOLD DISCLOSURE:** If the property is leasehold, I agree to provide at my expense a leasehold disclosure as required by Hawaii State law. I authorize the listing agent to order such a disclosure from a qualified professional, if such professional service is available.
13. **MEDIATION AND ARBITRATION:** If any dispute or claim in law or equity arises out of this agreement, and you and I are unable to resolve the dispute ourselves, I agree to attempt in good faith to settle such dispute or claim by non-binding mediation through the Local Board of REALTORS® or, in the event the Local Board of REALTORS® does not provide mediation services, then through a mutually agreed upon mediator. If the mediation is not successful, then I agree that such dispute or claim shall be decided by neutral binding arbitration before the Local Board of REALTORS®, or before a single arbitrator acting under the commercial arbitration rules of a Hawaii dispute resolution provider. Judgment upon any award rendered by the arbitrator(s) may be entered in any court having jurisdiction thereof. The arbitrator(s) may award reasonable attorney's fees and costs to the prevailing party. It is understood that if both of us are involuntarily named as defendants in a lawsuit by a third party in any matter arising out of this agreement, this paragraph shall no longer be binding on either of us.
14. **OPTIONS:** I will pay you one-half of the option premium, if I give any person an option during the listing period. If I give an option to any of your prospects within the PROTECTION PERIOD, I will likewise pay you one-half of the option premium. But I will not pay you more than what would have been your full commission. I will pay the balance, if any, of your commission and any agreed upon general excise tax whenever the option is exercised, even after the listing period. I will not owe you any more commission and any agreed upon general excise tax if an option expires.
15. **OTHER BROKERS:** You may put the listing and other data in the MLS. You and other MLS members may use this information to make market studies, give service to the public and advise clients or customers. You may work with and share your commission with other brokers to market the property.
16. **PROPERTY INFORMATION:** I have read the information on the attached Exhibit A, which is the MLS Data Sheet. As far as I know the facts on Exhibit A are correct. If any facts on the MLS Data Sheet are known to me to be incorrect or incomplete, I will be fully responsible for any actions and costs which may result.
17. **PROSPECTS FROM PRIOR LISTINGS:** When I sign this listing, I will give you a copy of any prospect lists given to me from any earlier listing with any broker. If the other broker earns a commission because of a sale to any prospect on such a list, I will not pay you any commission.
18. **RELEASE OF INFORMATION:** You and Escrow may get any information regarding mortgage balances, lease rents, maintenance fees, property management, collection accounts, property taxes or like items. I hereby authorize any person having such information to give it to you and Escrow. You may give such information to any prospective Buyer.
19. **SELLER'S OBLIGATIONS:** (a) Assistance. I will help you sell the property. I will prepare the property for showings and "open houses". I will give you any information, documents, access, and keys you need. I will let any specialist (termite inspectors, appraisers, surveyors, etc.) inspect the property. You may place a lock box or electronic key device on the property to allow access for showings and inspections. (b) Securing Valuables. I agree to secure all of those items which I consider valuable. If I have a tenant residing on the property, I will notify the tenant to secure their valuables. I further understand that you will not be responsible for securing or protecting any of my tenant's valuables. (c) I understand that you recommend that I consult my attorney, accountant, or any professional expert within those fields of question about the sale of this property. I acknowledge that I am not relying upon you for any of the foregoing services or advice.
20. **SEX OFFENDER REGISTRATION ("Megan's Law"):** I understand that Hawaii has enacted a law requiring sex offenders to register with the State Attorney General's office and allowing public access to relevant information regarding sex offenders. I further understand that a sex offender must provide certain relevant information including the street name and zip code of the sex offender's current and future residence and place of employment; and that this information is available at the Hawaii Criminal Justice Data Center and at one or more designated police stations in each county. You are not required by law to obtain information regarding sex offenders for me.

NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

AW 03/30/01
SELLER'S INITIALS & DATE

DRG 03/30/01
BROKER'S INITIALS & DATE

