

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer: Patricia S. Liu, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Florence M. Miura dated January 31, 1997, and Patricia S. Liu, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Harry Nanato Miura dated February 12, 1971, as amended, both of said Successor Trustees having full powers to sell, mortgage, lease, and other powers more fully set forth therein, and Miura Land Company, Ltd., a Hawaii corporation

Address: 1717 Palolo Avenue Honolulu, Hawaii 96816

Project Name (*): 1717 Palolo Avenue

Address: 1717 Palolo Avenue, Honolulu, Hawaii 96816

Registration No. 5362 (Conversion)

Effective date: June 23, 2004 Expiration date: July 23, 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. A Final Public Report will be issued by the developer when complete information is filed.

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

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

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

(*) Exactly as named in the Declaration This material can be made available for individuals with special needs. Please all the Senior Condominium Specialist at 586-2643 to submit your request.

CONDOMINIUM PUBLIC REPORT

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

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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: Patricia S. Liu, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Florence M. Miura dated January 31, 1997, and Patricia S. Liu, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Harry Nanato Miura dated February 12, 1971, as amended, both of said Successor Trustees having full powers to sell, mortgage, lease, and other powers more fully set forth therein, and Miura Land Company, Ltd., a Hawaii corporation
Name* Phone: 595-8593 (Business)
1717 Palolo Avenue Business Address Honolulu, Hawaii 96816

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):
Miura Land Company, Ltd.; Patricia Ann Liu, President; Warren N. Miura, Vice President; Dawson T. Miura, Marylou Martin Kimberly Higashi, Warren Ono-Directors

Real Estate Broker*: Realty Edge, Inc. Phone: (808) 951-8888 (Business)
1655 Makaloa Street, PH 2701B Business Address Honolulu, Hawaii 96814

Escrow: First Hawaii Title Corporation Phone: (808) 521-3411 (Business)
201 Merchant Street, Suite 2000 Business Address Honolulu, Hawaii 96813

General Contractor*: N/A Phone: (Business)
Business Address

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

Attorney for Developer: Reid A. Nakamura Oliver, Lau, Lawhn, Ogawa & Nakamura Phone: (808) 533-3999 (Business)
707 Richards St., Suite 600 Business Address Honolulu, Hawaii 96813

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

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2003-287322
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]:

First Amendment To Declaration of Condominium Property Regime and By-Laws of the Association of Apartment Owners of 1717 Palolo Avenue, dated April 22, 2004 and recorded as Document No. 2004-086664.

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. 3694
 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]:

First Amendment To Declaration of Condominium Property Regime and By-Laws of the Association of Apartment Owners of 1717 Palolo Avenue, dated April 22, 2004 and recorded as Document No. 2004-086664.

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. 2003-287323
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]:

First Amendment To Declaration of Condominium Property Regime and By-Laws of the Association of Apartment Owners of 1717 Palolo Avenue, dated April 22, 2004 and recorded as Document No. 2004-086664.

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

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

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

2. **Developer:**

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

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

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Sub-leaseholds:

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address 1717 Palolo Avenue Tax Map Key (TMK): (1)3-3-041-009
Honolulu, Hawaii 96816

Address TMK is expected to change because _____

Land 46,790 square feet acre(s) Zoning: R-5

Fee Owner: **Patricia S. Liu**, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Florence M. Miura dated January 31, 1997, and **Patricia S. Liu**, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Harry Nanato Miura dated February 12, 1971, as amended, both of said Successor Trustees having full powers to sell, mortgage, lease, and other powers more fully set forth therein, and **Miura Land Company, Ltd.**, a Hawaii corporation
 Name
1717 Palolo Avenue
 Address
Honolulu, Hawaii 96816

Lessor: N/A
 Name

 Address

C. Buildings and Other Improvements:

- A. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
- B. Number of Buildings: Nine Floors Per Building: Units A-H - 1 each
Unit M - 2
 Exhibit _____ contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other

4. Uses Permitted by Zoning:

| | No. of <u>Apts.</u> | <u>Use Permitted By Zoning</u> |
|---|------------------------|---|
| <input checked="" type="checkbox"/> Residential | <u>9</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: Dogs, cats, and other usual and customary animals may be kept in reasonable number by occupants in their respective Units and upon the limited common elements appurtenant thereto, provided such animals shall not be kept, bred or used for any commercial purposes
- Number of Occupants:
- Other:
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: N/a Stairways: Trash Chutes: None

| <u>Apt. Type</u> | <u>Quantity</u> | <u>BR/Bath</u> | <u>Net Living Area (sf)*</u> | <u>Net Other Area (sf)</u> | <u>(Identify)</u> |
|------------------|-----------------|--------------------|------------------------------|----------------------------|-----------------------------|
| Unit A | <u> 1 </u> | <u> 2/1 </u> | <u> 590 </u> | <u> 239 </u> | <u>carport/storage</u> |
| Unit B | <u> 1 </u> | <u> 2/1 </u> | <u> 590 </u> | <u> 239 </u> | <u>carport</u> |
| Unit C | <u> 1 </u> | <u> 2/1 </u> | <u> 590 </u> | <u> 239 </u> | <u>carport/storage</u> |
| Unit D | <u> 1 </u> | <u> 2/1 </u> | <u> 590 </u> | <u> 239 </u> | <u>carport/storage</u> |
| Unit E | <u> 1 </u> | <u> 2/1 </u> | <u> 613 </u> | <u> 155 </u> | <u>carport</u> |
| Unit F | <u> 1 </u> | <u> 2/1 </u> | <u> 613 </u> | <u> 155 </u> | <u>carport</u> |
| Unit G | <u> 1 </u> | <u> 2/1 </u> | <u> 613 </u> | <u> 155 </u> | <u>carport</u> |
| Unit H | <u> 1 </u> | <u> 3/1-1/2 </u> | <u> 849 </u> | <u> 372 </u> | <u>carport/storage</u> |
| Unit M | <u> 1 </u> | <u> 8/4 </u> | <u> 2,845 </u> | <u> 1,170 </u> | <u>garage/lanai/storage</u> |

Total Apartments: 9

*** 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-bee-n-used.

Boundaries of Each Apartment:

See Exhibit "A"

Permitted Alterations to Apartments:

See Exhibit "B"

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 51 4A-1 02, HRS; or include the information here in this public report and in the announcement (see attachment 11 a). Developer has not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:
 Total Parking Stalls: 23

| | <u>Regular</u> | | <u>Compact</u> | | <u>Tandem</u> | | <u>TOTAL</u> |
|-----------------------------|---|-------------|----------------|-------------|----------------|-------------|--------------|
| | <u>Covered</u> | <u>Open</u> | <u>Covered</u> | <u>Open</u> | <u>Covered</u> | <u>Open</u> | |
| | SEE ATTACHED SCHEDULE (Page 12a) | | | | | | |
| Assigned (for each unit) | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Guest | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Unassigned | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Extra for Purchase | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Other: _____ | _____ | _____ | _____ | _____ | _____ | _____ | _____ |
| Total Covered & Open: | _____ | _____ | _____ | _____ | _____ | _____ | _____ |

Each apartment will have the exclusive use of at least 1 parking stall(s).
 Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute/Enclosure(s)

Other: _____

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

There are no violations Violations will not be cured.

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

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

The structural and mechanical components of the subject units appear to be in satisfactory condition and with routine care and maintenance performed on a regular basis, the useful remaining life of the subject units are estimated to be approximately 20 years.

SCHEDULE FOR PARKING STALLS

| | | | |
|--------------|--------------------------|--------------------------|------------------------|
| Unit A | 1 Covered Compact, | 1 Open Regular | (Tandem parking) |
| Unit B | 1 Covered Compact, | 1 Open Regular | (Tandem parking) |
| Unit C | 1 Covered Compact, | 1 Open Regular | (Tandem parking) |
| Unit D | 1 Covered Compact, | 1 Open Regular | (Tandem parking) |
| Unit E | 1 Covered Compact, | 1 Open Regular | (Tandem parking) |
| Unit F | 1 Covered Compact, | 1 Open Regular | (Tandem parking) |
| Unit G | 1 Covered Compact, | 1 Open Regular | (Tandem parking) |
| Unit H | | 1 Covered Regular | |
| Unit M | | 2 Covered Regular | |
| Guest | | 6 Open Regular | |
| TOTAL | 7 Covered Compact | 3 Covered Regular | 13 Open Regular |

11. Conformance to Present Zoning Code

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

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

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

| | <u>Conforming</u> | <u>Non-Conforming</u> | <u>Illegal</u> |
|------------|-------------------|--------------------------|-------------------|
| Uses | <u> X </u> | <u> </u> | <u> </u> |
| Structures | <u> </u> | <u> X (see pg 20) </u> | <u> </u> |
| Lot | <u> X </u> | <u> </u> | <u> </u> |

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

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

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

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

- A. 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 "C"
 as follows:

B. **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 _____ "D" _____

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 _____ "E" _____.

as follows:

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 _____ April 27, 2004 _____ and issued by _____ First Hawaii Title Corporation _____

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 Prior to Conveyance</u> |
|---------------------|---|
|---------------------|---|

None

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

B. Appliances:

None

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

The construction of Unit A completed in 1940.
The construction of Unit B completed in 1940.
The construction of Unit C completed in 1940.
The construction of Unit D completed in 1940.
The construction of Unit E completed in 1955.
The construction of Unit F completed in 1955.
The construction of Unit G completed in 1955.
The construction of Unit H completed in 1961.
The construction of Unit M completed in 1968.

H. **Project Phases:**

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

Summary of Developers 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 developers 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 Developers 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 "G" 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

E. **Sales Documents Filed With the Real Estate Commission:**

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "H" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated January 5, 2004
Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

F. **Buyers 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.

1. 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 the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

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

This Public Report is a part of Registration No. 5362 filed with the Real Estate Commission on May 7, 2004

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**

Disclosure re: Existing Use Permit

On June 20, 1995, the Existing Use Permit No. 95/EU-3 was approved by the Department of Planning and Permitting, Cit and County of Honolulu. A copy is attached as Exhibit "J".

Hazardous Materials

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

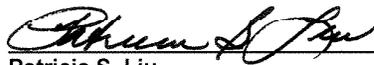
Lead Warning Statement

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.

Patricia S. Liu, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Florence M. Miura dated January 31, 1997, and **Patricia S. Liu**, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Harry Nanato Miura dated February 12, 1971, as amended, both of said Successor Trustees having full powers to sell, mortgage, lease, and other powers more fully set forth therein, and **Miura Land Company, Ltd.**, a Hawaii corporation

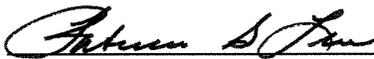
Name of Developer



Patricia S. Liu,
as Successor Trustee of that certain unrecorded Revocable Living Trust made by Florence M. Miura dated January 31, 1997

APR 24 2004

Date

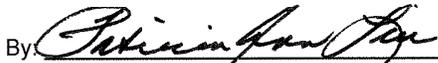


Patricia S. Liu,
as Successor Trustee of that certain unrecorded Revocable Living Trust made by Harry Nanato Miura dated February 12, 1971, as amended

APR 24 2004

Date

Miura Land Company, Ltd., a Hawaii corporation

By: 

Patricia Ann Liu
Its President

APR 24 2004

Date

By: 

Warren N. Miura
Its Vice President

APR 24 2004

Date

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"
BOUNDARIES OF APARTMENTS

1. Units. Nine (9) separate and distinct freehold estates bounded by and including the decorated or finished surfaces of the exterior of the perimeter walls, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the units in the Project, which units are designated on the Condominium Map as "Unit A", "Unit B", "Unit C", "Unit D", "Unit E", "Unit F", "Unit G", "Unit H" and "Unit M", and are sometimes referred to herein as "Units". The terms "Unit" as used herein shall have the same meaning as the term "Apartment" in the Condominium Property Act, as the same may be amended from time to time.

(a) Unit A contains one (1) floor, without a basement, in which there are two (2) bedrooms, one (1) bath, a hall, a kitchen, a living room, a carport with storage, and one (1) set of stairs leading to the living room and one (1) set of stairs leading to the kitchen. Unit A contains a net living area of approximately 590 square feet and is constructed primarily of wood, red wood siding and asphalt shingles. The carport storage area consists of approximately 239 square feet.

(b) Unit B contains one (1) floor, without a basement, in which there are two (2) bedrooms, one (1) bath, a hall, a kitchen, a living room, a carport, and one (1) set of stairs leading to the living room and one (1) set of stairs leading to the kitchen. Unit B contains a net living area of approximately 590 square feet and is constructed primarily of wood, red wood siding and asphalt shingles. The carport and other areas consist of approximately 239 square feet.

(c) Unit C contains one (1) floor, without a basement, in which there are two (2) bedrooms, one (1) bath, a hall, a kitchen, a living room, a carport with storage, and one (1) set of stairs leading to the living room and one (1) set of stairs leading to the kitchen. Unit C contains a net living area of approximately 590 square feet and is constructed primarily of wood, red wood siding and asphalt shingles. The carport and storage area consist of approximately 239 square feet.

(d) Unit D contains one (1) floor, without a basement, in which there are two (2) bedrooms, one (1) bath, a hall, a kitchen, a living room, a carport with storage, and one (1) set of stairs leading to the living room and one (1) set of stairs leading to the kitchen. Unit D contains a net living area of approximately 590 square feet and is constructed primarily of wood, red wood siding and asphalt shingles. The carport and storage area consist of approximately 239 square feet.

(c) Unit E contains one (1) floor, without a basement, in which there are two (2) bedrooms, one (1) bath, a kitchen, a living room, a carport, and one (1) set of stairs leading to the living room and one (1) set of stairs leading to the kitchen. Unit E contains a net living area of approximately 613 square feet and is constructed primarily of wood, vinyl siding and asphalt shingles. The carport area consists of approximately 155 square feet.

(f) Unit F contains one (1) floor, without a basement, in which there are two (2) bedrooms, one (1) bath, a kitchen, a living room, a carport, one (1) set of stairs leading to the living room and one (1) set of stairs leading to the kitchen. Unit F contains a net living area of approximately 613 square feet and is constructed primarily of wood, vinyl siding and asphalt shingles. The carport area consists of approximately 155 square feet.

(g) Unit G contains one (1) floor, without a basement, in which there are two (2) bedrooms, one (1) bath, a kitchen, a living room, a carport with storage, one (1) set of stairs leading to the living room and one (1) set of stairs leading to the kitchen. Unit G contains a net living area of approximately 613 square feet and is constructed primarily of wood, vinyl siding and asphalt shingles. The carport and storage areas consists of approximately 155 square feet.

(h) Unit H contains one (1) floor, without a basement, in which there are three (3) bedrooms, one and a half (1 ½) baths, a hall, a kitchen, a living/dining room, a carport with storage, and one (1) set of stairs leading to the living room and one (1) set of stairs leading to the kitchen. Unit H contains a net living area of approximately 849 square feet and is constructed primarily of wood, vinyl siding and pitch and gravel roof.

(i) Unit M contains two (2) floors, without a basement, in which there are three (3) bedrooms, two (2) baths, a hall, a kitchen, a living room, a dining room, a laundry with a half (½) bath, a den, two (2) storage areas, a covered lanai, and a garage on the first floor. The second floor consists of five (5) bedrooms, two (2) baths, two (2) halls, a storage area, a family room, and a balcony. The first floor and the second floor are connected with an interior stairway. Unit M contains a net living area of approximately 2,845 square feet and other area of approximately 1,170 square feet and is constructed primarily of wood, vinyl siding and asphalt shingles.

Each Unit shall also include all pipes, wires, conduits, and other utility and service lines contained wholly within such Unit and which are utilized exclusively by and serve only such Unit.

End of Exhibit "A"

EXHIBIT "B"
ALTERATION OF PROJECT

No work shall be done to the Units, the limited common elements appurtenant thereto, or any other part of the Project, by any owner of a Unit or any other person, which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any nonconsenting owner of the use or enjoyment of any part of the Project, or directly affect any nonconsenting owner in any unreasonable manner, all as determined by the Board, without in every such case first obtaining the consent of the owners of the other Units, which consent shall not be unreasonably withheld. Except as otherwise provided by law, all other additions to or alterations of any Unit or its appurtenant limited common elements by the owner of such Unit shall be permitted without restriction, provided that the owner or other person making such additions or alterations shall comply strictly with all applicable laws, ordinances, and regulations of any governmental entity, and shall also obtain all necessary permits, at such person's sole expense.

In addition to the foregoing limitations, no owner shall be allowed, without the express written consent of all other owners, to construct any addition or alteration which would cause their unit to exceed their proportionate share of the maximum allowable floor area for the Unit. Said proportionate share shall be equal to the maximum floor area multiplied by the percentage of common interest in the condominium project appurtenant to such unit.

EXHIBIT "C"
COMMON ELEMENTS

The common elements shall consist of all portions of the Project, except the Units above described, and shall specifically include, but not be limited to:

- (a) The land in fee simple.
- (b) All pipes, wires, conduits, and other utility and service lines, including sewer and water, which are utilized for or serve all of the Units.
- (c) That certain Common Element (Roadway) of approximately 6,837 square feet as designated on the Condominium Map.

EXHIBIT "D"
LIMITED COMMON ELEMENTS

Certain parts of the common elements are hereby set aside and reserved for the exclusive use of the Unit or Units and shall constitute limited common elements appurtenant thereto. Each Unit or Units shall have an exclusive easement for the use of the limited common elements appurtenant thereto, except as otherwise provided herein. The cost of maintenance, repair, upkeep, and replacement of each limited common element shall be assessed to the owner of the Unit or Units to which such limited common element is appurtenant. The limited common elements shall be appurtenant to each of the Units as follows:

(a) That certain 3,797 square feet, more or less, of the real property of the Project, which includes the real property upon which Unit A is situated, as shown on said Condominium Map as CPR Lot 1, shall constitute a limited common element appurtenant to and for the exclusive use of Unit A.

(b) That certain 3,299 square feet, more or less, of real property of the Project which includes the real property upon which Unit B is situated, as shown on the Condominium Map as CPR Lot 2, shall constitute a limited common element appurtenant to and for the exclusive use of Unit B.

(c) That certain 2,937 square feet, more or less, of the real property of the Project, which includes the real property upon which Unit C is situated, as shown on the Condominium Map as CPR Lot 3, shall constitute a limited common element appurtenant to and for the exclusive use of Unit C.

(d) That certain 4,133 square feet, more or less, of real property of the Project, which includes the real property upon which Unit D is situated, as shown on the Condominium Map as CPR Lot 4, shall constitute a limited common element appurtenant to and for the exclusive use of Unit D.

(e) That certain 3,852 square feet, more or less, of the real property of the Project, which includes the real property upon which Unit E is situated, as shown on the Condominium Map as CPR Lot 5, shall constitute a limited common element appurtenant to and for the exclusive use of Unit E.

(f) That certain 3,763 square feet, more or less, of real property of the Project, which includes the real property upon which Unit F is situated, as shown on the Condominium Map as CPR Lot 6, shall constitute a limited common element appurtenant to and for the exclusive use of Unit F.

(g) That certain 5,516 square feet, more or less, of real property of the Project, which includes the real property upon which Unit G is situated, as shown on the Condominium Map as CPR Lot 7, shall constitute a limited common element appurtenant to and for the exclusive use of Unit G.

(h) That certain 5,450 square feet, more or less, of real property of the Project, which includes the real property upon which Unit H is situated, as shown on the Condominium Map as CPR Lot 9, shall constitute a limited common element appurtenant to and for the exclusive use of Unit H.

(i) That certain 7,313 square feet, more or less, of real property of the Project, which includes the real property upon which Unit M is situated, as shown on the Condominium Map as CPR Lot 8, shall constitute a limited common element appurtenant to and for the exclusive use of Unit M.

(j) One mailbox shall be appurtenant to and for the exclusive use of each Unit.

(k) All pipes, wires, conduits, and other utility and service lines not contained within a Unit but used by and servicing one or more Units, but less than all the Units, shall be appurtenant to and for the exclusive use of the Unit or Units using and serviced by such pipes, wires, conduits, and other utility and service lines.

(l) All walls and fences on the property contained within the limited common elements of a Unit, shall be appurtenant to and for the exclusive use of that Unit.

NOTICE

THE DESIGNATION OF THE LAND BENEATH AND ADJACENT TO EACH HOME AS A LIMITED COMMON ELEMENT DOES NOT REPRESENT A LEGALLY SUBDIVIDED OR SUBDIVIDABLE LOT.

PROSPECTIVE PURCHASERS ARE CAUTIONED TO CAREFULLY REVIEW THE PROJECT DOCUMENTS FOR FURTHER INFORMATION. REGARDS THERETO.

End of Exhibit "D"

EXHIBIT "E"
COMMON INTEREST

Each Unit shall have appurtenant thereto an undivided percentage interest in all common elements of the Project, for all purposes, including voting, as follows:

| | |
|--------|----------|
| Unit A | 9.3945% |
| Unit B | 9.3945% |
| Unit C | 9.3945% |
| Unit D | 9.3945% |
| Unit E | 9.3945% |
| Unit F | 9.3945% |
| Unit G | 9.3945% |
| Unit H | 10.7302% |
| Unit M | 23.5083% |

EXHIBIT "F"
ENCUMBRANCES AGAINST TITLE

1. Real property tax assessments.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The terms, provisions, conditions and restrictions, if any, contained in that certain Trust Agreement(s) herein referred to.
4. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "1717
PALOLO AVENUE"

Dated: December 22, 2003
Document No. 2003-287322
but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped person.

Condominium Map No. 3694, to which reference is hereby made.

The foregoing Declaration was amended by the following:

AMENDMENT TO DECLARATION

Dated: April 22, 2004
Document No.: 2004-086664

5. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF
1717 PALOLO AVENUE

Dated: December 22, 2003
Document No. 2003-287323
to which reference is hereby made

The foregoing Bylaws was amended by the following:

AMENDMENT TO BYLAWS:

Dated: April 22, 2004
Document No. 2004-086664

6. Any matters which would be shown by a modern metes and bounds survey, including any possible encroachments or discrepancies in boundaries or area.

EXHIBIT "G"

**1717 PALOLO AVENUE CONDOMINIUM
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

| DESCRIPTION OF ITEMS | PAID BY ASSOC. OR INDIVIDUAL | UNIT A | UNIT B | UNIT C | UNIT D | UNIT E | UNIT F | UNIT G | UNIT H | UNIT M | MONTHLY TOTAL |
|----------------------------------|---------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|------------------|
| UTILITIES & SERVICES | | | | | | | | | | | |
| AIR CONDITIONING | INDIVIDUAL | | | | | | | | | | |
| ELECTRICITY | INDIVIDUAL | | | | | | | | | | |
| COMMON ELEMENTS | N/A | | | | | | | | | | |
| COMMON ELEMENTS & APARTMENTS | N/A | | | | | | | | | | |
| GAS | INDIVIDUAL | | | | | | | | | | |
| REFUSE COLLECTION | N/A | | | | | | | | | | |
| TELEPHONE | INDIVIDUAL | | | | | | | | | | |
| WATER & SEWER | INDIVIDUAL | | | | | | | | | | |
| MAINTENANCE & REPAIRS | | | | | | | | | | | |
| BUILDINGS | INDIVIDUAL | | | | | | | | | | |
| DRIVEWAY & UTILITY LINES | INDIVIDUAL | | | | | | | | | | |
| MANAGEMENT | | | | | | | | | | | |
| MANAGEMENT FEE | N/A | | | | | | | | | | |
| PAYROLL & PAYROLL TAXES | N/A | | | | | | | | | | |
| OFFICE EXPENSES | N/A | | | | | | | | | | |
| COMMON ELEMENT INSURANCE | ASSN | | | | | | | | | | |
| HOMEOWNER'S INSURANCE | INDIVIDUAL | 17.59 | 17.59 | 17.59 | 17.59 | 17.59 | 17.59 | 17.59 | 20.06 | 43.97 | 187.16 |
| RESERVES FOR PIPES & DRIVEWAY | ASSN | 9.39 | 9.39 | 9.39 | 9.39 | 9.39 | 9.39 | 9.39 | 10.74 | 23.53 | 100.00 |
| TAXES & GOVERNMENT ASSESSMENT | N/A | | | | | | | | | | |
| AUDIT FEE | N/A | | | | | | | | | | |
| TOTAL MONTHLY FEES/ UNIT | | 26.98 | 30.80 | 67.50 | 287.16 |
| TOTAL ANNUAL FEES (x12) | | 323.76 | 369.60 | 810.00 | 3,445.92 |

Reserve Study for the Association's common driveway and utility lines has not been completed. The association is planning to study the costs to maintain and replace the common elements, and will use this study to prepare a long-term budget for the maintenance and replacement of the common elements. The common elements consist of a common driveway, sewer lines, and water lines.

Changes to Maintenance Fee Schedule: This month/unit budget reflects the Developer's estimates of Association costs, and may be amended in the future according to the findings of the Reserve Study. This budget may be reviewed and revised by the Board of Directors on a continual basis.

We, the developers for the 1717 Palolo Avenue condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Patricia S. Liu

Patricia S. Liu, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Florence M. Miura dated January 31, 1997.

APR 24 2004

Date

Patricia S. Liu

Patricia S. Liu, as Successor Trustee of that certain unrecorded Revocable Living Trust made by Harry Nanato Miura dated February 12, 1971, as amended

APR 24 2004

Date

APR 24 2004

Miura Land Company, Ltd., a Hawaii corporation

By: *Patricia Ann Liu*
Patricia Ann Liu
Its President

Date

By: *Warren N. Miura*
Warren N. Miura
Its Vice President

(*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

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

EXHIBIT "H"
SUMMARY OF SALES CONTRACT

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

1. Risk of Loss and Insurance. Risk of loss passes to Buyer upon transfer of title or occupancy whichever comes first.
2. Default. In the event the Buyer fails to perform Buyer's obligations under the Sales Contract, and the Seller is not in default, then Seller may a) bring an action for damages for breach of contract, b) retain Buyer's initial deposit and all additional deposits as liquidated damages, and c) Buyer shall be responsible for all costs incurred in accordance with the Sales Contract. In the event Seller fails to perform Seller's obligations under the Sales Contract, and the Buyer is not in default, Buyer may: a) bring an action against Seller for damages for breach of contract; (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a Broker for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorney's fees.
3. Time is of the Essence. Time is of the essence in the performance by all parties of their obligations in the Sales Contract.
4. Mediation. In any dispute or claim arises out of the Sales Contract during the transaction or at any time after closing, between Seller, Buyer, and/or a Broker, and the parties are unable to resolve the dispute, Buyer and Seller agree in good faith to attempt to settle the dispute or claim by non-binding mediation.

EXHIBIT "I"
SUMMARY OF ESCROW AGREEMENT

An escrow agreement (hereinafter called the "Escrow Agreement") detailing the manner in which purchasers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is FIRST HAWAII TITLE CORPORATION, a Hawaii corporation (hereinafter referred to as "Escrow"). The escrow agreement, among other things, contains the following provisions:

Sales Contracts Deposited in Escrow. As of when Developer shall enter into a sales contract for the sale of a unit it shall deliver an executed copy of such sales contract to Escrow. Each sales contract shall contain the correct names and addresses of the purchasers, shall require that all payments to be made thereunder shall be made to Escrow and shall be accompanied by the initial deposit required thereunder.

Receipt of Funds by Escrow. Developer shall pay over to Escrow any monies received by Developer from purchasers under sales contracts covering units in the Project, including all disbursements made on loan commitments, if any, from lending institutions to individual purchasers. Escrow shall receive and hold in escrow and disburse as herein set forth; (a) all payments received by Escrow under sales contracts made by Developer; (b) all sums received by Escrow hereunder from Developer; (c) all funds from any lending institution pursuant to a mortgage loan for the purchase of any unit by individual purchasers; and (d) all sums received by Escrow from any other source on account of this Project. In accordance with written instructions from Developer which are acceptable to Escrow, Escrow shall deposit all funds so received within a reasonable time of their receipt by Escrow and in reasonably convenient sums, in accounts at a federally insured bank, savings and loan association or other financial institution which pays interest on deposits; provided, however, if Escrow is instructed to make such deposits more frequently than once each calendar week, Developer shall pay to Escrow a reasonable service charge for each additional deposit made during such week. Any interest earned on funds deposited in escrow under this Agreement shall accrue to the credit of the Developer. Escrow shall not be liable to either Developer or any purchaser for loss or diminution in funds invested in accordance with such instructions.

Conditions to be Met Prior to Disbursement. No disbursements of funds held in escrow shall be made unless and until the following conditions have been fulfilled:

(a) The Real Estate Commission shall have issued a Final Report on the Project; provided, however, to the extent any sales contracts are entered into and a purchaser's funds are obtained prior to the issuance of a Final Public Report of the Real Estate Commission, no disbursements shall be made from such purchaser's funds until (i) such Final Public Report shall have been issued; and (ii) the purchaser shall have been given a copy of said Final Report and shall have acknowledged receipt of same or shall have been deemed to have acknowledged receipt of same; and

(b) The Developer or Developer's attorney shall have delivered a written opinion to Escrow stating that the requirements of Sections 514A-39, 514A-62, and 514A-63, Hawaii Revised Statutes, as amended, have been met; and, if the project is a conversion project, that requirements of Section 521-38, Hawaii Revised Statutes, as amended, have been complied with; and

(c) The Developer shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

Disbursement of Purchaser's Funds. Subject to the provisions of the preceding paragraph, disbursements from the funds held in escrow shall be made not more than once each month on one check by Escrow, without charge, if requested in writing by Developer, to Developer, to Developer's general contractor or Developer's mortgagee for the following:

(a) To pay for construction costs of the buildings and other improvements and fixtures in such amounts and at such times and in proportion to the valuation of the work completed by the contractor in accordance with the terms of the construction contract, as certified by a registered architect or professional engineer and as approved by Developer's mortgagee or a financially disinterested person who shall be designated in writing by the Developer and Developer's mortgagee, if any, and who shall certify to Escrow in writing that he is financially disinterested (and Escrow shall have the right to rely on said certification).

(b) To other persons for architectural, engineering, finance and legal fees and other incidental expenses of the Project (but not selling expenses or brokerage fees relating to sales of any unit) to the extent approved by the Developer's mortgagee or said financially disinterested person.

(c) The balance of monies remaining in escrow shall be disbursed in accordance with the directions of the Developer and Developer's mortgagee or said financially disinterested person only upon completion of the buildings of the Project and when Escrow shall have received satisfactory evidence that all mechanics' and materialmen's liens have been cleared or sufficient funds have been set aside to cover claims if liens are filed; otherwise, forty-six (46) days after the filing of the affidavit of publication of notice of completion in the office of the clerk of the circuit court where the Project is located, a copy of which shall have been delivered to Escrow; provided, further that if any notice of mechanics' or materialmen's liens shall have been filed, the funds shall be disbursed only when such liens have been cleared or sufficient funds have been set aside to cover such claims.

Return of Funds and Documents. 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 and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(b) Developer shall have 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 Report, the purchaser has executed his right to cancel the contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

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

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to

have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(e) Notwithstanding any other provision in this Agreement to the contrary, Escrow further agrees to make refunds to purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, out of the funds then on deposit with Escrow, if the Developer and purchaser shall so request in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

(ii) the purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within thirty (30) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

Except for cancellations under subparagraph (i) above, Escrow may deduct from any such refund made to a purchaser a cancellation fee as set forth above.

Purchaser's Default. Developer shall give notice in writing to Escrow of the occurrence of each event which initiates an obligation of a purchaser to make a payment to Escrow pursuant to the sales contract as well as notice of the amount and due date of such payment. Escrow shall thereupon promptly give the purchaser notice of the amount and due date of such payment. If the purchaser fails to make such payment to Escrow on or before the due date thereof or if the purchaser fails to perform in any matter which is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of the purchaser. If Developer subsequently certifies in writing to Escrow that Developer has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of his sales contract as funds of Developer and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Developer. Upon written request by Developer, Escrow shall pay such sums to Developer, less any escrow cancellation fee, and shall return to Developer the sales contract of such purchaser and any other documents theretofore delivered by Developer to Escrow; other documents theretofore delivered to Escrow in connection with the purchase of the unit specified in such sales contract shall be returned to the person from whom, or entity from which, such documents were received, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

EXHIBIT "J"

EXISTING USE PERMIT NO. 95/EU-3

DEPARTMENT OF LAND UTILIZATION
CITY AND COUNTY OF HONOLULU

680 SOUTH KING STREET
HONOLULU, HAWAII 96813 F (808) 522-2653



JEREMY HARRIS
MAYOR

PATRICK L. O'NEIL
DIRECTOR
LORETTA K. O'NEIL
DEPUTY DIRECTOR

June 20, 1995

95-01468 (BA)
95-EU-3

Mr. Dawson Miura
1717 Palolo Avenue
Honolulu, Hawaii 96816

Dear Mr. Miura:

Subject: Existing Use Permit No. 95/EU-3
Project Name: Miura Property
Location: 1717 Palolo Avenue
Tax Map Key: 3-3-41: 9
Owner: Helen M. Ono

The application for the development is APPROVED as an Existing Use (EU) under Section 3.130 of the Land Use Ordinance (LUO) in accordance with the application plans, Department of Land Utilization (DLU) date-time-stamped, March 16, 1995, subject to the following conditions:

1. Approval is only for the continued use, repair, alterations, additions, relocation and reconstruction of the nine (9) existing detached dwelling units.
2. No building permit is on file for the storage/carport building. Therefore, the structure shall be demolished prior to the issuance of any further permits, unless satisfactory information which documents that the structure lawfully exists can be presented to the Director.
3. All new work shall be in accordance with the LUO, including yard and height setbacks for structures around the project boundary, and spacing between buildings shall be in accordance with cluster siting guidelines. Any modification to the EU plans shall be approved by the Department of Land Utilization prior to issuance of building permits.

4. Modifications to the EU plans will not be allowed if:
 - a. the proposed modification has potential adverse impacts on surrounding land uses.
 - b. the number of dwelling units (9) will be increased.
 - c. the reconstruction and/or expansion of the dwelling unit(s) are part of a larger development.
 - d. the expansion of any dwelling unit increases the EU approved floor area by more than two times.

These types of modifications will be considered Major and require processing of a Cluster Housing application.

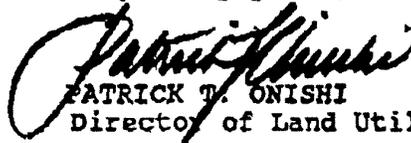
5. The DLU shall be informed of any action or intent to condominiumize. An approved condominium property regime map (CPR) and documents shall be submitted to the Department of Land Utilization. Future work subsequent to the creation of a CPR may require approval from the homeowner's association prior to the commencement of work.
6. All new work shall be compatible in design with the existing and surrounding structures, and be in the same general location and size. Exterior entrances, stairways, bar areas, plumbing and electrical systems may be required to be deleted or revised to ensure the approved number of dwelling units are not increased.
7. Maximum lot coverage shall not exceed 30 percent of the original lot size of 46,790 square feet, or 50 percent of the area of use (limited apartment and common element), whichever is more restrictive.
8. A minimum of 22 parking spaces, including 2 stalls per dwelling units A through H, 3 stalls for the main house and 3 guest stalls, shall be maintained. And any additions shall comply with parking regulations of the LUO. Existing parking spaces within carports or garages shall not be converted into useable floor area (including garage/carport storage).
9. Any proposed perimeter chainlink fencing shall incorporate a 24-inch landscaping strip with a hedge trained to a 6-foot height and maintained in a healthy condition. No fences will be allowed to be constructed along CPR use lines.

Mr. Dawson Miura
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June 20, 1995

10. Any improvements to the EU shall comply with Fire Department requirements for access, water and/or Fire Department connections. These shall be submitted to the Fire Department for review and approval prior to issuance of building permits.
11. The applicant shall incorporate this Existing Use approval as part of the restrictive covenants running with the land and made a part of any sales agreement with any future owners.
12. This Existing Use approval does not certify that the existing structures and improvements comply with the requirements of the zoning code or other regulations. They are subject to separate review and approval.
13. The Director of Land Utilization shall reserve the right to impose additional requirements, if necessary, to promote and protect the health, welfare, and safety of the people of the City and County of Honolulu.

Should you have any questions, please contact Bonnie Arakawa of our staff at 527-5837.

Very truly yours,

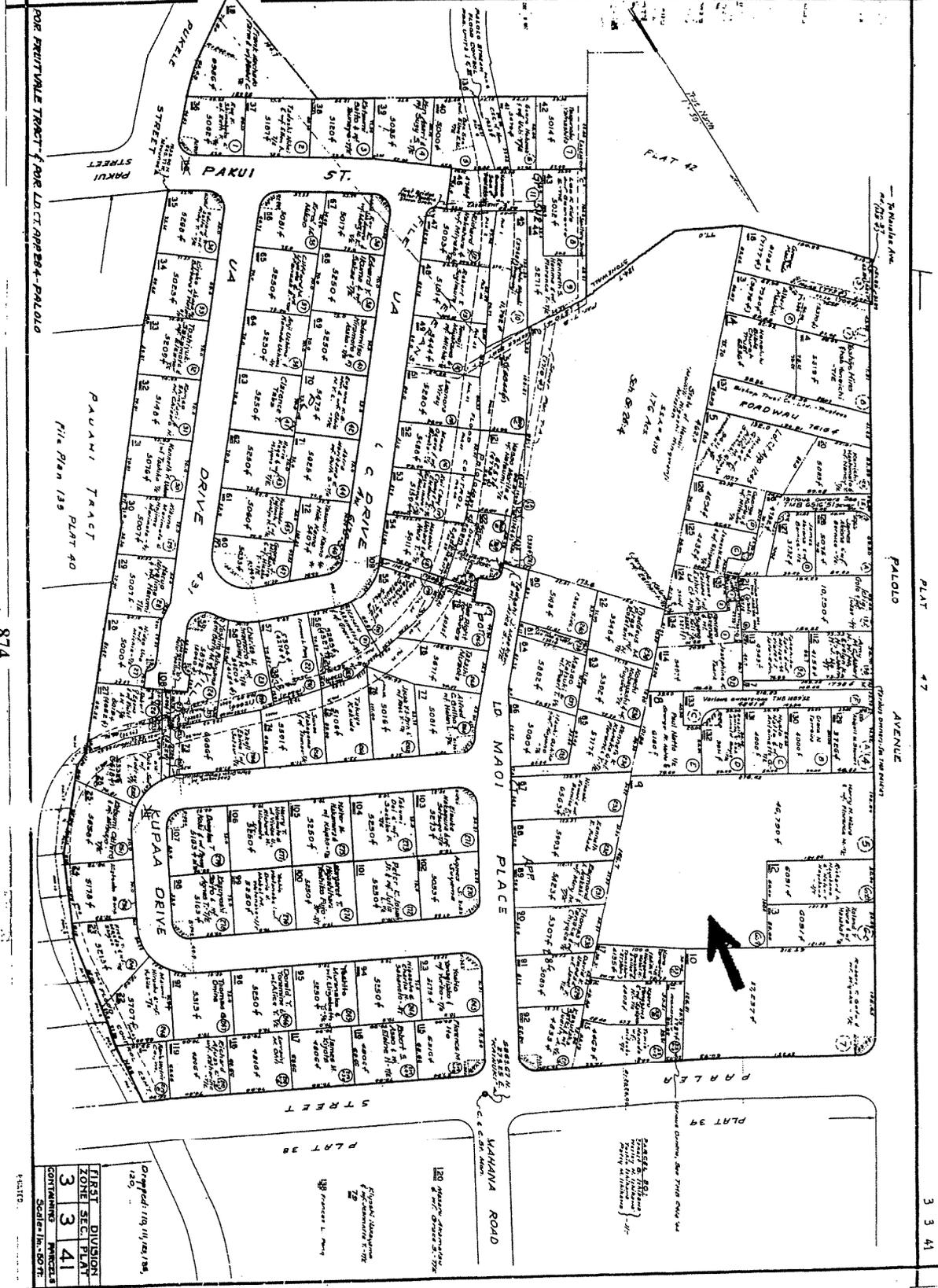


PATRICK T. ONISHI
Director of Land Utilization

PTO:st
cc: Building Department

eu-miu.bka

City of Honolulu
 Dept. of Public Works
 Sources: Taxation Maps Bureau



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|-----------------------|----|
| FIRST DIVISION | 3 |
| ZONE SECT. PLAN | 3 |
| CONTAINING PARCELS | 41 |
| Scale: 1 in. = 50 ft. | |

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PLAT 47

3 3 41