

**CONDOMINIUM PUBLIC REPORT**

Prepared &  
Issued by:

Developer Cathleen V. Sanders, Successor Trustee  
Address c/o Margaret J. Nakamatsu, AAL, 1622 Paukiki Street, Kailua HI 96734

Project Name (\*): PUULANI KAI CONDOMINIUM  
Address: 271 Kaelepulu Drive, Kailua, HI 96734

Registration No. 5032  
(Conversion)

Effective date: September 2, 2003  
Expiration date: October 2, 2004

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

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

           **SUPPLEMENTARY:**      This report updates information contained in the:  
**(pink)**                              [   ]    Preliminary Public Report dated: \_\_\_\_\_  
[   ]    Final Public Report dated: \_\_\_\_\_  
[   ]    Supplementary Public Report dated: \_\_\_\_\_  
And                                  [   ]    Supersedes all prior public reports. \_\_\_\_\_  
[   ]    Must be read together with \_\_\_\_\_  
  
[   ]    This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

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

**Disclosure Abstract:** Separate Disclosure Abstract on this condominium project:

Required and attached to this report as Exhibit E       Not Required - Disclosures covered in this report.

**Summary of Changes from Earlier Public Reports:**

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

No prior reports have been issued by the developer.

Changes made are as follows:

**SPECIAL ATTENTION**

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

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

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

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## **General Information On Condominiums**

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

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

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

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

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

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

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

## **Operation of the Condominium Project**

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Cathleen V. Sanders, Successor Trustee Phone: \_\_\_\_\_  
Name\* (Business)

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. See page 20 Phone: \_\_\_\_\_  
Name (Business)

Business Address  
\_\_\_\_\_

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

235 Queen Street  
Business Address  
Honolulu, HI 96813

General Contractor\*: None Phone: \_\_\_\_\_  
Name (Business)

Business Address  
\_\_\_\_\_

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

Business Address  
\_\_\_\_\_

Attorney for Developer: Glenn M. Adachi Phone: (808) 591-1154  
Name (Business)

1314 S. King St., #616  
Business Address  
Honolulu, HI 96814

\* 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. 2002-204074  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 2861286

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

Amended by First Amendment dated May 27, 2003, recorded in said Bureau as Doc. No. 2003-161379 and in said Land Court as Doc. No. 2972919.

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. 3502  
 Filed - Land Court Condo Map No. 1518

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

Amended by First Amendment described in A, above.

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. 2002-204075  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 2861287

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

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

The House Rules for this condominium are:

Proposed       Adopted       Developer does not plan to adopt House Rules

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

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

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

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

2. **Developer:**

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

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

1. To amend the Declaration, By-Laws and Condominium Map at anytime prior to recording of the sale of the unit.
2. To amend the Declaration and Condominium Map to file the "as built" certificate.
3. To add one (1) additional apartment to the project. See paragraph 24 of the Declaration for further information.



Other:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

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

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

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

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed 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: 271 Kaelepulu Drive Tax Map Key (TMK): (1) 4-3-007-018  
Kailua, HI 96734

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

Land Area: 95,571  square feet  acre(s) Zoning: R-10

Fee Owner: Cathleen V. Sanders, Trustee of the Norma Lillian Watson Revocable Trust  
 Name dated March 31, 1982 and Charles W. Watson  
c/o Margaret Jane Nakamatsu, Attorney-at-Law Family Trust dated February  
 Address February 22, 2001 and Charles  
1622 Paukiki St., Kailua, HI 96734 W. Watson Marital Trust

Lessor: N/A  
 Name  
 Address

**C. Buildings and Other Improvements:**

1.  New Building(s)  
 Conversion of Existing Building(s)  
 Both New Building(s) and Conversion
2. Number of Buildings: 2 Floors Per Building: 2stories  
 Exhibit \_\_\_\_\_ contains further explanations.
3. Principal Construction Material:  
 Concrete       Hollow Tile       Wood  
 Other
4. Uses Permitted by Zoning:

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

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

5. Special Use Restrictions:

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

[ ] Pets: \_\_\_\_\_

[ ] Number of Occupants: \_\_\_\_\_

[ ] Other: \_\_\_\_\_

[X] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: None Trash Chutes: None

Apt.No.			Net	Net	
Type	Quantity	BR/Bath	Living Area (sf)*	Other Area (sf)	(Identify) deck, lanai, balcony
<u>1</u>	<u>1</u>	<u>3/2</u>	<u>2,200</u>	<u>670</u>	<u>deck, balcony</u>
<u>2</u>	<u>1</u>	<u>2/2</u>	<u>1,500</u>	<u>1,700</u>	<u>deck, accessory building</u>
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment:

1. All perimeter walls, floors, foundations and roof of each building.
2. All pipes, wires, conduits, or other utility and service lines in such building, outside such building, if the same are not utilized for more than one apartment.

Permitted Alterations to Apartments:

Apartment owner, may renovate, remodel, make additions to, remove or restore the unit.

Apartments Designated for Owner-Occupants Only: N/A

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A102, 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>		TOTAL
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned (for each unit)	<u>2</u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>4</u>
Guest	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Unassigned	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Extra for Purchase	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Other:	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>	<u>      </u>
Total Covered & Open:	<u>4</u>	<u>      </u>	<u>0</u>	<u>      </u>	<u>0</u>	<u>      </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 ( See Exhibit F)

There are no violations.       Violations will not be cured.

Violations and cost to cure are listed below:  Violations will be cured by \_\_\_\_\_  
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):  
(See Exhibit A)

11. Conformance to Present Zoning Code

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

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

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

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

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

Limitations may include restrictions on extending, enlarging, or continuing the nonconformity, and restrictions on altering and repairing structures. In some cases, a nonconforming 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  B .  
 as follows:

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

There are no limited common elements in this project.

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

described in Exhibit

as follows:

The portion of the land area beneath and adjacent to each unit as delineated on the site plan of the Condominium Map. Said land areas are NOT legally subdivided lots.

Unit 1 Limited Common Area: .261 Acres  
 Unit 2 Limited Common Area: 1.637 Acres

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:

<u>Unit No.</u>	<u>Common Interest Percentage</u>
1	34%
2	66%

In the event the Developer exercises its right to construct an additional unit the common interest shall be as follows:

<u>Unit No.</u>	<u>Common Interest Percentage</u>
1	34%
2	33%
3	33%

- 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 C \_\_\_\_\_ describes the encumbrances against the title contained in the title report dated February 4, 2003 \_\_\_\_\_ and issued by Commonwealth Land Title Insurance Company.

**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.

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 <b>Prior to Conveyance</b></u>
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**F. Construction Warranties:**

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

1. Building and Other Improvements: None

2. Appliances: None

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

Unit 1 was built in 1960 and Unit 2 was built in 1985. The accessory building of Unit 2 was built in 1971.

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):

The Developer has reserved the right to add one (1) additional apartment, subject to obtaining all necessary governmental permits and approvals. The Developer reserves the right to amend the Declaration and Condominium Map to reflect the addition of the apartment to the project. The common interest appurtenant to each of the apartments will be adjusted as provided in the Declaration and on page 14, III.D.3 of this public report.

**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 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 as the condominium ages. Maintenance fees may vary depending on the services provided.

Exhibit H 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 \_\_\_\_\_

**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 \_\_\_\_\_ contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated December 15, 2001.  
Exhibit D contains a summary of the pertinent provisions of the escrow agreement.
- Other \_\_\_\_\_

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

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
  - B) Declaration of Condominium Property Regime, as amended.
  - C) Bylaws of the Association of Apartment Owners, as amended.
  - D) House Rules, if any.
  - E) Condominium Map, as amended.
  - F) Escrow Agreement.
  - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
  - H) Other \_\_\_\_\_

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

This Public Report is a part of Registration No. 5032 filed with the Real Estate Commission on February 25, 2003.

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**

**No Reserve Study:** The Developers disclose that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 106, Hawaii Administrative Rules, as amended.

**Lead Warning Statement**

Pursuant to federal law, 42, U.S.C. 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser or 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."

**Disclosure Regarding Selection of Real Estate Broker:**

The developer does not intend to sell the units, and therefore, has not selected a real estate broker for the sale of condominium units in the project at this time. In the event the developer chooses to use a real estate broker for the sale of a condominium unit, prior to entering into a binding contract for such sale the developer 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 "owner" defined under Section 467-2(1), Hawaii Revised Statutes; (2) submit to the Real Estate Commission a specimen sales contract for the sale of units in the project; and (3) provide a copy of the Disclosure Abstract to the purchaser together with a copy of this Public Report.

**Voting Rights.**

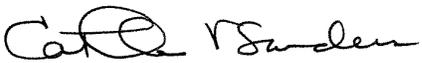
Because Unit 2 has an appurtenant common interest of 66%, there may be situations where the owner of Unit 2 could control the vote of the Association which includes amending the By-Laws of the Association.

**Addition of Apartment.**

Paragraph 24 of the Declaration provides that the developer may add a third unit to the Project. There are numerous and significant provisions relating to this reserved right in favor of the developer. A purchaser is advised to carefully review the terms of paragraph 24 of the Declaration.

- 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.

Cathleen V. Sanders, Trustee \*  
Printed Name of Developer

By:  TTEE 12/14/02  
Duly Authorized Signatory\* Date

Developer/Owner  
Printed Name & Title of Person Signing Above

\*Successor Trustee of the Norma Lillian Watson Revocable Trust dated March 31, 1982; Trustee of the Charles W. Watson Family Trust as set forth in the Charles W. Watson Trust dated February 22, 2002; and Trustee of the Charles W. Watson Marital Trust as set forth in the Charles W. Watson Trust dated February 22, 2001

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.***

# Lokahi Consultants, Inc.

*Real Estate Planning • Architecture • Construction • Financial & Accounting Services*

September 15, 2002

Subject: Architect's Report, 271 Kaelepulu Drive, Lanikai.

The subject property is an approximately 2.2 acre parcel comprised of three separate structures, including two single family dwellings and one accessory art studio structure on a hilly site. TMK: (1) 4-3-07: 18.

On approach, the first structure is an approximately 2,200 sf, three bedroom, two bathroom, single story, wood framed single family dwelling which includes roughly 350 sf of covered exterior walkway and lanai space. An additional 310 sf of exterior open deck and balcony, and a 540 sf, two car garage brings the total square footage to approximately 3,400.

This circa mid 1980's building is set partially on a concrete slab on grade with the rear, downhill portion on a raised wood framed floor system supported by a series of spot footings with CMU columns, and wood posts. A steel tie rod and turnbuckle "X" bracing system is used to provide lateral resistance. The two floor systems meet at a common continuous CMU retaining wall.

Exterior finishes include cement stucco wall surfaces with wood trimming and a wood shake roof over the main structure. A built up roof system covers the flat roofed garage.

All building components are in fair to good condition, relative to the age of the structure.

The second structure is an approximately 1,500 sf, two bedroom, two bathroom, wood construction single family dwelling, perched atop a hill. Additionally, roughly 1,700 sf of exterior decks and walkways adjoin the building on the main level, 500 sf of which is covered by roof or trellis.

A semi-subterranean, 680 sf garage is cut into the hill and bordered by concrete retaining walls. The garage is situated under the front (south) end of the main level and is constructed with an elevated concrete deck above. The balance of the main floor is built on a concrete slab on grade.

The house was extensively renovated and added on to in the early 1980's which has held up well through the years. Currently the house remains in fair to good condition and consistent with it's age. The exterior finishes include stucco wall surfaces and a composition, built up roofing.

The art studio building contains approximately 2,400 sf on two levels. This slab on grade structure utilizes precast concrete columns, beams, floor, roof, and wall panels which make up the structural system. Openings contain glass infill. An exterior concrete stairway and an interior spiral staircase connect the two levels. Cantilevered second floor concrete panels form upper level balconies, and the building features a two story high volume work area at the south end with a built in overhead hoist mechanism.

Numerous subsequent additions and alterations have been performed on this structure including wood framed additions under the upper level balconies and on grade on the north end of the structure. An extended roof deck above the addition features a wood walking surface. An irregularly shaped, steel framed roof structure, which in some areas supports a concrete roof deck, is attached to an adjacent hillside and shows advanced corrosion on a number of structural members. This area should receive immediate remedial attention. Other, less critical concerns include cracked glass panels and a masonry railing wall with a concrete cap on the downhill side of the building, which has many broken components. Also, there are several spots on precast concrete panel edges where chunks of concrete have broken off. The affected areas tend to be where moisture is prevalent and is seemingly due to the corrosion of reinforcing rebar within the casts.

Aside from these concerns, the original structure remains soundly intact, with only a subjective amount of cosmetic work necessary. The existing roofing membrane appears in good condition.



Steven Kam, AIA  
734 11<sup>th</sup> Avenue  
Honolulu, Hawaii 96816  
(808) 739-0748



EXHIBIT B

DESCRIPTION OF COMMON ELEMENTS

1. The land in fee simple described in the Declaration of Condominium Property Regime.

2. All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve the apartments for services such as power, light, water, gas, refuse, telephone, radio, and television signal distribution.

3. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.

4. The Common Element Driveway (Area=0.282 Acres).

EXHIBIT C

LIST OF ENCUMBRANCES

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

2. Grant to Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated dated December 15, 1960, for a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines, etc., for the transmission of electricity, etc., recorded in Liber 3982, Page 291.

3. Grant to the City and County of Honolulu dated July 3, 1968 for a nonexclusive easement to construct, install, maintain, operate, repair and remove an underground water pipeline or pipelines, etc. recorded in Liber 6237, Page 51.

4. Declaration of Condominium Property Regime of Puulani Kai Condominium dated October 28, 2002, recorded in said Bureau of Conveyances as Document No. 2002-204074 and in the Office of the Assistant Registrar of the Land Court, State of Hawaii as Land Court Document No. 2861286, as amended by First Amendment dated First Amendment dated May 27, 2003, recorded in said Bureau as Doc. No. 2003-161379 and in said Land Court as Doc. No. 2972919.

5. By-Laws of the Association of Apartment Owners of Puulani Kai Condominium dated October 28, 2002, recorded in said Bureau of Conveyances as Document No. 2002-204075 and in said Office of the Assistant Registrar as Land Court Document No. 2861287.

6. Condominium Map No. 3502, filed in said Bureau and 1518, filed in said Office of the Assistant Registrar.

7. Terms and provisions contained in the Norma Lillian Watson Revocable Trust dated March 31, 1982, as amended and restated.

8. Terms and provisions contained in the Charles W. Watson Trust dated February 22, 2001, as amended.

9. Any real property taxes that may due and payable. For more information contact City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

EXHIBIT D

SUMMARY OF ESCROW AGREEMENT

The escrow agreement establishes an arrangement under which a purchaser's deposits will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

(a) Escrow will collect and hold payments due pursuant to any sales contract.

(b) Signed copies of the sales contract will be delivered to Escrow.

(c) Owner will notify Escrow who in turn will notify purchasers when payments are due.

(d) Escrow will accept purchaser's payments pursuant to the sales contract and will hold the funds or make payments according to the escrow agreement.

(e) The escrow agreement states under what conditions escrow will disburse buyers funds. Escrow will disburse upon receipt of the following:

1. Notification that a final public report has been issued and that purchaser has received a copy.
2. Owner has furnished Escrow an opinion that the requirements of HRS have been met.

(f) Under the escrow agreement purchaser shall be entitled to a refund, if purchaser makes a written request for a refund and Escrow has received a written request from Owner to return purchaser's funds and purchaser's funds were obtained prior to the issuance of a final public report.

(g) The escrow agreement states what will happen to a purchaser's funds upon default under the sales contract. Owner is required to certify to Escrow in writing that purchaser defaults and that Owner is terminating the contract. Escrow will notify purchaser by registered mail of the default. Escrow will treat the purchaser's funds as belonging to the Owner subject to the provisions relating to dispute and conflicting demands.

(h) Escrow will coordinate and supervise the signing of all necessary documents.

(i) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

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

EXHIBIT E

DISCLOSURE ABSTRACT  
Dated: August 16, 2003

1. a. PROJECT: PUULANI KAI CONDOMINIUM  
271 Kaelepulu Drive  
Kailua, HI
  - b. DEVELOPERS/  
OWNERS: CATHLEEN VICTORIA SANDERS, Successor  
Trustee of the Norma Lillian Watson  
Revocable Trust dated March 31,  
1982, as amended and restated, and  
Successor Trustee of the Charles W.  
Watson Trust dated February 22,  
2001, as amended
  - d. MANAGING AGENT: None. Project will be self-managed.
2. Maintenance Fees: The routine maintenance and repair of each  
apartment unit, including all utility charges, is the sole  
responsibility of each owner.

Individual Insurance: Section 514A-86, Hawaii Revised  
Statutes, requires that fire insurance be purchased to cover  
the Project's improvements. It is contemplated that the  
Association will elect to permit each apartment owner to  
purchase and maintain his own homeowner's insurance policy  
which will include fire and liability coverage, and name the  
Association as an additional insured. In such case, the  
premiums on said policies will be the individual  
responsibility of each apartment owner rather than a common  
expense of the Association. Purchasers should be aware that  
the premiums for said fire insurance will vary depending upon  
the insurance company and the coverage. If it is necessary  
for the Association to have its own public liability coverage  
(which could occur), this will become a common expense of the  
Association shared by the apartment owners.

3. Structural Components and Mechanical and Electrical  
Installations.

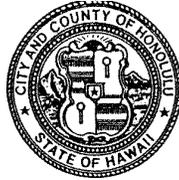
Based on a visual inspection report prepared by a licensed  
architect (a copy of said report is attached to this public  
report as Exhibit B), it is the Developer's opinion that all  
structural components and electrical and plumbing systems  
material to the use and enjoyment of the units appear to be

functioning and in satisfactory working condition. 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 UNITS.

4. Code Violations. To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or municipal regulations of the City and County of Honolulu.
5. Use of Apartments. The PUULANI KAI CONDOMINIUM condominium project will consist of two (2) apartments. The units will be used for residential purposes.

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

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



JEREMY HARRIS  
MAYOR

RANDALL K. FUJIKI, AIA  
DIRECTOR

LORETTA K.C. CHEE  
DEPUTY DIRECTOR

2001/CLOG-3235(RLK)

September 12, 2001

Mr. Ronald N. Lee  
Lokahi Consultants, Inc.  
625-A 11<sup>th</sup> Avenue  
Honolulu, Hawaii 96816

Dear Mr. Lee:

Subject: Condominium Conversion Project  
271 Kaelepulu Drive  
Tax Map Key: 4-3-07: 18

This is in response to your letter dated July 18, 2001 requesting verification that the structures on the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story single-family detached dwelling, the one-story single-family detached dwelling and the two-story art studio with eight all-weather surface off-street parking spaces met all applicable code requirements when they were constructed in 1960, 1985 and 1971, respectively, on this 95,570-square foot R-10 Residential District zoned lot.

Investigation also revealed the art studio was approved as an accessory use to the two-story single-family dwelling by building permit 112676 on December 20, 1971. A wall waiver (70/W-61) was granted on July 14, 1970 to construct a retaining wall within yard setback.

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

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

Mr. Ronald N. Lee  
Lokahi Consultants, Inc.  
Page 2  
September 12, 2001

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

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

Sincerely yours,



RANDALL K. FUJIKI, AIA  
Director of Planning and Permitting

RKF:ft  
document 115169 rev 1

**EXHIBIT G**

**DESCRIPTION OF LIMITED COMMON ELEMENTS**

**LIMITED COMMON ELEMENT 1**  
**LIMITED COMMON ELEMENT 2**

NOTE: The limited common element land areas of a unit may change if an additional apartment is added by the Developer.

(C.P.R.) PUULANI KAI CONDOMINIUM PROJECT

LIMITED COMMON ELEMENT 1

Being portions of Lot 5 and Lot 6 of a subdivision of portion of Royal Patent 4475, Land Commission Award 7713, Apana 45 to V. Kamamalu. Situate at Kaelepulu, Koolaupoku, Oahu, Hawaii.

Beginning at the Southwest corner of this parcel of land, being also the Southeast corner of Lot 4 of said subdivision, the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOKAPU" being 23,289.99 feet South and 4,385.32 feet East and running by azimuths measured clockwise from true South:

1. 186° 45' 00" 168.72 feet along Lot 4 and Lot 3 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu;
2. 200° 18' 00" 51.00 feet along Lot 2 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu;
3. 302° 42' 30" 50.72 feet along Limited Common Element 2 of the Puulani Kai Condominium Project, being also along the remainder of Lot 6 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu;

Thence along same on a curve to the right with a radius of 50.00 feet, the chord azimuth and distance being:

4. 317° 43' 45" 25.92 feet;
5. 332° 45' 00" 20.66 feet along same;

Thence along same on a curve to the right with a radius of 10.00 feet, the chord azimuth and distance being:

6. 3° 49' 00" 10.32 feet;



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

7. 34° 53' 00" 164.28 feet along Common Element "Driveway" of the Puulani Kai Condominium Project, being also along the remainders of Lot 6 and Lot 5 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu;
8. 66° 40' 00" 13.56 feet along Common Element "Driveway" of the Puulani Kai Condominium Project, being also along the remainder of Lot 5 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu, to the point of beginning and containing an area of 0.261 acres.

TOGETHER with rights of access for road and utility purposes over Common Element "Driveway" of the Puulani Kai Condominium Project and over an easement forty (40.00) feet wide for road and utility purposes connecting Common Element "Driveway" to Kaelepu Drive.

SUBJECT, HOWEVER, to a perpetual right and easement for electrical purposes in favor of Hawaiian Electric Company, Inc. and G.T.E. Hawaiian Telephone Company Incorporated, recorded as Liber 3982, Page 291 on December 15, 1960.

SUBJECT, also to a nonexclusive easement for water purposes in favor of City and County of Honolulu and Board of Water Supply, recorded as Liber 6237, Page 51 on July 3, 1968.



Description Prepared By:

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

*Erik S. Kaneshiro* EXP 04/04  
 ERIK S. KANESHIRO  
 Licensed Professional Land Surveyor  
 Certificate No. 9826

Honolulu, Hawaii  
 October 21, 2002  
 Tax Map Key: (1<sup>st</sup> Div.) 4-3-7: Por. 18



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

501 SUMNER STREET, SUITE 521  
 HONOLULU, HAWAII 96817-5031

1871 WILI PA LOOP, SUITE A  
 WAILUKU, MAUI, HAWAII 96793

(C.P.R.) PUULANI KAI CONDOMINIUM PROJECT

LIMITED COMMON ELEMENT 2

Being all of Lot 231 as shown on Map 82 and all of Lot 167-A-3 as shown on Map 26 of Land Court Application No. 505, and a portion of Lot 6 of a subdivision of portion of Royal Patent 4475, Land Commission Award 7713, Apana 45 to V. Kamamalu. Situate at Kaelepulu, Koolaupoku, Oahu, Hawaii.

Beginning at the West corner of this parcel of land, being also the North corner of Limited Common Element 1 of the Puulani Kai Condominium Project, the coordinates of said point of beginning referred to Government Survey Triangulation Station "MOKAPU" being 23,074.60 feet South and 4,422.84 feet East and running by azimuths measured clockwise from true South:

1. 200° 18' 00" 114.70 feet along Lot 2 and Lot 1 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu;
2. 211° 04' 00" 68.90 feet along Lot 167-A-12 as shown on Map 26 of Land Court Application No. 505;
3. 244° 07' 00" 114.43 feet along Lot 167-A-1-A-2 as shown on Map 50 of Land Court Application No. 505;
4. 328° 00' 00" 70.00 feet along Lot 167-A-6 as shown on Map 26 of Land Court Application No. 505;
5. 331° 59' 30" 140.34 feet along Lot 167-A-5 and Lot 167-A-4 as shown on Map 26 of Land Court Application No. 505;
6. 238° 00' 00" 124.77 feet along Lot 167-A-4 as shown on Map 26 of Land Court Application No. 505;
7. 328° 00' 00" 5.00 feet along the Westerly side of Aalapapa Drive;
8. 58° 00' 00" 125.12 feet along Lot 167-A-2 as shown on Map 26 of Land Court Application No. 505;



AUSTIN, TSUTSUMI & ASSOCIATES, INC.

CIVIL ENGINEERS • SURVEYORS

501 SUMNER STREET, SUITE 521  
HONOLULU, HAWAII 96817-5031

1871 WILI PA LOOP, SUITE A  
WAILUKU, MAUI, HAWAII 96793

9. 58° 00' 00" 20.00 feet along Lot 167-A-1-B as shown on Map 32 of Land Court Application No. 505;
10. 354° 29' 30" 78.21 feet along same;
11. 328° 00' 00" 97.28 feet along Lot 167-A-13 as shown on Map 26 of Land Court Application No. 505;
12. 44° 11' 00" 93.57 feet along Lot 166 as shown on Map 2 of Land Court Application No. 505;
13. 134° 11' 00" 198.69 feet along Lot 232 as shown on Map 82 of Land Court Application No. 505;

Thence along Lot 232 as shown on Map 82 of Land Court Application No. 505 and Lot 7 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu on a curve to the left with a radius of 75.00 feet, the chord azimuth and distance being:

14. 53° 30' 58" 33.53 feet;
15. 124° 53' 00" 27.05 feet along Common Element "Drive-way" of the Puulani Kai Condominium Project, being also along the remainder of Lot 6 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu;

Thence along Limited Common Element 1 of the Puulani Kai Condominium Project, being also along the remainder of Lot 6 of a subdivision of portion of R.P. 4475, L.C. Aw. 7713, Ap. 45 to V. Kamamalu on a curve to the left with a radius of 10.00 feet, the chord azimuth and distance being:



16. 183° 49' 00" 10.32 feet;  
 17. 152° 45' 00" 20.66 feet along same;

Thence along same on a curve to the left with a radius of 50.00 feet, the chord azimuth and distance being:

18. 137° 43' 45" 25.92 feet;  
 19. 122° 42' 30" 50.72 feet along same to the point of beginning and containing an area of 1.651 acres.

TOGETHER with rights of access for road and utility purposes over Common Element "Driveway" of the Puulani Kai Condominium Project and over an easement forty (40.00) feet wide for road and utility purposes connecting Common Element "Driveway" to Kaelepulu Drive.

TOGETHER also with a perpetual right of way as an easement or easements appurtenant to Lot 167-A-3 as shown on Map 26 and Lot 231 as shown on Map 82 of Land Court Application No. 505, in common with all others entitled, over and along each and all of the several strips of land, each fifteen feet wide, leading from Mokulua Drive to the high water mark of the sea, described and shown on Map 2 of Land Court Application No. 505 as Lots B, C, D, E, F, G, and H.

SUBJECT, HOWEVER, to a perpetual right and easement for electrical purposes in favor of Hawaiian Electric Company, Inc. and G.T.E. Hawaiian Telephone Company Incorporated, recorded as Liber 3982, Page 291 on December 15, 1960.



Description Prepared By:

AUSTIN, TSUTSUMI & ASSOCIATES, INC.

*Erik S. Kaneshiro* EXP 8/04  
 ERIK S. KANESHIRO  
 Licensed Professional Land Surveyor  
 Certificate No. 9826

Honolulu, Hawaii  
 October 21, 2002  
 Tax Map Key: (1<sup>st</sup> Div.) 4-3-7: Por. 18



**EXHIBIT H**  
**ESTIMATE OF INITIAL MAINTENANCE FEES**  
**AND**  
**ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

PUULANI KAI CONDOMINIUM

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months</u>	<u>Yearly Total</u>
Unit 1	104.00	1,250.00
Unit 2	104.00	1,250.00

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

**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
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance 167.00 2,000.00

Reserves(\*) 42.00 500.00

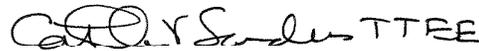
Taxes and Government Assessments

Audit Fees

Other

TOTAL

Cathleen V. Sanders, Trustee  
 I, \_\_\_\_\_, as agent and employed by \_\_\_\_\_, the condominium managing agent or the developer, for the condominium project Puulani Kai Condominium, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

 TTEE

(\*) Mandatory reserves in effect January 1, 1993

Date: 12/14/02