

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer Raymond Joseph Panigutti and Linda M. McDonald, Trustee of the Linda M. McDonald Revocable Living Trust dated March 4, 1997, as amended

Address 3025 and 3027 Woolsey Place
Honolulu, Hawaii 96822

Project Name(*): WOOLSEY PLACE

Address: 3025 and 3027 Woolsey Place Honolulu, Hawaii 96822

Registration No. 4969 Effective date: April 2, 2004
(Conversion) Expiration date: May 2, 2005

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 advise before signing a sales contract for the purchase of an apartment in the project.

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

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

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- FINAL** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued
 - This report supersedes all prior public reports.
 - This report must be read together with _____
- SUPPLEMENTARY** (pink) This report updates information contained in the:
 - Preliminary Public Report dated: _____
 - Final Public Report dated: _____
 - Supplementary Public Report dated: _____
 And
 - Supersedes all prior public reports.
 - Must be read together with _____
 - This report reactivates the _____ public report(s) which 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 586-2643 to submit your request. FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

SPECIAL ATTENTION

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

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

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

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General Information on Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a 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: **Raymond Joseph Panigutti and Linda M. McDonald, Trustee of the Linda M. McDonald Revocable Living Trust dated March 4, 1997, as amended** Phone: (408) 429-7549
(Business)

Name
4435 N. 78th St., #262B, Scottsdale, AZ 85251
3025 and 3027 Woolsey Place, Honolulu, Hawaii 96822

Business Address

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

n/a

Real Estate Broker*: None selected Phone: _____
Name See p. 20 (Business)

Business Address

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name (Business)

235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor*: N/A Phone: _____
Name (Business)

Business Address

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

Business Address

Attorney for Developer: Reid A. Nakamura, Esq. Phone: (808) 533-3999
Name (Business)

Oliver, Lau, Lawhn, Ogawa & Nakamura
Company Name
707 Richards Street, Suite 600
Business Address
Honolulu, Hawaii 96813

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

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances Document No. 98-034527
Book _____ Page _____
 Filed - Land Court Document No. _____

The Declaration referred to above has been amended by the following instruments:

1. Amendment to the Woolsey Place Declaration of Condominium Property Regime dated August 20, 2003, and recorded on November 7, 2003 as Document No. 2003-246211.
2. Second Amendment to the Woolsey Place Declaration of Condominium Property Regime dated March 11, 2004 and recorded on March 22, 2004 as Document No. 2004-058336.

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. 2700
 Filed - Land Court Condo Map No. _____

The Declaration referred to above has been amended by the following instruments:

1. Amendment to the Woolsey Place Declaration of Condominium Property Regime dated August 20, 2003, and recorded on November 7, 2003 as Document No. 2003-246211.
2. Second Amendment to the Woolsey Place Declaration of Condominium Property Regime dated March 11, 2004 and recorded on March 22, 2004 as Document No. 2004-058336.

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. 98-034528
Book _____ Page _____
 Filed - Land Court Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules.

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

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

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

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

2. **Developer:**

- No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.
- Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

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

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

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

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

For Sub-leaseholds:

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

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

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

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

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

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

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

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advise 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: 3025 and 3027 Woolsey Place Tax Map Key (TMK) : (1) 2-9-058-005
Honolulu, Hawaii 96822

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

Land Area: 20,252 [X] square feet [] acre(s) Zoning: R-7.5

Fee Owner: **Raymond Joseph Panigutti and Linda M. McDonald,
Trustee of the Linda M. McDonald Revocable Living
Trust dated March 4, 1997, as amended**
 Name
 4435 N. 78th St., #262B, Scottsdale, AZ 85251
 Address
 3025 and 3027 Woolsey Place
 Address
 Honolulu, Hawaii 96822

Lessor: n/a
 Address

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: two Floors Per Building Unit A -- 2
Unit B -- 5

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other glass, gypsum board, asphalt shingles

4. Uses Permitted by Zoning:

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

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

Yes No

5. Special Use Restrictions:

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

- Pets: See Bylaws Article VIII, Section 2(k)
- Number of Occupants: _____
- Other: _____
- There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: <u>n/a</u>	Stairways: <u>Unit A: 1</u> <u>Unit B: 4</u>	Trash Chutes: <u>n/a</u>			
<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit A</u>	<u>1</u>	<u>5/4</u>	<u>1,520</u>	<u>Attic/loft: 160; decks: 277.5</u>	
<u>Unit B</u>	<u>1</u>	<u>7/7</u>	<u>2,493</u>	<u>Decks: 1968</u>	<u>Garage</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
<u>Total Apartments:</u>	<u>2</u>	_____	_____	_____	_____

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

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

Boundaries of Each Apartment:

See Exhibit "B"

Permitted Alterations to Apartments:

See Exhibit "C"

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: 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)	_____	_____	_____	_____	_____	_____	_____
Guest	_____	_____	_____	_____	_____	_____	_____
Unassigned	_____	<u>2</u>	_____	<u>2</u>	_____	_____	<u>4</u>
Extra for Purchase	_____	_____	_____	_____	_____	_____	_____
Other:	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>2</u>		<u>2</u>				<u>4</u>

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

- Commercial parking garage permitted in condominium project.
- 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):

Generally good condition. No warranties or estimates are made regarding remaining expected useful life.

11. Conformance to Present Zoning Code

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

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

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

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

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

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

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

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

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

described in Exhibit "D".

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit "E".

as follows:

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

described in Exhibit _____.

as follows:

Unit A -- 50%

Unit B -- 50%

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

Exhibit "F" describes the encumbrances against the title contained in the title report dated November 25, 2003 and issued by Title Guaranty of Hawaii, Inc.

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

Unit A was completed in 1997

Unit B was completed in 1998

H. **Project Phases:**

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

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

V. MISCELLANEOUS

A. Sales Documents Filed with the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit H contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 16, 2002
Exhibit I contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sale 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 buyer's should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 4969 filed with the Real Estate Commission on November 12, 2002.

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

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C. **Additional Information Not Covered Above**

History of landslides. There have been various landslides in two areas of the Woodlawn Area, known as the Paty-Alani Landslide and the Hulu-Woolsey Landslide. Remediation measure were taken by the City and County of Honolulu in 1990s to stabilize the affected areas. A letter prepared by STV Incorporated, an engineering consulting firm hired by the City and County of Honolulu, which summarizes the landslides and remediation measures taken by the City and County of Honolulu, is attached hereto as Exhibit "J" and incorporated herein by reference.

The WOOLSEY PLACE condominium is located within the Hulu-Woolsey Landslide area. According to the letter prepared by STV Incorporated, the area of the Woolsey Place condominium appears to be relatively stable due to the outcropping of basaltic bedrock and also because the major scarp lines or slide dips away towards the north.

By Declaration of Covenant dated May 9, 1997, Raymond Panigutti agreed to indemnify and hold the City and County of Honolulu harmless and from and against any loss, liability, claim or demand for property damage, personal injury and death arising out of any earth movement or soils condition on the property and will take mitigative measure with respect to any damages which occur as a result of earth movement. Said Declaration of Covenant is attached hereto as Exhibit "N" and incorporated herein by reference.

Disclosure regarding selection of Real Estate Broker

The Developer(s) have not selected a real estate broker for the sale of condominium apartments in the project at this time. In the event the developer(s) chooses to use a real estate broker for the sale of a condominium apartment, prior to entering into a binding contract for such sale the Developer(s) shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed Disclosure abstract identifying the designated broker and (2) provide a copy of the Disclosure Abstract to the purchaser together with a copy of this Public Report.

- 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-1.6] (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.

Raymond Joseph Panigutti and Linda M. McDonald, Trustee of the Linda M. McDonald Revocable Living Trust dated March 4, 1997, as amended

Name of Developer

By: Raymond Joseph Panigutti 1/10/04
 Duly Authorized Signatory* Date

Raymond Joseph Panigutti, Co-Developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT A

DESCRIPTION OF THE PROJECT

The Project consists of two (2) detached existing dwelling units. Each of said Units is constructed principally of wood. However, the Units also incorporate glass, gypsum board, asbestos shingles and related building materials. The Project also includes landscaped grounds, driveways, and walkways. Each Unit has a private yard area which is a limited common element for the exclusive use of such Unit.

(1) Unit A. Unit A is a two-story dwelling, without a basement, containing eleven (11) rooms. Located on the first level are a living room and kitchen. The second floor which is accessed by an interior stairway, contains five (5) bedrooms, and four (4) bathrooms, and an additional attic/loft area of 160 square feet. Unit A has a net living area of approximately 1,520 square feet, and there are exterior decks containing approximately 157.5 square feet off of the first floor and approximately 120 off of the second floor.

(2) Unit B. Unit B is a five (5) level dwelling consisting of eighteen (18) rooms. The first level consists of two (2) bedrooms, two (2) bathrooms, a covered laundry area and a lanai. A living room, dining room, kitchen, entry and lanai are located on the second level. The third level consists of two (2) bedrooms, two (2) bathrooms, an entry and a lanai. The fourth level consists of two (2) bedrooms, two (1) bathrooms, and a lanai. The fifth level contains a Master bedroom with a bar/sink, a Master bath, an entry and two (2) lanais. All the levels are connected by interior stairways. Unit B, exclusive of lanais, contains a net living area of approximately 2,493 square feet. In addition to the five (5) level dwelling, Unit B consists of that certain Detached Rec Room as shown on said Condominium File Plan.

EXHIBIT B

BOUNDARIES OF THE UNITS

Each unit shall be deemed to include the footings or slab on which it is constructed, the exterior walls and roof, all interior walls, ceilings, floors and partitions and the finished surface thereof, any garage, lanai and storage areas included therein and all originally installed fixtures. However, the respective Units shall not be deemed to include any structural or service elements which are utilized or serve more than one Unit, the same being deemed common elements as hereinafter provided.

EXHIBIT C

PERMITTED ALTERATIONS

The Declaration provides that the Unit Owners shall not make any alterations in or to their respective Units or the common elements or limited common elements except in accordance with the following terms and conditions. "Alterations", as used herein, shall include the making of any and all improvements, additions, repairs, renovations, construction or reconstruction of said Units or the common elements or limited common elements. "Alterations" shall not be deemed to include: (a) installation of television antennas, solar heating panels or window or air conditioning units; (b) painting of the exterior of any Unit; or (c) landscaping, other than the planting of any trees or other vegetation which would block or impair existing view channels.

(a) Exterior and Structural Alterations. No Unit Owner shall remodel or reconstruct his Unit or make any alterations to the exterior of his Unit or the limited common elements appurtenant to his Unit without the prior written consent of his mortgagee, (if such consent is required). The consent of the other Unit Owner shall not be required.

(b) Interior Alterations. The owner of any Unit shall have the right at any time, and from time to time, with the consent of his mortgagees (if such consent is required), but without the consent or joinder of any other Unit Owners, to make alterations within his Unit, or to cause or permit such alterations to be made by his tenants and lessees, in accordance with the provisions herein set forth. Specifically, but without limiting the generality of the foregoing, any such Unit Owner may, or may cause or permit his tenants or lessees, to install, maintain, remove and rearrange partitions and other structures from time to time within such Unit and to paint, paper, panel, plaster, tile, finish and to do or cause to be done such work within such Unit, and to finish, alter or substitute any plumbing, electrical or other fixtures therein as such Unit Owner shall deem necessary in his sole discretion; provided, that any such alterations and/or substitutions shall not adversely affect the sewage, plumbing, electrical and other common utility systems of the Project.

(c) Covenants and Restrictions Applicable to All Alterations. Any and all remodelling or alterations, whether exterior or interior, shall comply with the following terms and conditions:

(1) No alterations shall encroach upon the common elements or the limited common elements appurtenant to any other Unit;

(2) All alterations, the aggregate cost of which shall exceed \$5,000.00, shall be constructed or installed in accordance with plans and specifications prepared by a licensed architect or professional engineer;

(3) All such alterations shall be at the sole cost and expense of the Unit Owner making the alterations and shall be completed expeditiously and in such manner as shall cause the least, practicable annoyance to and interference with the other Owner's use of his Unit. The Owner making such alterations shall procure and shall maintain, during the course of the construction, a builders all-risk insurance policy naming the Association and collectively all Owners, as additional insured. Evidence of such insurance shall be deposited with the Board prior to the commencement of construction;

(4) The owner making the alteration shall have the right to utilize, relocate and realign or develop existing or new central and appurtenant installations for service to the Unit affected by such alteration for electricity, sewer and other utilities and services, and when applicable, to add, delete, relocate, realign, designate and grant easements and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption or interference in the service of such utilities to the other Unit Owner or otherwise impair their rights hereunder.

(5) If any alteration shall require the amendment of the Declaration or the Condominium Map, the Owner making the alteration shall pay all costs and expenses incurred in preparing and filing such amendments.

EXHIBIT D

COMMON ELEMENTS

The Declaration provides that the Project will include the limited common elements and all portions of the Project other than the Units, including specifically, but not limited to:

- a) All the land in fee simple;
- b) All sewer lines, pipes, wiring and other central and appurtenant transmissions facilities and installation which serve all Units for service such as power, light, water, gas, refuse and telephone; and
- c) The common driveway and parking area;
- d) Any and all other structures, apparatus and installations of common use, and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT E

LIMITED COMMON ELEMENTS

The limited common elements listed in the Declaration are as follows:

- a) The site of each Unit, consisting of the land beneath such Unit; and
- b) The adjacent private land area reserved for such Unit, as shown and delineated on the Condominium Map, including all driveways, walls, walkways, stairways and other improvements and landscaping with such private area; and
- c) The stairway leading from the parking area to Unit A is for the exclusive use of Unit A, and the stairway leading to Unit B is for the exclusive use of said Unit.

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Any and all Real Property Taxes that may be due and owing.

-ITEM I:- is covered by Tax Key (1) 2-9-058-005 CPR: 0001.

-ITEM II:- is covered by Tax Key (1) 2-9-058-005 CPR: 0002.

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

3. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in AFFIDAVIT dated December 9, 1996, recorded as Document No. 96-177452, by RAY PANIGUTTI, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit.

4. GRANT OF SOIL RESTRAINT SUBTERRANEAN STRUCTURE
EASEMENT

TO : CITY AND COUNTY OF HONOLULU
DATED : CITY AND COUNTY OF HONOLULU
RECORDED : Document No. 97-022940
GRANTING : an easement to construct, reconstruct, install, maintain, repair and remove a soil restraint subterranean structure or structures, etc. over Parcel S23A, more particularly described therein.

5. GRANT OF SOIL RESTRAINT SUBTERRANEAN STRUCTURE
EASEMENT (construction allowed)

TO : CITY AND COUNTY OF HONOLULU
RECORDED : Document No. 97-022941
GRANTING : an easement to construct, reconstruct, install, maintain, operate, repair and remove a soil restraint subterranean structure, etc. over Parcel SB49-A, more particularly described therein.

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY
REGIME FOR "WOOLSEY PLACE" CONDOMINIUM
PROJECT
DATED : March 16, 1998
RECORDED : Document No. 98-034527
MAP : 2700 and any amendments thereto

Said Declaration was amended by instrument dated August 30, 2003, recorded as Document No. 2003-246211

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS
DATED : March 16, 1998
RECORDED : Document No. 98-034528

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in AFFIDAVIT dated June 3, 1997, recorded as Document NO. 97-073287, by RAY PANIGUTTI, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit.

9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF COVENANT
DATED : May 9, 1997
RECORDED : Document No. 98-105961

10. -AS UNIT A

(A) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated March 19, 1998, recorded as Document No. 98-038689.

(B) MORTGAGE

LOAN/ACCOUNT NO. 0074648148

MORTGAGOR : LINDA M. MCDONALD, Trustee of the Linda M. McDonald Revocable Living Trust dated March 4, 1997

MORTGAGEE : IRWIN MORTGAGE CORPORATION, an Indiana corporation

DATED : December 24, 2002
RECORDED : Document No. 2002-234740
AMOUNT : \$352,000.00

ABOVE MORTGAGE ASSIGNED

TO : DEUTSCHE BANK TRUST COMPANY AMERICAS AS TRUSTEE
DATED : January 14, 2003
RECORDED : Document No. 2003-149808

11. -AS TO UNIT B:

(A) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Apartment Deed dated March 19, 1998, recorded 98-038690.

(B) MORTGAGE

LOAN/ACCOUNT NO. 0065125509

MORTGAGOR : RAYMOND JOSEPH PANIGUTTI, unmarried
MORTGAGEE : BANK OF AMERICA FEDERAL SAVINGS BANK, doing
business as HONOLULU MORTGAGE, which is organized
and existing under the laws of the United States of
America
DATED : October 13, 1998
RECORDED : Document No. 98-156911
AMOUNT : \$433,750.00

-Note:- Attention is invited to the following:

(A) RELEASE OF MORTGAGE dated December 10, 2002, recorded as Document No. 2002-233958, by STATE STREET BANK AND TRUST COMPANY, AS TRUSTEE, releasing the above Mortgage.

(B) The Company is unable to locate of record an assignment of mortgage from BANK OF AMERICA FEDERAL SAVINGS BANK, doing business as HONOLULU MORTGAGE, which is organized and existing under the laws of the United States of America to STATE STREET BANK AND TRUST COMPANY, AS TRUSTEE.

(C) MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

LOAN/ACCOUNT NO. 000021177052255092

MORTGAGOR : RAYMOND JOSEPH PANIGUTTI, unmarried
MORTGAGEE : COUNTRYWIDE HOME LOANS, INC., a New York
corporation
DATED : November 19, 2002
RECORDED : Document No. 2002-210437
AMOUNT : \$50,000.00

(D) MORTGAGE

LOAN/ACCOUNT NO. 000033202141107003

MORTGAGOR : RAYMOND JOSEPH PANIGUTTI, unmarried
MORTGAGEE : COUNTRYWIDE HOME LOANS, INC., a New York
corporation
DATED : July 30, 2003
RECORDED : Document No. 2003-167664
AMOUNT : \$375,000.00

EXHIBIT "G"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
Unit A	\$25.00 x 12 = \$300.00
Unit B	\$25.00 x 12 = \$300.00

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

EXHIBIT H
Summary of Sales Contract

The specimen Sales Contract contains, among other things, the following provisions:

1. Risk of Loss and Insurance. Risk of loss passes to Buyer upon transfer of title or occupancy whichever comes first.

2. Default. In the event the Buyer fails to perform Buyer's obligations under the Sales Contract, and the Seller is not in default, then seller may a) bring an action for damages for breach of contract, b) retain Buyer's initial deposit and all additional deposits as liquidated damages, and c) Buyer shall be responsible for all costs incurred in accordance with the Sales Contract. In the event Seller fails to perform Seller's obligation under the Sales Contract, and the Buyer is not 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 Broker for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees.

3. Time is of the Essence. Time is of the essence in the performance by all parties of their obligations in the Sales Contract.

4. Mediation. In any dispute or claim arises out of the Sales Contract during the transaction or at any time after closing, between Seller, Buyer, and/or a Broker, and the parties are unable to resolve the dispute, Buyer and Seller agree in good faith to attempt to settle the dispute or claim by non-binding mediation.

EXHIBIT I
SUMMARY OF ESCROW AGREEMENT

The relevant provisions of the Escrow Agreement are as follows:

1. Payments to Escrow. All deposits and other sums received from Purchasers or from other persons on account of the Project shall be paid to the Escrow agent and deposited in a federally insured banking or savings and loan institution.

2. Disbursements of Funds. No disbursements shall be made from the Escrow funds unless and until: (a) the Sales Contract has become binding in the manner provided in the paragraph entitled "Financing Contingencies" of Exhibit H to this Final Report; (b) Seller's attorney shall have given escrow a written opinion that all of the requirements of Section 514A-38, 514A-62, 514A-63 of the Hawaii Revised Statutes have been met; (c) Seller shall have waived all other options to cancel the Sales Contract; (d) Escrow has received a Unit Deed in recordable form in favor of Purchaser; and (e) Escrow has received releases of partial releases of any encumbrances affecting the apartment to be conveyed to Purchaser.

3. Return of Purchaser's Funds. A Purchaser shall be entitled to the return of his funds if Purchaser has requested such a refund and Escrow shall have received from Seller notice that any of the following has occurred:

(a) Seller and Purchaser shall have requested Escrow in writing to refund said monies; or

(b) Seller shall have exercised any option in its favor to cancel the Sales Contract;

(c) Purchaser shall have exercised his right to cancel prior to the issuance of a Final Public Report;

(d) A purchaser shall have exercised his right to rescind pursuant to Section 514A-63, Hawaii Revised Statutes; or

(e) Purchaser is an owner-occupant and Seller and Purchaser have notified Escrow in writing the Purchaser is entitled to cancel pursuant to Part IV, Chapter 514A, Hawaii Revised Statutes;

In any of the foregoing events (other than a cancellation by a Purchaser who has not been offered a contract after having been placed on the Seller's reservation list of owner-occupant applicants), Escrow shall refund all deposits to Purchaser, less a cancellation fee to Escrow commensurate with the work done prior to cancellation.

4. Buyer's Default. If a purchaser shall not make any payment required under the Sales Contract on or before the due date thereof, Escrow shall notify Purchaser and Seller of such fact. If Escrow shall determine that Purchaser has committed an event of default under the Sales Contract, then Escrow shall notify Seller of such failure on the part of the Purchaser. If Seller subsequently certifies in writing to Escrow that it has terminated the sales contract in accordance with the terms thereof and provides Escrow with copies of all such notices of termination, Escrow shall, upon written request by Seller, pay all deposits to Seller, less any Escrow cancellation fees.



STV Incorporated

841 Bishop Street, Suite 510
Honolulu, Hawaii 96813-3919
(808) 536-6621 fax: (808) 523-1738

November 15, 1996

Mr. Ray Panigutti
2865 E. Manoa Road
Honolulu, HI 96822

Dear Mr. Panigutti:

Re: 3025 Woolsey Place

As requested, this letter is written to provide some general information concerning the house at 3025 Woolsey Place with respect to the landslides in this area.

General Landslide Background

We are an engineering consulting firm hired by the City Department of Public Works to analyze the various slides noted in the Woodlawn Area Earth Stabilization Project. There are two slides designated in the Woodlawn Area, as shown in attachment 1, which are referred to as the Paty Alani Landslide and the Hulu-Woolsey Landslide.

As we noted in our original report for the Woodlawn Area Earth Stabilization, "Landslides and Facilities Evaluation Report," dated June 29, 1990 and revised July 8, 1991, there are three classes of nested landslides at Woodlawn.

From the report,

"Class I landslides are represented by the mapped critical boundaries of the main slide at Paty Alani and Hulu Woolsey. These range in depth from 0 at the marginal boundaries to a probable maximum of 50 feet."

"Class II landslides are nested with Class I and represent several levels of subsidiary translational-rotational landslides. During the past, the toes and bottom surfaces of these moderate-sized slides have been significantly active, as determined by survey and instrumentation data, which suggests a generalized depth to the sliding surface of 20 to 25 feet."

"In addition to the major landslides whose principal structures have been mapped (including Classes I and II), there are a large number of superficial landslides with depths ranging from 3 feet to 10 feet and maximum dimensions of up to 40 feet."

EXHIBIT J

11/16/96 10:30 AM

PAGNIS.DOC

Engineers / Architects / Planners / Construction Managers
Formerly STV Lyon Associates



STV Incorporated

841 Bishop Street, Suite 510
Honolulu, Hawaii 96813-3919
(808) 536-6621 fax: (808) 523-1738

Page 2
Mr. Ray Panigutti

"These are related to a range of grading operations which have been carried out over the years for various purposes, including:

- construction of flat surfaces on occasionally steep terrain to facilitate house construction, foundations for ancillary structures, including garages, pools, etc.
- landscaping, including the construction of inadequately designed retaining walls. Some of these fills are up to 8 feet in height."

"It is beyond the scope of this report and contract to deal specifically with these many localized failures. Their repair or reconstruction should be the responsibility of the individual home owners with the approval of designs by the City Public Works Department and Building Department."

While we believe the mitigation measures that have been designed to arrest the major slide movements of Classes I and II landslides have also been effective in stabilizing the Class III shallow and superficial landslides, we cannot rule out the possibility of some future movements due to past or future construction. The drainage provisions incorporated into the design are perhaps the greatest stabilizing benefit for these shallow depths, but the tieback systems and the deep vertical drains also benefit the shallow soils.

Remediation Measures

The remediation measures used to stabilize the two slides are summarized below.

- Install tieback anchor blocks to stabilize the slide along the sliding planes
- Install vertical drains to alleviate the build up of pore pressure in the soil, particularly along the sliding plane
- Install new drain, water, and sewer lines damaged by the slide
- Install new curb, gutter, and roadways damaged by the slide

Construction has been divided into three different phases for entire Woodlawn Area Earth Stabilization project:

Phase	Slide	Construction Timing	Est. Cost
Phase I	Paty Alani	Completed December, 1994	\$ 6,000,000
Phase II	Paty Alani	Expected to be complete March, 1997	\$ 5,000,000
Phase III	Hulu Woolsey	Expect to start March, 1997	\$12,000,000

Construction for Phase III is expected to take approximately two years to complete.



STV Incorporated
841 Bishop Street, Suite 510
Honolulu, Hawaii 96813-3919
(808) 536-6621 fax: (808) 523-1738

Page 3
Mr. Ray Panigutti

3025 Woolsey Place

This house is located within the Hulu-Woolsey landslide. We visited the site yesterday and have confirmed visually that the majority of the house is built on an outcropping of basaltic bedrock. However, a small section of the north-east front corner of the house is built over granular material.

As shown in attachment 1, there some movements associated with the neighboring property, 3029 Woolsey Place. A small scarp has appeared on 3029 but does not seem to have affected the house at 3025 Woolsey Place. As you can see from the mapped slide, the major scarp lines have "dipped" below the area of 3025 and 3019 Woolsey Place. It appears that the outcropping of bedrock in this area provides stability.

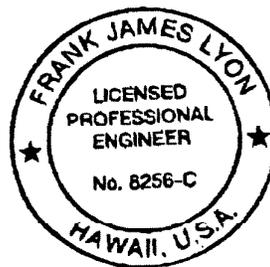
It is our conclusion that 3025 is:

- stable due to footings placed on bedrock;
- is relatively safe in comparison to other houses in the area due as the slide dips away toward the north; and
- will benefit greatly from the remediation measures in terms of new roadways and utility improvements.

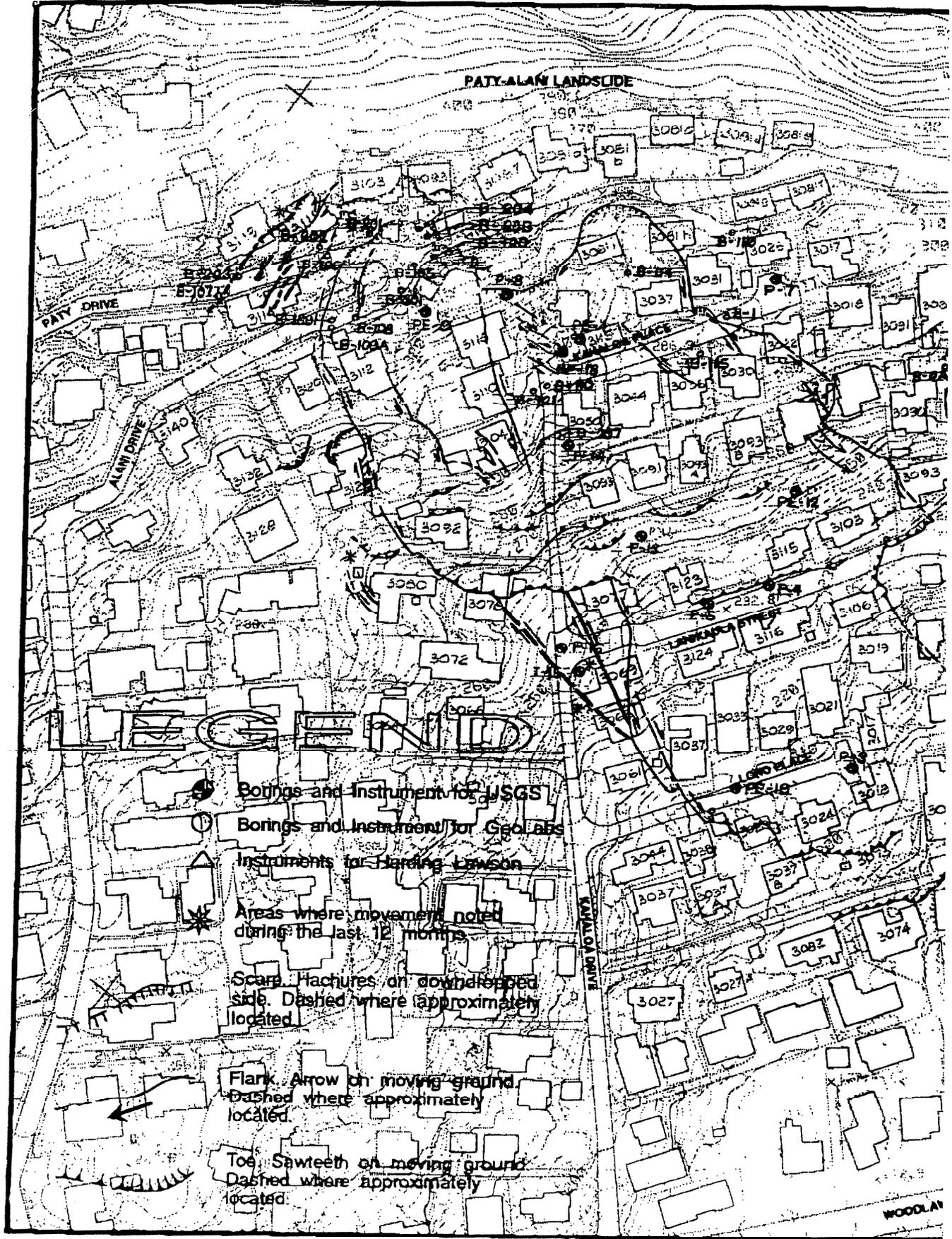
Please call should you have any questions.

Sincerely,

Jim Lyon, P.E.
Project Manager



PATY-ALAN LANDSCIDE



● Borings and Instrument for USGS

○ Borings and Instrument for Geolabs

△ Instruments for Harding Dawson

★ Areas where movement noted during the last 12 months

Scarp. Hachures on down-dropped side. Dashed where approximately located

Flank. Arrow on moving ground. Dashed where approximately located

Toe. Sawtooth on moving ground. Dashed where approximately located

WOODLAW

Roscoe O. Ford

Structural/Civil Engineer

469 Ena Road #2604
Honolulu, HI. 96815

Telephone (808)949-5784
Facsimile (808)949-5784

July 1, 2003

Mr. Ray Panigutti (Developer)

In the presence of the Developer, I made a limited visual inspection of the structures, plumbing and electrical systems at 3025 & 3027 Woolsey Place project.

From discussions with the Developer and Owner and from my own observations during this inspection, Unit A and Unit B appears to have been built over 8 years ago. My observations resulting from my inspection are:

1. Subject to normal wear and tear commensurate with its age, each of the buildings appear to be in relatively good structural condition consistent with their age.
2. Subject also to normal wear and tear, the electrical and plumbing systems are operable and in good working order consistent with their age.

My inspection was limited and did not include by way of example the condition of the soils or roofing or evidence of termite or other pests on the project.

I have been informed that the Developer would be disclaiming any warranties relating to the construction, materials, design or workmanship of the Units, soils or the common elements of the Project, except that the Developer will be transferring the appliances and the electrical and plumbing fixtures in normal working condition consistent with their age. Accordingly, my visual inspection should not be a substitute for a more complete inspection by a prospective buyer of a Unit in the Project. A prospective Buyer is urged to understand the importance of making his own investigation or having an investigation made by trained professionals of the Unit and the Project.

Very truly yours,



Roscoe O. Ford
Licensed Professional Engineer No. 3731

EXHIBIT K

RECORDATION REQUESTED BY:

AFTER RECORDATION RETURN TO:

RAY PANIGUTTI
PO BOX 1533
Kihei, HAWAII 96753

R-736

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

DEC 17, 1996 11:00 AM

Doc No(s) 96-177452

/s/ CARL T. WATANABE
ACTING
REGISTRAR OF CONVEYANCES

RETURN BY: MAIL (X) PICKUP ()

(Space above this line for Registrar's Use)

This affidavit is presented for recordation pursuant to the provisions of Chapter 18, ROH 1978.

AFFIDAVIT

The undersigned hereby certify that we are the owners of the hereinafter described real property located in the City and County of Honolulu, State of Hawaii:

TAX MAP KEY: 2-9-58:05
3025 Woolsey Place

Being all of the land conveyed to us by deed dated _____, and recorded in the BUREAU OF CONVEYANCES (Regular System) of the State of Hawaii in Liber 20253 on page 131 or BUREAU OF CONVEYANCES in Document/Instrument No. _____.

And/or filed in the Office of the Assistant Registrar of the LAND COURT of the State of Hawaii as Document No. _____ and noted on Transfer Certificate of Title No. _____ and deed dated _____.

EXHIBIT L

And, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit for a detached accessory structure to be used as a Recreation Room -----, Upon completion, the structure shall be used as an accessory use to the existing and shall not contain a kitchen or be used as a lodging unit.

on said property, we do hereby covenant and agree:

1. that the layout or use of the building will not be converted at a future date to some other layout or use which is illegal;
2. that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the Director and Building Superintendent, City and County of Honolulu.

Dated this 9 day of Dec, 1996

Signature of Owner

Ray Panigutti
Ray Panigutti

(Type owner's name)

Subscribed and sworn to before me
this 9 day of December,

1996

John C. Co
Notary Public, First Judicial Circuit
State of Hawaii

My Commission Expires: Jun 14, 2000

15

R-668

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

RECORDATION REQUESTED BY:)

JUN 04, 1997 03:00 PM

AFTER RECORDATION RETURN TO:)

Doc No(s) 97-093287

RAY PANIGUETT
3025 Woolsey Pl
Hon H 96822

CARL T. MATANABE
ACTING
REGISTRAR OF CONVEYANCES

RETURN BY: MAIL () PICKUP ()

(Space above this line for Registrar's Use)

This affidavit is presented for recordation pursuant to the provisions of Chapter 18, ROH 1978.

AFFIDAVIT

The undersigned hereby certify that we are the owners of the hereinafter described real property located in the City and County of Honolulu, State of Hawaii:

TAX MAP KEY: 2-9-58:005

3027 WOOLSEY PLACE

Being all of the land conveyed to us by deed dated 10/17/96, and recorded in the BUREAU OF CONVEYANCES (Regular System) of the State of Hawaii in Liber _____ on page _____ or BUREAU OF CONVEYANCES in Document/Instrument No. 97-00022941.

And/or filed in the Office of the Assistant Registrar of the LAND COURT of the State of Hawaii as Document No. _____ and noted on Transfer Certificate of Title No. _____ and deed dated _____.

EXHIBIT M

And, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit for a new two (2) story single family dwelling. The entire structure shall be maintained as a single family dwelling containing only one kitchen. An interior connection shall be provided as shown on the approved plans.

on said property, we do hereby covenant and agree:

1. that the layout or use of the building will not be converted at a future date to some other layout or use which is illegal;
2. that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the Director and Building Superintendent, City and County of Honolulu.

Dated this 3rd day of June, 1997.

Signature of Owner

Ray Panigutti
RAY PANIGUTTI

(Type owner's name)

Subscribed and sworn to before me
this 3rd day of June,
1997.

Charles P. Mokuaua
Notary Public, First Judicial Circuit
State of Hawaii
My Commission Expires: 1/6/98.

C.S.

R-517

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

JUL 21. 1998 10:45 AM

Doc No(s) 98-105961

/s/ CARL T. WATANABE
ACTING
REGISTRAR OF CONVEYANCES

§

LAND COURT SYSTEM

REGULAR SYSTEM

RETURN BY PICKUP (X) TO:
City and County of Honolulu
Division of Land Survey & Acquisition
Phone No. 527-5076

DECLARATION OF COVENANT

7 : 2-9-58-5

EXHIBIT N

D R A F T

RECORDATION REQUIRED BY:

AFTER RECORDATION, RETURN TO:

Attention:

RETURN BY:

MAIL (_____)

PICKUP (_____)

DECLARATION OF COVENANT

This Declaration made by KAY MONI D. PANIGUTTI owner in fee simple of that certain parcel of land at 3025 WOODSEY PL. NW 4, also known as Lot 5 identified by Tax Map Key 2-9-58-5 and more particularly described in Exhibit "A" attached hereto and made a part hereof.

WHEREAS, by Deed dated Jan 8 1997, recorded in the Bureau of Conveyance of the State of Hawaii as document # 97-007240, became the sole owner of said property and is hereinafter called the "Declarant."

WHEREAS, the aforementioned parcel of land is situated within an area affected by earth movement.

WHEREAS, Declarant desires to construct improvements on the parcel of land.

NOW, THEREFORE, Declarant hereby covenants and agrees to subject any future improvements made on the parcel of land to the covenants as follows:

1. That the Declarant hereby agrees to indemnify and hold the City and County of Honolulu harmless and from and against any loss, liability, claim or demand for property damage, personal injury and death arising out of any earth movement or soils conditions on the aforementioned parcel of land or related to or connected with the granting of building permits;
2. That the Declarant will take mitigative measures at his own expense with respect to any damages which occur as a result of earth movement.

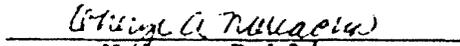
3. That this Declaration of Covenant shall be binding upon the Declarant and its successors and assigns.
4. That Declarant will file a certified recorded copy of this covenant with the Department of Public Works of the City and County of Honolulu, as a condition precedent to the issuance of the Building Permit.
5. That this Declaration of Covenant shall not terminate, extinguish, nor cancel without the express approval of the Director and Chief Engineer of the Department of Public Works of the City and County of Honolulu, State of Hawaii.
6. That the City and County of Honolulu, State of Hawaii, shall have the right to enforce this Declaration of Covenant upon breach thereof by appropriate action at law or in equity.

IN WITNESS WHEREOF, the undersigned hereunto sets his/her hand on this 9th day of May, 1997.


 RAYMOND J. PANIGUTTI

STATE OF HAWAII)
 CITY & COUNTY OF HONOLULU) ss

On this 9th day of May, 1997 before me personally appeared Raymond J. Panigutti known to me to be the sole Declarant hereunder, described in and who executed the foregoing instrument, and acknowledged that he executed the same as his free act and deed and as the act and deed of Declarant.


 Notary Public
 "My Commission Expires:" 03/21/00

L.S

EXHIBIT "A"

All that certain parcel of land situate at Manoa Valley, District of Honolulu, City and County of Honolulu, State of Hawaii, described as follows:

Lot 5, area 20,252 square feet, more or less, as delineated on the map entitled "VETERANS ACRES TRACT", which said map was filed in the Bureau of Conveyances of the State of Hawaii as File Plan No. 490.

Being all the property described in the following:

DEED	
Dated:	July 11, 1983
Book:	17230
Page:	790

SUBJECT, HOWEVER, TO THE FOLLOWING:

1. Title to all minerals and metallic mines reserved to the State of Hawaii.