

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer JENARO HOYOS and ELAINE SAYOKO TOM-HOYOS, Trustees
Address 1576 California Avenue, Wahiawa, HI 96786

Project Name (\*): ELAINE CONDOMINIUM
Address: 1568, 1570, 1576 and 1576A California Avcnuc, Wahiawa, HI 96786

Registration No. 5255 (Conversion) Effective date: January 2, 2004 Expiration date: February 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 advice before signing a sales contract for the purchase of an apartment in the project.

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

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

Type of Report:

- PRELIMINARY: (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [ ] Supersedes all prior public reports

(\* ) 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 A       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 governmental 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: JENARO HOYOS and ELAINE SAYOKO TOM-HOYOS, Trustees Phone: (808) 621-0351  
Name\* (Business)  
1576 California Avenue  
Business Address  
Wahiawa, Hawaii 96786

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\*: Hawaiian Island Homes Ltd. Phone: (808) 946-3222  
Name (Business)  
931 University Avenue, Ste. 207  
Business Address  
Honolulu, Hawaii 96826

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211  
Name (Business)  
235 Queen Street  
Business Address  
Honolulu, Hawaii 96813

General Contractor\*: N/A (Conversion) Phone: ( )  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

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

Attorney for Developer: Brooks Tom Porter & Quitiquit, LLP Phone: (808) 526-3011  
Name (Business)  
841 Bishop Street, Suite 2125  
Business Address  
Honolulu, Hawaii 96813  
Attn: Edward R. Brooks, Esq.

\* 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. 2003-152306  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

N/A

- 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. 3615  
 Filed - Land Court Condo Map No. \_\_\_\_\_

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

N/A

- 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. 2003-152307  
Book \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. \_\_\_\_\_

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

N/A

**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	_____	Majority of Board

\* The percentage 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:

See EXHIBIT B



**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: 1568, 1570, 1576 and 1576A California Avenue, Wahiawa, HI Tax Map Key (TMK): (1) 7-5-003-004

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

Land Area: approx. 27,096 \_\_\_\_\_  square feet  acre(s) Zoning: R-7.5 \_\_\_\_\_

Fee Owner: JENARO HOYOS and ELAINE SAYOKO TOM-HOYOS, Trustees  
 Name  
1576 California Avenue  
 Address  
Wahiawa, Hawaii 96786

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: 4 Floors Per Building Unit A- 2; All others - 1

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>4</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other (Parking):	_____	<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: Household pets not to exceed two (2)

Number of Occupants: \_\_\_\_\_

Other: See EXHIBIT C

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: N/A                      Unit A - 1  
 Stairways: Others - None                      Trash Chutes: N/A

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Floor Area (sf)*</u>	<u>Net Lanai Area (sf)</u>	<u>Net Combined Area (Living + Lanai) (sf)</u>
<u>A</u>	<u>1</u>	<u>4/3</u>	<u>1,662</u>	<u>160</u>	<u>1,822</u>
<u>B</u>	<u>1</u>	<u>3/1</u>	<u>886</u>	<u>N/A</u>	<u>866</u>
<u>C</u>	<u>1</u>	<u>2/1</u>	<u>723</u>	<u>N/A</u>	<u>723</u>
<u>D</u>	<u>1</u>	<u>3/1</u>	<u>886</u>	<u>N/A</u>	<u>886</u>

Total Apartments: 4

**\*Net Floor 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:

Each apartment shall be deemed to include the entire structure comprising the single-family condominium dwelling located on the limited common element land area appurtenant thereto.

Permitted Alterations to Apartments:

See EXHIBIT D

7. Parking Stalls:

Total Parking Stalls: 8

	<u>Regular</u>		<u>Compact</u>		<u>Handicap</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)*	<u>2</u>	<u>4</u>	<u>1</u>	<u>1</u>	<u>    </u>	<u>    </u>	<u>8</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>6</u>	<u>    </u>	<u>2</u>	<u>    </u>	<u>0</u>	<u>    </u>	<u>8</u>

Each apartment used for residential purposes 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)

\* To the best of the Developer's knowledge, the Project is in compliance with all zoning and building ordinances and codes of the City and County of Honolulu, and all other permitting requirements of the City and County of Honolulu which are applicable to the Project. See EXHIBIT A.

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):

According to a Certificate dated June 5, 2003, from James A. Adams, Professional Engineer, the major structural beams and foundations, as well as the mechanical and electrical installations comprising the Project, are in satisfactory condition. No representations of any kind are made as to the expected useful life, if any, thereof.

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:

Zoning Variance No. 98/VAR-35 was granted on January 4, 1999 to allow 4 non-conforming single-family dwellings on the lot. See EXHIBIT A.

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>	_____	_____

\* See EXHIBIT A

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

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

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

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

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

described in Exhibit E.

as follows:

2. **Limited Common Elements:** 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: 25% for each unit

- 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 20, 2003 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed <b>Prior to Conveyance</b></u>
Mortgage and Financing Statement	There are two (2) Mortgages which are blanket liens on all of the units in the Project, and will be released as to each buyer's unit before the Developer conveys the unit to the buyer. If the Developer defaults under the Mortgage prior to conveying any unit to a buyer, the buyer's interest could be terminated. In the event of such termination, the buyer's deposit would be returned in the manner set forth in the Sales Contract, less escrow cancellation fee.

**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 - See EXHIBIT G

2. Appliances:

NONE - See EXHIBIT G

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

According to the Building Department records, Unit C was constructed in the 1930's, and Units B and C were constructed in the 1960's. There are no records indicating when Unit A was constructed.

**H. Project Phases:**

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

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

**IV. CONDOMINIUM MANAGEMENT**

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

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

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

- |   |   |
|---|---|
| <input type="checkbox"/> not affiliated with the Developer                              | <input type="checkbox"/> the Developer or the Developer's affiliate |
| <input checked="" type="checkbox"/> self-managed by the Association of Apartment Owners | <input type="checkbox"/> 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 A 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: \_\_\_\_\_

\* Apartments 1568 and 1570 share a water meter and apartment 1576 A and 1576 share a water meter. Thus, the monthly bill for water and sewer covers and includes usage for two units, as opposed to a separate bill for each unit. A purchaser of apartment 1568 and a purchaser of apartment 1570 need to make arrangements with each other to allocate monthly payments for water/sewer usage. Likewise, a purchaser of unit 1576 A and a purchaser of unit 1576 need to make arrangements with each other to allocate monthly payments for water/sewer usage. The apartment purchasers may install at their own expense separate water meters for each apartment. The Developer has no obligation to install separate water meters for any of the units.

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 N/A

Specimen Sales Contract

Exhibit H contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated December 5, 2003

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the 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 part of Registration No. 5255 filed with the Real Estate Commission on December 11, 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:**

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. Developer has elected to include the information here in this public report and provide the information in a published announcement or advertisement:

The Developer owns all 4 of the units in the Project. However, at this time the Developer is only offering for sale Unit C (located at 1570 California Avenue) and Unit D (located at 1568 California Avenue). Although the information contained and all documents described in this Final Public Report apply to all 4 of the units in the Project, only Units C and D are being offered for sale at this time.

Hazardous Materials

The developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the units or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. In light of the age of the Project, there may be asbestos and other hazardous substances in the units, or in, under or around the Project. Because of the possible presence of such substances, all buyers should have the units inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the units or in the Project or anything installed or contained therein and all buyers must release the developer from any liability to the buyers if any hazardous materials are discovered.

Lead Warning Statement

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

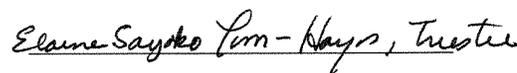
- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The 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.

JENARO HOYOS and ELAINE SAYOKO TOM-HOYOS, Trustees  
 Printed Name of Developer


12-4-03  
Date

---

Jenaro Hoyos, Trustee  
 Printed Name & Title of Person Signing Above


12/4/03  
Date

---

Elaine Sayoko Tom-Hoyos, Trustee  
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

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

EXHIBIT A

DISCLOSURE ABSTRACT

1. Project: ELAINE CONDOMINIUM  
1568 California Avenue (Unit D)  
1570 California Avenue (Unit C)  
1576 California Avenue (Unit A)  
1576A California Avenue (Unit B)  
Wahiawa, Hawaii 96786
  
2. Developer: JENARO HOYOS and ELAINE SAYOKO TOM-HOYOS, Trustees of that certain unrecorded Jenaro Hoyos and Elaine Sayoko Tom-Hoyos Joint Self Trusteed Trust dated January 8, 1992  
1576 California Avenue  
Wahiawa, Hawaii 96786  
(808) 621-0351
  
3. Managing Agent: self-managed
  
4. Real Estate Broker: Hawaiian Island Homes Ltd.  
931 University Avenue #207  
Honolulu, Hawaii 96826  
(808) 946-3222
  
5. Maintenance Fees: The maintenance and repair of each condominium unit and all utility charges and insurance premiums, are the sole responsibility of the owner thereof. There are no common services or expenses which will require monthly assessments.<sup>1</sup>

The Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

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<sup>1</sup>While HRS §514A-86 requires the Association of Apartment Owners to purchase a fire insurance policy to cover the improvements of the projects and specifies that premiums for the policy are common expenses, the Developer anticipates that the Association will elect to permit the unit owners to obtain and maintain separate fire insurance policies and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of the unit owner and not common expenses. Developer estimates the annual premium to be \$396.00 for Unit C, and \$517.00 for Unit D, based on the actual premiums Developer has been paying for such Units.

6. Warranties: Developer is conveying the unit and anything installed or contained therein in "AS IS" condition with "ALL FAULTS". Developer disclaims any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the units or their contents. Developer will not be liable to any persons for any construction or other defects, including any latent or hidden defects in the Project, the units or anything contained therein. This means that unit owners will not have the right to file any lawsuit for damages against Developer for any defects discovered by the unit owners.

7. Number of Units; Permitted Use. The Project contains four (4) units, all of which are intended for residential use. There is no commercial development in the Project.

Each unit shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. No unit shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The respective residential units shall not be rented by the residential unit owners thereof for transient or hotel purposes, nor in connection with any time-sharing purpose. Other than the foregoing restrictions, the residential unit owners of the respective units shall have the absolute right to lease the same, provided that such lease covers an entire residential unit, is in writing and is made subject to the covenants and restrictions contained in the Declaration and By-Laws for the Project, as amended.

8. Existing Structures. According to a letter dated December 5, 2002, from the Department of Planning and Permitting of the City and County of Honolulu, Variance 98-VAR-35 was approved with conditions on January 4, 1999, to allow four (4) dwelling units on the property, which exceed the maximum density and lack the required land area for an existing use permit. Existing Use Permit 2000/EU-16 was approved with conditions on October 27, 2000 for the four units. The parking plan for the Project, as required by Condition No. 9 of the Existing Use Permit, was approved by the Department on May 29, 2001. The letter also states that the gravel surface parking spaces and the gravel driveway are considered nonconforming. The carport structures attached to Units A and D, as shown on the site plan for the Existing Use Permit, are considered nonconforming (spacing). The encroachment of Unit A into the required 5-foot side yard setback was administratively waived by letter BA99-32 dated April 6, 1999.

No other variances or special permits were granted to allow deviations from any applicable codes. Neither the Department of Planning and Permitting nor the Developer can determine whether the Project contains any other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes. However, to Developer's knowledge, information and belief, except as otherwise disclosed herein, the Project is in compliance with all zoning and building ordinances and codes of the City and County of Honolulu in force at the time of its construction.

Existing Use Permit 2000/EU-16, described above, contains certain conditions for the continued use, repair, alteration, expansion, relocation and reconstruction of the units in the Project. Said Permit is attached to and made a part of that certain Unilateral Agreement and Declaration of Restrictive Covenants dated July 11, 2003 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2003-144151, as amended by instrument dated July 18, 2003 recorded as aforesaid as Document No. 2003-150057.

According to a Certificate dated June 5, 2003, from James A. Adams, Professional Engineer, the major structural beams and foundations, as well as the mechanical and electrical installations comprising the Project, are in satisfactory condition. No representations of any kind are made as to the expected useful life, if any, thereof. The Developer does not represent or warrant that the Certificate is correct or complete. The Certificate should not be relied upon as the opinion of the Developer. No representations are made by the Developer with respect to the expected useful life of the structural components or the mechanical and electrical installations in the Project.

Because the Project is being sold by the Developer in "AS IS" condition with "ALL FAULTS", each buyer should carefully review the letter in its entirety, and inspect the buyer's Unit and the Project or have the Unit and the Project inspected by buyer's own experts to buyer's complete satisfaction.

Dated: Honolulu, Hawaii, 12/5/03, 2003.

Jenaro Hoyos, Trustee  
JENARO HOYOS, Trustee of that  
certain unrecorded Jenaro Hoyos and  
Elaine Sayoko Tom-Hoyos Joint Self  
Trusted Trust dated January 8,  
1992

Elaine Sayoko Tom-Hoyos, Trustee  
ELAINE SAYOKO TOM-HOYOS, Trustee of  
that certain unrecorded Jenaro  
Hoyos and Elaine Sayoko Tom-Hoyos  
Joint Self Trusted Trust dated  
January 8, 1992

Developer

EXHIBIT B

DEVELOPER'S RESERVED RIGHTS  
TO CHANGE CONDOMINIUM DOCUMENTS

Following is a brief summary of certain provisions in the Declaration, By-Laws and the Sales Contract, as indicated, wherein the Developer has reserved the right to change the condominium documents, including the Declaration, By-Laws and the Condominium Map:

I. DECLARATION

In paragraph S of the Declaration, the Developer reserves the right, at any time prior to the conveyance of a unit to a buyer, to amend the Declaration and the By-Laws in any manner as the Developer may deem fit.

In paragraph U of the Declaration, the Developer reserves the right for itself and its agents, until such time as all the units in the Project are sold, to:

A. Grant utility and access easements and quitclaim any easements in favor of the Project which are not required for the Project. Unit owners agree, upon request, to join in and execute any and all documents designating, granting and quitclaiming any such easements.

B. Amend the Declaration, the Condominium Map and By-Laws consistent with any grants or reservations of the Developer under the Declaration.

C. Conduct sales of units at the Project, including, but not limited to, maintaining model units, operating a sales office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales.

D. Amend the Declaration, the By-Laws and the Condominium Map, without the approval, consent or joinder of any purchaser or owner of a unit, to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the units, by any institutional lender lending funds on the security of the Project or any of the

units, by any purchaser, insurer or guarantor of loans, including, for example, the Federal National Mortgage Association or Federal Home Loan Mortgage Corporation, to enable it to purchase, insure or guarantee a loan made on the security of the Project or any of the units, or by any governmental agency.

E. To reconfigure the Project or any unit with respect to which a deed has not been recorded.

## II. BY-LAWS

In Article II, Section 2 of the By-Laws, the Developer reserves the right to exercise the powers, vote and act for the Association and the Board on all matters until the first unit in the Project is conveyed to a buyer (except as to those rights reserved to the Developer in paragraph U of the Declaration, which rights are reserved until all of the activities described therein have been completed).

## III. SALES CONTRACT

The Developer, as Seller, reserves the right to modify all documents related to the Project, including the Declaration, By-Laws, Condominium Map, Condominium Deed, Disclosure Abstract and any exhibits to such documents, to alter the Project and the units (and to modify said documents accordingly).

Without limiting the generality of the foregoing, Developer reserves the right to change the configurations of, or to alter the number of rooms of or to decrease or increase the size of, or to change the location of any unit in accordance with complete plans and specifications therefor prepared by a licensed architect, and to make other changes in the units and in the common elements, and to increase or decrease the purchase price of the Unit or any other unit in the Project.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE DECLARATION, THE BY-LAWS AND THE SALES CONTRACT RESPECTING THE DEVELOPER'S RESERVED RIGHTS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO THE DEVELOPER'S RESERVED RIGHTS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT C

SPECIAL USE RESTRICTIONS

The following provisions in the Declaration and By-Laws, as indicated, contain restrictions on the use of the units and the common elements of the Project:

I. DECLARATION

Paragraph F.2 of the Declaration provides that the area designated on the Condominium Map as "Limited Common Element For Road and Utility Purposes (1,316 sq. ft.) in Favor of Units A, B and C, shall be a limited common element for the exclusive use of Units A, B and C.

Pursuant to paragraph J of the Declaration, each unit shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. No unit shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The units shall not be rented by the owners thereof for transient or hotel purposes, as defined in the Declaration. Neither said units nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. Other than the foregoing restrictions, the unit owners shall have the absolute right to lease the same, provided that such lease covers an entire unit, is in writing and is made subject to the covenants and restrictions contained in the Declaration and in the By-Laws.

II. BY-LAWS

Article VIII, Section 5 of the By-Laws lists a variety of restrictions affecting the use of the units and common elements, including, without limitation, restrictions as to the posting of advertisements, posters or other signs on or about the Project; noise; disposal of garbage; uses which may cause an increase in the ordinary premium rates or cancellation or invalidation of any insurance maintained by or for the Board; noxious or offensive activities; the storage of furniture,

packages or other objects which could obstruct transit through the common elements; the construction or placement in the Project of any building or structure; the alteration of any common elements of the Project; installation or maintenance of any television or other antennas in the Project; and the keeping of pets.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN USE PROVISIONS STATED IN THE DECLARATION AND BY-LAWS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE USE RELATED PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT D

PERMITTED ALTERATIONS TO UNITS

The Declaration and By-Laws permit alterations to the units as follows:

I. DECLARATION

Paragraph Q of the Declaration provides that restoration or replacement of any unit or construction of any additional improvements, alterations or additions to any unit different in any material respect from the Condominium Map of the Project shall be undertaken by a unit owner, subject to the conditions set forth below:

1. All plans and specifications therefor shall comply with applicable setback requirements, building codes and zoning ordinances.

2. No change to a unit shall be made if the effect of such change would be to exceed the unit's proportionate share of the allowable floor area or lot area coverage for the land on which the Project is located, pursuant to the then applicable zoning and building codes. The proportionate share for each unit shall be the same as its percentage interest in the common elements.

3. All changes shall be at the sole expense of the unit owner making such changes and shall be completed expeditiously and in a manner that will not unreasonably interfere with the other unit owners' use of their units or land areas.

4. During construction, the unit owner making such changes will obtain at its sole expense builder's all-risk insurance in an amount not less than the estimated cost of construction, and the Association shall be named as additional insured.

5. Promptly upon completion of such restoration, replacement or construction, the owner shall duly record or file of record an amendment to the Declaration, together with a complete set of floor plans of the unit as so altered, certified as built by a registered architect or professional engineer;

provided, however, that notwithstanding any provision in this Declaration to the contrary, any alterations or additions within a unit may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the unit so altered. All present and future unit owners and their mortgagees, by accepting an interest in a unit in the Project, shall be deemed to have given each unit owner a power of attorney to execute such an amendment to this Declaration, so that each unit owner shall have a power of attorney from all other unit owners to execute such an amendment. This power of attorney shall be deemed coupled with each owner's interest in such owner's unit and shall be irrevocable.

6. Each conveyance, lease and mortgage or other lien made or created on any unit in the Project and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph Q.

Developer does not give any assurances that the units can be expanded and Developer does not give any assurances that variances are obtainable from the City and County of Honolulu for any proposed improvements.

Paragraph V of the Declaration provides that Existing Use Permit 2000/EU-16 described therein, contains certain conditions for the continued use, repair, alteration, expansion, relocation and reconstruction of the units in the Project. Said Permit is attached to and made a part of that certain Unilateral Agreement and Declaration of Restrictive Covenants dated July 11, 2003 and recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2003-144151, as amended by instrument dated July 18, 2003 and recorded as aforesaid as Document No. 2003-150057.

## II. BY-LAWS

Article VIII, Section 4 of the By-Laws prohibits any owner from doing any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, or impair any easement or hereditament, nor may any owner add any material structure or excavate any additional basement or cellar, without in every such case the consent of seventy-five percent (75%) of the owners, together with the consent of all owners whose units

or limited common elements appurtenant thereto are directly affected, being first obtained.

THIS EXHIBIT CONTAINS EXCERPTS OF THE PROVISIONS CONTAINED IN THE DECLARATION AND THE BY-LAWS RESPECTING PERMITTED ALTERATIONS TO THE UNITS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO PERMITTED ALTERATIONS CONTAINED IN THE AFORESAID DOCUMENTS.

EXHIBIT E

DESCRIPTION OF COMMON  
ELEMENTS AND LIMITED COMMON ELEMENTS

I. COMMON ELEMENTS

Paragraph E of the Declaration describes the common elements as all portions of the land and improvements (other than the units), the land on which the units are located and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements include, but are not limited to the following:

1. The land on which the Project is located.
2. All central and appurtenant installations for services such as power, lights, telephone, hot and cold water lines, television cable lines, and other utilities which serve more than one unit (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in units), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for common use.
3. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any unit.

II. LIMITED COMMON ELEMENTS

Paragraph F of the Declaration describes the limited common elements as certain parts of the common elements which are set aside and reserved for the exclusive use of certain units, which units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each unit are as follows:

1. The site of each unit and the private yard area, as shown and delineated on the Condominium Map, shall be a limited common element for the exclusive use of the unit to which it is appurtenant; provided that each unit owner shall be responsible for and shall bear the expense of installing and

maintaining all landscaping within such limited common element land area, and of repairing, restoring or reinstating any walkways, stairways, fences, walls, pavement, water lines, and other improvements located within such designated limited common element land area. The limited common element land area appurtenant to each unit is indicated on the Condominium Map and contains the following approximate number of square feet:

Unit A	8,966 square feet
Unit B	9,106 square feet
Unit C	3,260 square feet
Unit D	4,448 square feet

2. The area designated on the Condominium Map as "Limited Common Element For Road and Utility Purposes (1,316 sq. ft.) in Favor of Units A, B and C, shall be a limited common element for the exclusive use of Units A, B and C.

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Rights-of-way and water rights as were conveyed to the Wahiawa Water Company, Limited, by Deeds dated April 18, 1903, recorded in Liber 266 at Page 26 and Liber 269 at Page 2.

Said rights-of-way were conveyed to the City and County of Honolulu, by instrument dated June 16, 1953, recorded in Liber 2731 at Page 173.

2. MORTGAGE AND FINANCING STATEMENT

LOAN/ACCOUNT NO. 19-0606066

MORTGAGOR : JENARO HOYOS and ELAINE SAYOKO TOM-HOYOS, Trustees of that certain unrecorded Jenaro Hoyos and Elaine Sayoko Tom-Hoyos Joint Self Trusteed trust dated January 8, 1992, and ETSUKO YOSHIDA, Trustee of that certain unrecorded George Koichi Yoshida and Etsuko Yoshida Joint Self Trusteed Trust dated January 2, 1992

MORTGAGEE : AMERICAN SAVINGS BANK, F.S.B., a federal savings bank

DATED : April 29, 1997

RECORDED : Document No. 97-057651

AMOUNT : Equity PowerLine Agreement, sums not to exceed \$50,000.00

SUBORDINATION AGREEMENT

DATED : December 20, 2001

RECORDED : Document No. 2001-203989

Subordinates said above Mortgage to the lien of that certain Mortgage recorded as Document No. 2001203988.

3. MORTGAGE

MORTGAGOR : ELAINE SAYOKO TOM-HOYOS, JENARO HOYOS, Trustees of the ELAINE SAYOKO TOM-HOYOS AND

JENARO HOYOS JOINT SELF TRUSTEED TRUST dated  
January 8, 1992  
MORTGAGEE : AMERICAN SAVINGS BANK, F.S.B., a federal  
savings bank  
DATED : December 20, 2001  
RECORDED : Document No. 2001-203988  
AMOUNT : \$220,000.00

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

INSTRUMENT : UNILATERAL AGREEMENT AND DECLARATION OF  
RESTRICTIVE COVENANTS  
DATED : July 11, 2003  
RECORDED : Document No. 2003-144151  
PARTIES : JENARO HOYOS and ELAINE SAYOKO TOM-HOYOS,  
Trustees of that certain unrecorded Jenaro  
Hoyos and Elaine Sayoko Tom-Hoyos Joint Self  
Trusteed Trust dated January 8, 1992

ABOVE UNILATERAL AGREEMENT AND DECLARATION AMENDED BY  
INSTRUMENT

DATED : July 18, 2003  
RECORDED : Document No. 2003-150057  
RE : to include a copy of the permit as Exhibit  
"B"

5. 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 ELAINE CONDOMINIUM PROJECT  
DATED : July 11, 2003  
RECORDED : Document No. 2003-152306  
MAP : 3615 and any amendments thereto

6. 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 : July 11, 2003

RECORDED : Document No. 2003152307

7. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.
8. For real property taxes due and payable, refer to Director of Finance, City and County of Honolulu.

EXHIBIT G

CONSTRUCTION WARRANTIES

The Sales Contract used in connection with the Project provides as follows:

"Buyer hereby acknowledges and agrees that Seller is conveying the above-described Unit and anything installed or contained therein in "AS IS" condition with "ALL FAULTS". Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranty of habitability, with respect to the Project, the units or their contents, and that Seller will not be liable to Buyer or any other unit owners for any construction or other defects, including any latent or hidden defects in the Project, the units or anything contained therein. This means that neither Buyer nor any other unit owner will have the right to file any lawsuit for damages against Seller for any defects discovered by them."

## EXHIBIT H

### SUMMARY OF PERTINENT PROVISIONS OF SALES CONTRACT

Developer has filed a specimen Deposit Receipt Offer and Acceptance, and Elaine Condominium Addendum (the "Contract"), with the Hawaii Real Estate Commission, which contains certain pertinent provisions summarized as follows:

Buyer's Acknowledgments. Buyer acknowledges that Buyer will examine and carefully read (or waive such examination and reading) prior to closing, a copy of the recorded Declaration, By-Laws and Condominium Map for the Project, the Unilateral Agreement and Declaration of Restrictive Covenants, the Final Public Report, the Disclosure Abstract, the form of Condominium Deed, the Condominium Escrow Agreement and all amendments to such documents, true copies of which are filed in the Office of the Commission and are available for Buyer's examination at the office of Developer's real estate broker. By signing the Condominium Deed, Buyer will be deemed to have approved all of the foregoing documents.

Cancellation Rights. In addition to any other rights of cancellation or termination reserved to Developer, if Buyer's initial deposit check is returned for insufficient funds, Developer reserves the right to return Buyer's check or payments, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses. Until Developer so elects to cancel the Contract, it shall remain in full force and effect. If Buyer (or any one of them if Buyer is more than one person) should die prior to closing, then either Buyer or Developer has the right to cancel this Contract, and upon such cancellation, Developer will return Buyer's check or payment, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses. Until either party so elects to cancel the Contract, it shall remain in full force and effect.

Buyer's Right To Rescind. Buyer has the right to rescind the Contract under the following terms:

(a) Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration,

if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Unit or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale and to receive a prompt and full refund of any monies paid. Buyer's right of rescission is waived upon satisfaction of certain specified conditions.

Default. If Buyer defaults in any payment when required or fail to perform any other obligations required of Buyer and shall fail to cure such default within ten (10) days after receipt of written notice thereof from Developer, Developer may, at Developer's option, terminate the Contract by written notice to Buyer. In the event of such default, the sums paid by Buyer prior to such default shall belong to Developer as liquidated damages. In addition, Buyer shall pay all fees for the preparation of documents in connection with Buyer's proposed purchase of the Unit. Developer may also pursue any other remedy at law or in equity for specific performance, damages, and all costs, including attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

If Developer defaults in the performance of any obligation required of Developer under the Contract, Buyer shall be entitled to specific performance of the Contract or Buyer shall have the right to cancel the Contract. In the event of such cancellation, Developer shall repay to Buyer all sums paid by Buyer to Developer or Escrow Agent, and, in addition, Developer shall pay Buyer ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) as liquidated damages for Developer's default. Buyer expressly waives any other right or remedy against Developer.

THIS EXHIBIT CONTAINS ONLY SUMMARIES OF CERTAIN PERTINENT PROVISIONS CONTAINED IN THE SALES CONTRACT. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED IN THE SALES CONTRACT.

EXHIBIT I

SUMMARY OF PERTINENT  
PROVISIONS OF ESCROW AGREEMENT

The Escrow Agreement (the "Escrow Agreement"), executed by and between Title Guaranty Escrow Services, Inc., as Escrow, and Jenaro Hoyos and Elaine Sayoko Tom-Hoyos, as Developer, provides that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

(a) Developer has requested Escrow in writing to return to purchaser the funds of purchaser held by Escrow; or

(b) Developer has notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised the purchaser's right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) The purchaser has exercised the purchaser's right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. PROSPECTIVE BUYERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE AGREEMENT.