

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer BBP KALOALUIKI LLC
Address 4211 Waiialae Avenue, Suite H-6, Honolulu, Hawaii 96816

Project Name(*): KALOALUIKI STREAMSIDE
Address: 2956, 2956A, 2956B, & 2956C Kaloaluliki Street, Honolulu, HI 96822

Registration No. 5546 (Conversion)
Effective date: January 7, 2005
Expiration date: October 7, 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.
CONTINGENT FINAL: (green) The developer has legally created a condominium and has filed information with the Real Estate Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date.
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 586-2643 to submit your request.
FORM: RECO-30 1297 / 0298 / 0800 / 0203 / 0104
G:\CPR\CLIENT\BBP Kaloaluliki\PUBLIC REPORT.wpd

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report
as Exhibit "H"

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 Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS. The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contract executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V. B. of this report found on pages 18 & 19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

STATUTORY NOTICE

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred percent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:

- (1) The Developer will notify the Purchaser thereof by certified mail; and
- (2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment." (§514A-64.5, HRS)

The developer is not required to submit but has for this registration submitted the following documents and information:

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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: BBP KALOALUIKI LLC Phone: 808-306-9327
 Name* (Business)
4211 Waiialae Avenue, Suite H-6
 Home 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):
Victor Brandt, Member;
Myra Brandt, Member;
Anthony Price, Member;
Dr. Ahmad Behpour, Member

Real Estate Broker*: Kahala Associates Phone: (808) 735-7500
 Name (Business)
4211 Waiialae Avenue, Suite H-8
 Business Address
Honolulu, HI 96816

Escrow: Island Title Corporation Phone: (808) 531-0261
 Name (Business)
1132 Bishop Street, Suite 400
 Business Address
Honolulu, HI 96813

General Contractor*: None Phone: NA
 Name
 Business Address

Condominium Managing Agent*: Hawaii First, Inc. Phone: (808) 531-5566
 Name (Business)
800 Bethel St
 Business Address
Honolulu, HI 96813

Attorney for Developer: Jeffrey S. Grad, Esq. Phone: (808) 521-4757
 Name (Business)
841 Bishop St., Ste. 1800
 Business Address
Honolulu, HI 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. 2004-212973
Book _____ Page _____
 Filed - Land Court: Document No. 3181287

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

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

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 3862
 Filed - Land Court Condo Map No. 1672

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

- 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. 2004-212974
Book _____ Page _____
 Filed - Land Court: Document No. 3181288

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules
See attached Exhibit "I"

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>100%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Majority vote by Directors</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:

See attached Exhibit "A"

[] 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: 2956, 2956A, 2956B, & 2956C Kaloaluki St Tax Map Key (TMK): (1) 2-9-026-011 and 004
Honolulu, Hawaii 96822

[] Address [x] TMK is expected to change because each condominium unit will be assigned a new number

Land Area: 31,356 [X] square feet [] acre(s) Zoning: R-7.5 Residential

Fee Owner: BBP KALOALUIKI LLC
 Name*
4211 Waiialae Avenue, Suite H-6
 Home Address
Honolulu, Hawaii 96816

Lessor: N/A
 Name

 Address

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 2 Floors Per Building 2
 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"/> 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-shed	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

5. Special Use Restrictions:

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

Pets: See attached Exhibit "I"

Number of Occupants: _____

Other: See attached Exhibit "I"

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -0- Stairways: -0- Trash Chutes: -0-

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>Unit A</u>	<u>1</u>	<u>3/2</u>	<u>1,525</u>	<u>368/480</u>	<u>lanai-deck-stairs/garage</u>
<u>Unit B</u>	<u>1</u>	<u>3/2</u>	<u>1,625</u>	<u>755</u>	<u>lanai-deck-stairs</u>
<u>Unit C</u>	<u>1</u>	<u>3/2</u>	<u>1,588</u>	<u>277/400</u>	<u>lanai-deck-stairs/garage</u>
<u>Unit D</u>	<u>1</u>	<u>3/2</u>	<u>1,708</u>	<u>600</u>	<u>lanai-deck-stairs</u>

Total Number of Apartments: 4

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

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

Boundaries of Each Apartment:

The outside surfaces of the exterior walls and roof and the bottom surfaces of the footings and foundations of each Unit.

Permitted Alterations to Apartments:

See attached 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 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: -10-

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned	<u> 8 </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> 8 </u>
Guest	<u> </u>	<u> 2 </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> 2 </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> -10- </u>	<u> </u>	<u> -0- </u>	<u> </u>	<u> -0- </u>	<u> </u>	<u> -10- </u>

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

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

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute/Enclosure(s)
- Other: _____

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

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

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

Based upon a report prepared by Barry R Ng, Registered Professional Architect, the Developer states:

- a. Subject to normal wear and tear commensurate with its age, each of the buildings of the Project appear to be in relatively good structural condition consistent with their age.
- b. Subject also to normal wear and tear, the electrical and plumbing systems are operable and in good working order consistent with their age.
- c. The Developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a).

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

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

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

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

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

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

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

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

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

described in Exhibit C .

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 D .

as follows:

NOTE: Reference to said Exhibit "D" to "Dwelling Areas" does not mean legally subdivided lots.

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

described in Exhibit _____.

as follows:

Unit A	-	25%
Unit B	-	25%
Unit C	-	25%
Unit D	-	25%

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 E describes the encumbrances against the title contained in the title report dated October 19, 2004 and issued by Island 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>
Mortgages	Buyer's interest may be terminated by mortgagee but Buyer shall be entitled to return of his deposit, 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:

Developer is giving no warranties to Purchaser on the materials and workmanship of the Units.

2. Appliances:

N/A

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

The Units were constructed more than 10 years ago.

H. **Project Phases:**

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

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

Escrow Agreement dated November 24, 2004

Exhibit G 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.

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

A) The Developer delivers to the buyer a copy of:

- 1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent 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.

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

A) The Developer delivers to the buyer a copy of:

- 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); **AND**

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

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

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime Law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107), are available on line. 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. 5546 filed with the Real Estate Commission on December 7, 2004.

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

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

C. Additional Information Not Covered Above

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.

RENOVATION OF THE PROJECT.

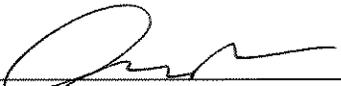
The exterior of the buildings in the Project are being renovated. The Developer is offering to upgrade and renovate the interior of each apartment unit, including appliances and fixtures, , as may be agreed upon by the Buyer and the Developer. The renovation work is being done by a contractor who has not been requested to furnish a payment and performance bond. Conveyance to a Buyer of an apartment unit will not be made until the work on the Project has been completed and/or the title insurer for the Buyer has issued its commitment for issuance of a title insurance policy free and clear of any liens that might arise from such construction or failure to make payments relating to such construction.

RESTRICTIVE COVENANTS .

The Project is subject to certain Restrictive Covenants imposed when the Project was originally constructed in the 1980s. The covenants relate, among other things, to construction of the Project under a cluster permit issued by the City and County of Honolulu . The Restrictive Covenants also impose certain restrictions on construction of the Project, which is located within a flood designated zone (the Project is located along Manoa Stream.) A prospective Buyer is urged to request copies of the Covenants and to review them.

- 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 (SHL 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.

BBP KALOALUIKI LLC
 Printed Name of Developer

By:  September 13, 2004
 Duly Authorized Signatory* Date

ANTHONY T. PRICE
 Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

Paragraph 23 of the Declaration states:

"(a) Except as otherwise provided herein or in the Act, this Declaration may be amended by the affirmative vote or written consent of the owners of apartments to which are appurtenant at least seventy-five percent (75%) of the common interests. Any amendment shall be effective only upon the recording in the Recording Offices of an instrument setting forth such amendment and vote, duly executed by the proper officers of the Association. Notwithstanding the foregoing, at any time prior to the filing or recording in the Recording Offices of the first apartment deed or other conveyance conveying an apartment and its appurtenances or any interest therein to a party not a signatory to this Declaration and other than to any mortgagee of the Declarant, the Declarant hereby reserves the right to amend this Declaration, the By-Laws and the Condominium Map in any manner, without the approval, consent or joinder of any purchaser of an apartment or any interest therein.

(b) Notwithstanding the foregoing and until the filing or recording in the Recording Offices of apartment deeds or other conveyances conveying all of the apartments in the Project to parties not a signatory to this Declaration and other than to any mortgagee of the Declarant, the Declarant hereby reserves the right to amend this Declaration, the By-Laws and the Condominium Map, without the approval, consent or joinder of any owner, mortgagee or purchaser of an apartment or any interest therein, 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 apartments or any interest therein or by any governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marketing or sale of apartments or any interests therein in any such jurisdiction; provided, however, that no such amendment which would change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment or the building in which it is located shall be made without the consent to such amendment by all persons having an interest in such apartment.

(c) Notwithstanding the foregoing and notwithstanding the recording of any or all apartment deeds or other conveyances conveying any or all of the apartments or any or all interests therein to any person, the Declarant hereby reserves the right to successively amend this Declaration (including the By-Laws and, when applicable, the Condominium Map), without the approval, consent or joinder of any owner, mortgagee or purchaser of an apartment or any interest therein or any of the persons then owning, leasing, renting, or occupying any apartment or any interest therein, to file the "as-built" verified statement (with plans, if applicable) required by Section 514A-12 of the Act, (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built, or (ii) so long as any plans filed therewith involve only immaterial changes to the layout, location, apartment numbers or dimensions of or other changes to the apartments or common elements as built which the Declarant is permitted to make in accordance with paragraph (b) of Section 20 of this Declaration."

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS.

Paragraph 21 of the Declaration states:

"(a) Except as otherwise provided in this Declaration, replacement or restoration of the Project or of any building, swimming pool or other facility which is a common element (exclusive of a limited common element) or construction of any additional building or any material structural alteration or material addition to any structure which is a common element (exclusive of a limited common element), shall be undertaken by the Association or any apartment owners only pursuant to an amendment of this Declaration, pursuant to the affirmative vote or written consent of seventy-five percent (75%) of the apartment owners and in accordance with complete plans and specifications, and promptly upon completion of such replacement, restoration or construction, the Association shall record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

(b) Notwithstanding any other provision in this Declaration to the contrary, (i) the owner of any apartment may make any alterations or additions within any apartment and (ii) the owner of any two or more apartments separated by a common element which is a wall or ceiling may alter or remove all or portions of the intervening wall or ceiling, if in either case the structural integrity of the building is not thereby affected and if the finish of the common element then remaining is then restored to a condition substantially comparable to that of the common element prior to such alterations. Such alterations or additions within any apartment or apartments shall require only the written approval thereof, including the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, and by all other apartment owners thereby directly affected (in the case of disagreement, as determined in a reasonable manner by the Board of Directors), and such alterations or additions may be undertaken without an amendment to this Declaration or filing of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any such adjacent apartments, if the intervening wall or ceiling or other common element shall have been altered or removed pursuant to the foregoing provisions and any entry to hallways sealed, the owner of such apartments shall be obligated to restore such intervening wall and hallway entries to substantially the same condition in which the same existed prior to such alteration or removal. For the purpose of this paragraph, the materiality of any such modification shall be determined pursuant to and in accordance with the criteria for determining materiality as set forth in Section 514A-89 of the Condominium Property Act, as amended from time to time.

(c) Notwithstanding any other provision in this Declaration to the contrary, the owner of any apartment to which is appurtenant an LCA may make any alterations, build improvements or additions with the consent by the holder of any mortgage affecting the Owner's apartment (if required by such mortgage), at any time and from time to time (collectively, the foregoing are referred to "changes"), and such changes shall require only the written approval thereof, including the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartments (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require and by all other apartment owners thereby directly affected (in the case of any disagreement, as determined in a reasonable manner by the Board of Directors) subject to the following conditions:

(i) All such changes shall conform with applicable City and County building, land use and other applicable laws and ordinances ("County Rules") and applicable State of Hawaii laws and regulations ("State Laws"), and required building and other permits shall have been obtained.

(ii) All changes being made by such apartment owner must be made within the LCA appurtenant to such apartment (except that no structure as defined under the LUO shall be constructed or placed within five (5) feet of a boundary line of such LCA) and no such change shall affect the structural integrity of the existing buildings and other improvements which are existing common elements of the Project;

(iii) No change to an apartment will be made if the effect of such change would be to exceed the apartment's proportionate share of the additional allowable floor area or building lot coverage for the Land, as defined by the LUO in effect when the change is to be made, or would add a dwelling unit to the Project; provided, however, for purposes hereof, the "proportionate share" for each Unit shall be a fraction having as its numerator the land area of the Unit's LCA and having as its denominator the total land area of all of LCA's in the Project.

(iv) All such changes shall be at the expense of the Owner making the change, shall be expeditiously made and completed in a manner that will not unreasonably interfere with or cause damage to any other apartment, its appurtenant LCA, or the permitted use thereof by an Owner of another Unit.

(v) During the entire course of such construction, the Owner making such change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. The Association shall be named as an additional insured and, upon the request of the Association, evidence of such insurance shall be deposited with the Association or its Managing Agent, if any;

(vi) The apartment owner making such change shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the area affected by such change for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any permanent interruption in the service of such utilities to any other part of the Project or otherwise materially interfere with their use by any other apartment owner.

(d) Notwithstanding any other provision in this Declaration or the By-Laws to the contrary, prior to: (i) the time that all apartments in the Project have been sold pursuant to an instrument filed in the Recording Offices, and (ii) the filing by the Declarant of the as-built verified statement (with plans, if applicable) required by Section 514A-12 of the Condominium Property Act (but in no event later than January 1, 2015), the Declarant shall have the right to make alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, which alterations: (i) change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and any limited common elements appurtenant thereto) in the Project which is not sold pursuant to an instrument filed in the Recording Offices; or (ii) make minor changes in any apartment or in the common elements which do not affect the physical location, design or size of any apartment which has been sold pursuant to an instrument filed in the Recording Offices; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in paragraph (c) of Section 23 of this Declaration. As used herein, "sold pursuant to an instrument filed in the Recording Offices" shall mean and refer to the sale of apartments in the Project, and recording in the Recording Offices, of apartment deeds or other conveyances transferring interests in the apartments from the Declarant to parties not signatory to this Declaration."

End of Exhibit "B"

EXHIBIT "C"

COMMON ELEMENTS. Paragraph 6 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

One freehold estate is hereby designated in all of the remaining portions of the Project, herein called the common elements, including specifically, but not limited to:

- (1) The Land in fee simple;
- (2) The foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, exterior skylights, stairways, walkways, corridors, ramps, fences (if any), trellises, store rooms (which are not within any apartment or made specifically appurtenant to such apartment) and mail boxes, mechanical rooms, entrances, entry ways and exits of all buildings of the Project;
- (3) All yards, grounds, planting areas, planters, walkways, balconies, walkway railings, landscaping, refuse facilities, gardens, and all other facilities and appurtenances;
- (4) All roads, driveways, driveway ramps and parking areas;
- (5) All ducts, vents, shafts, sewer lines, sewage treatment equipment and facilities (if any), elevator, electrical equipment, telephone equipment (if a telephone switchboard and related facilities is provided), pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas (if any), cablevision (if any), air conditioning (if any), sewer, refuse, telephone, and radio and television signal distribution;
- (6) Any and all apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors and, in general, all other installations and apparatus existing for common use;
- (7) All mechanical and electrical equipment originally installed and located within any apartment or located elsewhere in the Project utilized for or serving more than one apartment;
- (8) Any and all other apparatus and installation of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.
- (9) Each "common area", as shown on the Condominium Map.
- (10) The two (2) guest parking stalls, as shown on the Condominium Map.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 7 of the Declaration designates:

Certain parts of the common elements, herein called and designated limited common elements, are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) Any entrance, exit, gateway, entry, patio, yard, driveway or steps which would normally be used only for the purposes of ingress to and egress from a specific apartment shall be a limited common element appurtenant to and reserved for the exclusive use of such apartment.

(b) Each of the eight (8) parking stalls designated on the Condominium Map by a letter shall be a limited common element appurtenant to and reserved for the exclusive use of the Apartment which bears the same number as the parking stall, as shown on the Condominium Map.

(c) Each of Apartments A and C, (each being located on the respective ground floor of a Building) shall have for its exclusive use that limited common area which is located adjacent to their respective apartments, as each is indicated as "LCA" and by the letter to which such area is appurtenant on the Condominium Map, subject, however, to the House Rules ("House Rules" (which is attached as Exhibit "B" to the Bylaws.)

Note: The "Dwelling Areas" herein described are not legally subdivided lots.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. For Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. -AS TO PARCEL FIRST ONLY:-
 - (a) Terms, provisions, covenants, conditions, restrictions, reservations, obligations and agreements as contained in DECLARATION OF RESTRICTIVE COVENANTS, dated September 6, 1991, filed as Land Court Document No. 1853605, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS.
4. -AS TO PARCEL SECOND ONLY:-
 - (a) The free flowage of water from Manoa Stream, as shown on Tax Map.
 - (b) Any variations in and along the boundaries running along Manoa Stream, as may be caused by the natural deviation of said Stream.
5. Terms, provisions, covenants, conditions, restrictions, reservations, obligations and agreements as contained in DECLARATION OF RESTRICTIVE COVENANTS (PRIVATE PARK), dated April 6, 1991, filed as Land Court Document No. 1853606, but deleting any covenant, condition or restriction indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, or national origin to the extent such covenants, conditions or restrictions violate 42 USC 3604(c) or Section 515-6, HRS.
6. Declaration of Condominium Property Regime dated September 28, 2004, filed as Land Court Document No. 3181287 and recorded in said Bureau as Document No. 2004-212973 (Project covered by Condominium Map No. 1672 and Condominium File Plan No. 3862). By-Laws dated September 28, 2004, filed as Land Court Document No. 3181288 and recorded in said Bureau as Document No. 2004-212974.
7. Any and all covenants, conditions, restrictions and easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, and/or as delineated on said Condominium Map.
8. Mortgage dated March 31, 2004, filed as Land Court Document No. 3092354 and recorded in said Bureau as Document No. 2004-067857, in favor of Central Pacific Bank, a Hawaii Corporation.
9. Assignment of Lessor's Interest in Leases dated March 31, 2004, recorded in said Bureau as Document No. 2004-067858, in favor of Central Pacific Bank, a Hawaii Corporation.
10. Financing Statement recorded April 2, 2004 as Document No. 2004-067859.

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT. The Sales Contract consists of two documents: the then current form of the HAR Standard form of Deposit Receipt Offer and Acceptance ("DROA") and a document attached to the DROA which is entitled "Special Provisions to the DROA")

1. Description of the Property to be Conveyed: Fee simple title to the Apartment, together with the furnishings and appliances, if any, described in the DROA and the undivided interest in the common elements set forth in the DROA..
2. Purchase Price and Terms. The purchase price for the Apartment is set forth on page 2 of the DROA is to be paid in the method and at the times set forth in the DROA. This may include payment of (a). An initial deposit; (b). An additional cash deposit, if set forth in the DROA ; and (c) the balance of the purchase price is to be paid to escrow by purchaser on or before closing.
3. Financing of Purchase. Paragraph C-24 of the DROA Form (if selected) provides if Buyer desires financing, a loan application must be made within a certain number of days and if Buyer's application is not approved within a certain number of days after the application, then either Seller or Buyer may cancel the Sales Contract. Upon such cancellation, Buyer's deposits will be refunded by escrow without interest.
4. Closing Costs. Closing costs and escrow fees are to be shared in accordance with the DROA, except that Seller does have the option to require two months' advance payment of Association maintenance fees and a start up expense for the Association of Apartment Owners equal to two months' of Association maintenance fees. Buyer's proportionate share of any liability insurance premium, real property taxes, maintenance fees and any other charges with respect to the Property shall be pro-rated between Seller and Buyer as of the date of closing.
5. Closing. Seller has agreed to cause the Apartment to be sold to the Buyer within the time period set forth on page 3 of the DROA which is expected to occur within 90 days of the date of the Sales Contract.
6. No Present Transfer and Subordination to Construction Loan.
 - (a) The Sales Contract may be subject to existing blanket loans, and any security interest now or hereafter obtained by a lender of Seller is or will be prior and senior to any rights of the Buyer arising under the Sales Contract. This obligation to subordinate the purchaser's right under the Sales Contract to loans now or hereafter made by the Seller is set forth in Paragraph 4 of the Special Provisions.
 - (b) Seller may also assign by way of security all of its interest in the Sales Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in the Sales Contract, then the Buyer is obligated to perform the Sales Contract, and to attorn to and recognize the Lender as the seller under the Sales Contract.
 - (c) Notwithstanding that the Sales Contract may be subordinate to a blanket lien, if the Buyer performs his obligations under the Sales Contract, then Seller is required to convey the Apartment to Buyer at closing free and clear of any blanket lien.
7. Seller's Rights to Cancel Sales Contract. The Seller may cancel the Sales Contract with the Buyer if (a) Buyer fails to qualify for a permanent loan (if Paragraph C-24 of the DROA is selected; (b) Buyer defaults under the Sales Contract (paragraph 5(b) of the Special Provisions); or (c) Buyer dies prior to Closing Date (paragraph 5(a) of the Special Provisions). Pursuant to Paragraph 5(b) of the Special Provisions, if Buyer fails to close as required, then after ten (10) days following Seller's notice of Buyer's default, if Buyer has not cured his default under the Sales Contract, the Seller may cancel the Sales Contract and all sums previously paid by Buyer will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Buyer shall be borne by the Buyer. Time is the essence of the Sales Agreement.
8. Rights of Buyer to Cancel the Sales Contract. The Buyer has the right to cancel the Sales Contract under the following conditions:
 - a. At any time within thirty (30) days following the date the Final Public Report is delivered to Buyer. If Buyer so cancels, Buyer will be entitled to receive refund of any deposits, less any escrow cancellation fees and

other costs up to \$250. If Buyer does not act within the thirty (30) day period, or if the Apartment is conveyed to the Buyer, Buyer will be deemed to have executed the receipt for the Final Public Report and to have waived his right to cancel (paragraphs 6.1 and 6.3 of the Special Provisions).

b. The Buyer may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Buyer's Apartment or the amenities available for the Buyer's use (paragraph 7(a) of the Special Provisions).

c. Buyer fails to qualify for permanent financing if Paragraph C-24 of the DROA has been selected.

9. Paragraph 11 of the Special Provisions provides that the Buyer acknowledges that he or she has examined (and agrees to be bound) by the following:

- (a) The Condominium Map (including floor plans, exterior elevations and site map for the Project;)
- (b) Escrow Agreement;
- (c) The Declaration of Condominium Property Regime and the By-Laws of the Association of Apartment Owners;
- (d) Specimen form of the Apartment Deed;
- (e) Disclosure Abstract; and
- (e) The Final Public Report (or Supplementary Public Report, if any) an effective date having been issued by the Real Estate Commission of the State of Hawaii.

10. Paragraph 12 of the Special Provisions contains an "as is" clause whereby Seller disclaims all warranties relating to construction, design, materials or workmanship of the Apartment being bought and the Project. Buyer is cautioned to have his own inspection of the property and the Apartment. If construction of the Project was completed within one year of the date of the Sales Contract, then in accordance with subparagraph (a) the Seller may be giving a limited one year warranty as provided in such Subparagraph 12(a), which Buyer should review closely.

The Summary contained in this Exhibit is merely a summary and is not intended to be a substitute for the Buyer's careful review of the Sales Contract.

End of EXHIBIT "F"

EXHIBIT "G"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Hawaii Escrow & Title, Inc..

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase an Apartment shall be turned over to the Escrow Agent.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any 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 exercised 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.

Upon such refund, Escrow Agent shall be entitled to a reasonable fee not less than \$25 or a fee commensurate with the work done by Escrow prior to cancellation.

3. Requirements Prior to Disbursement of Buyer's Funds. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to paragraph 5 of the Escrow Agreement until all of the following have occurred:

(a) the Real Estate Commission has issued a final public report (the "Final Report") on the Project;

(b) Seller or Seller's attorney has given a written opinion to Escrow stating that all of the requirements of Sections 514A-39.5 (as to contingent final public reports), 514A-40 (as to final public reports) and 514A-63 of the Hawaii Revised Statutes, then applicable to the Project, have been satisfied.

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

4. Purchaser's Default. Seller must notify Escrow in writing if Purchaser defaults, and must certify that Seller has canceled the Purchaser's Sales Contract. After such cancellation Escrow will treat the Purchaser's funds less Escrow's cancellation fees as belonging to the Seller.

EXHIBIT "H"

DISCLOSURE ABSTRACT

1. (a) PROJECT: KALOALUIKI STREAMSIDE
2956, 2956A, 2956B, & 2956C Kaloalui Street
Honolulu, Hawaii 96822
 - (b) DEVELOPER: BBP KALOALUIKI LLC
4211 Waiialae Avenue, Suite H-6
Honolulu, Hawaii 96816

Telephone: (808) 306-9327
 - (c) MANAGING AGENT: Self-Managed by the Association
of Apartment Owners
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit are more fully described on Exhibit "H-1" and Exhibit "H-2" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).

Note: Developers disclose that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

3. DESCRIPTION OF ALL WARRANTIES COVERING THE DWELLINGS AND COMMON ELEMENTS:

The Developer is not giving any warranty on the materials and workmanship of the Units.

4. USE OF UNITS. The KALOALUIKI STREAMSIDE Condominium Project will consist of four (4) units which shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and social guests, and for any other purpose permitted by the land use ordinance for the City and County of Honolulu then in effect.
5. EXISTING STRUCTURES BEING CONVERTED. Based upon a report prepared by Barry R Ng, Registered Professional Architect, the Developer states:
 - a. Subject to normal wear and tear commensurate with its age, each of the buildings of the Project appear to be in relatively good structural condition consistent with their age.
 - b. Subject also to normal wear and tear, the electrical and plumbing systems are operable and in good working order consistent with their age.
 - c. The Developer makes no statement with respect to the expected useful life of each item set forth in paragraph (a).

EXHIBIT H-1
ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS
FOR
KALOALUIKI STREAMSIDE CONDOMINIUM

Estimate of Initial Maintenance Fees:

Apartment Type	Monthly Fee	X 12 Months	= Yearly Total
Unit A	\$ 434.00		\$ 5,208.00
Unit B	\$ 434.00		\$ 5,208.00
Unit C	\$ 434.00		\$ 5,208.00
Unit D	\$ 434.00		\$ 5,208.00

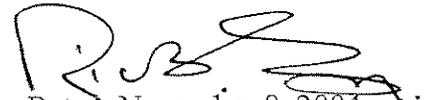
Apartment owners shall not be obligated for the payment of their respective shares of the common expenses until such time as the Developer files with the Real Estate Commission an amended abstract providing that, commencing upon a date certain stated in the amended abstract, each apartment owner shall become obligated to pay his respective share of the common expenses.

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

Estimate of Maintenance Fee Disbursements: For maintenance and service of the Common Elements only.

	<u>Monthly Fee</u>	X 12 Months	= <u>Yearly Total</u>
Utilities and Services			
Electricity	\$ 110.00		\$ 1,320.00
Water/Sewer	\$ 225.00		\$ 2,700.00
Maintenance, Repairs and Supplies			
Building	\$ 25.00		\$ 300.00
Grounds Contract	\$ 200.00		\$ 2,400.00
Pool Service	\$ 125.00		\$ 1,500.00
Supplies	\$ 50.00		\$ 600.00
Management			
Administrative Supplies	\$ 5.00		\$ 60.00
Audit/Tax Fees	\$ 20.00		\$ 240.00
Management Fee	\$ 125.00		\$ 1,500.00
Management Reimbursable Expenses	\$ 20.00		\$ 240.00
GET Taxes	\$ 1.00		\$ 12.00
Insurance			
Condominium Property & Liability Insurance	\$ 354.00		\$ 4,248.00
Umbrella	\$ 100.00		\$ 1,200.00
Fidelity Bond	\$ 26.00		\$ 312.00
Directors and Officers Liability Insurance	\$ 63.00		\$ 756.00
Flood Insurance	\$ 72.00		\$ 864.00
Other: Miscellaneous	\$ 15.00		\$ 180.00
Reserves (*)	\$ 200.00		\$ 2,400.00
TOTAL	\$ 1,736.00		\$ 20,832.00

I, Richard Emery, as agent and employed by Hawaii First Inc., the condominium managing agent for the Kaloaluiki Streamside 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.


Dated: November 8, 2004

(*) 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.

EXPLANATION REGARDING RESERVES

In arriving at the figure for "Reserves" in this Exhibit "H-1", the Developer 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.

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2	1	Analysis Definition
3	1	Cash Flow Projections
4	1	Projected Expenditures
5	1	Component Summary

Kaloaluiki Streamside

PROJECT DEFINITION REPORT

11/05/2004

Project Information

Project: Kaloaluiki Streamside
Address: Kaloaluiki Street
City: Honolulu
State: HI
Zip: 96822-0000

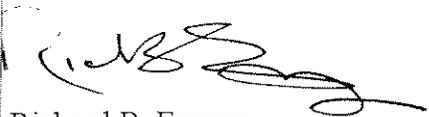
Project Date: 1/01/2005
Number of Phases: 1
Number of Units: 4
Number of Models: 1

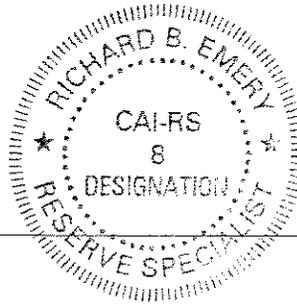
Property Description

A Reserve Study was prepared using the cash flow method of analysis for the AOA Kaloaluiki Streamside. The Reserve Study prepared by the Managing Agent using data from similar projects to establish the components, component life, and replacement costs.

It is important to recognize that a Reserve Study is a financial forecast of future funds required to maintain the capital components of the project. It requires Directors of an Association to make a reasonable efforts to project inflation, interest income, remaining life, and replacement costs of the project's capital components for a 20-year period. By its nature, it is an estimate to be used in developing the Association's annual budget. The Reserve Study is a statutory requirement of HRS 514A-83.6.

Based on this Reserve Study, the AOA Kaloaluiki Streamside is fully funded and has complied with the requirements of HRS 514A-83.6; provided however, the Association implements the funding plan and the criteria used reflects the project's actual experience during the life of the plan.


Richard B. Emery
Reserve Specialist, RS-8



Kaloaluiki Streamside

ANALYSIS DEFINITION REPORT

Exhibit H-2

Project Information

Project: Kaloaluiki Streamside
Address: Kaloaluiki Street
City: Honolulu
State: HI
Zip: 96822-0000

Project Date: 1/01/2005
Analysis Date: 1/01/2005
Number of Phases: 1
Number of Units: 4
Number of Models: 1

Analysis Parameters

Rate of Inflation: 3%
Rate of Return on Investment: 5%
Beginning Funds: \$25,000.00
Loan/Special Assessment: No

Deferred Expenditures: No
Contingency: 0%
Contingency Time: None

Annual Contribution Factors

		2015:	0%
2006:	0%	2016:	0%
2007:	0%	2017:	0%
2008:	0%	2018:	0%
2009:	0%	2019:	0%
2010:	20%	2020:	0%
2011:	0%	2021:	0%
2012:	0%	2022:	0%
2013:	0%	2023:	0%
2014:	0%	2024:	0%

Additional Analysis Information

The Association's estimated total replacement reserves as of the formation of the Association is estimated at \$25,000.00. The Developer will contribute \$25,000 to establish the beginning balance of the reserve fund. The estimated replacement reserves for the initial year budget is \$2,400.00. The Association will collect \$2,400.00 in the initial year. The Funding Plan further relies upon interest income from investments on reserve funds remaining in the reserve fund. The Funding Plan forecasts an increase in the contributions to the reserve fund in 2010 of approximately \$10.00 per apartment.

This Reserve Study reflects that the Association is fully funded.

Kaloalauiki Streamside
CASHFLOW PERCENT FUNDED SUMMARY PROJECTIONS

Exhibit H-2

Year	Beginning Balance	Contribution	Average/ Unit/Mo	Interest Earned	Expenditures	Ending Balance
2005	25,000.00	2,400.00	50.00	1,315.27	1,012.00	27,703.27
2006	27,703.27	2,400.00	50.00	1,483.46	0.00	31,586.73
2007	31,586.73	2,400.00	50.00	1,677.62	1,090.00	34,574.35
2008	34,574.35	2,400.00	50.00	1,835.04	0.00	38,809.39
2009	38,809.39	2,400.00	50.00	2,051.73	0.00	43,261.12
2010	43,261.12	2,880.00	60.00	2,253.08	2,365.00	46,029.20
2011	46,029.20	2,880.00	60.00	2,434.35	0.00	51,343.55
2012	51,343.55	2,880.00	60.00	2,706.27	0.00	56,929.82
2013	56,929.82	2,880.00	60.00	2,986.65	1,302.00	61,494.47
2014	61,494.47	2,880.00	60.00	3,147.43	18,770.00	48,751.90
2015	48,751.90	2,880.00	60.00	2,389.60	35,885.00	18,136.50
2016	18,136.50	2,880.00	60.00	1,001.26	1,422.00	20,595.76
2017	20,595.76	2,880.00	60.00	1,133.02	0.00	24,608.78
2018	24,608.78	2,880.00	60.00	1,338.34	0.00	28,827.12
2019	28,827.12	2,880.00	60.00	1,515.34	9,325.00	23,897.46
2020	23,897.46	2,880.00	60.00	1,208.66	12,787.00	15,199.12
2021	15,199.12	2,880.00	60.00	856.89	0.00	18,936.01
2022	18,936.01	2,880.00	60.00	1,041.03	1,699.00	21,158.04
2023	21,158.04	2,880.00	60.00	1,161.79	0.00	25,199.83
2024	25,199.83	2,880.00	60.00	1,263.45	25,233.00	4,110.28
Totals:		55,200.00		34,800.28	110,890.00	

PROJECTED EXPENDITURES

Exhibit H-2

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014
Miscellaneous Repairs			1,090			1,191			1,302	
Painting										18,770
Paving Repairs	1,012					1,174				
Totals	1,012		1,090			2,365			1,302	18,770

PROJECTED EXPENDITURES

Exhibit H-2

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Area Lighting					777					
Chain Link Fencing						11,210				
Miscellaneous Repairs		1,422			1,554			1,699		
Painting										
Paving Repairs	1,361					1,577				25,233
Pool Equipment					6,994					
Roof	34,524									
Totals	35,885	1,422			9,325	12,787		1,699		25,233

PROJECTED EXPENDITURES

Exhibit H-2

2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
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Totals

Kaloalui Streamside
COMPONENT SUMMARY REPORT

Exhibit H-2

Description	Starting Date	Useful Life (yr/mo)	Adj. Life (yr/mo)	Sched. Rpl. (mo/yr)	Recur	Current Cost	Future Cost
<u>Amenities</u>							
Pool Equipment	12/01/2004	15/00	00/00	12/19	Y	4,500	6,994
Pool Tile	12/01/2004	30/00	00/00	12/34	Y	22,000	53,289
Sub Total:						26,500	60,283
<u>Building</u>							
Miscellaneous Repairs	12/01/2004	03/00	00/00	12/07	Y	1,000	1,090
Painting	12/01/2004	10/00	00/00	12/14	Y	14,000	18,770
Roof	12/01/1990	25/00	00/00	12/15	Y	25,000	34,524
Sub Total:						40,000	54,384
<u>Grounds</u>							
Area Lighting	12/01/2004	15/00	00/00	12/19	Y	500	777
Chain Link Fencing	12/01/1990	30/00	00/00	12/20	Y	7,000	11,210
Paving Repairs	6/01/2005	05/00	00/00	06/05	Y	1,000	1,012
Sub Total:						8,500	12,999
Grand Total:						75,000	127,666

EXHIBIT "I"
Kaloalauiki Streamside
RULES AND REGULATIONS

These Rules and Regulations ("House Rules") contain information that should make your daily living at Kaloalauiki Streamside (the "Project") more meaningful and enjoyable. It must be realized that condominium living requires each resident to have appropriate respect for the needs and rights of others living in the Project. The primary purpose of these House Rules is to protect the apartment owners and other occupants, including tenants and guests, from annoyance and nuisance caused by improper use of the Project, the enjoyment, comfort and security of all residents and the reputation and desirability of the Project.

The Board of Directors of the Association of Apartment Owners (the "Board") is responsible for enforcing these House Rules, but the responsibility may be delegated to the manager or managing agent. All apartment owners ("Owners"), tenants and their guests are bound by these House Rules.

These House Rules supplement (but do not change) the obligations of the Owners and their tenants and guests as set forth in the Declaration of Condominium Property Regime (the "Declaration") and the Bylaws of the Association of Apartment Owners of the Project (the "Bylaws"). In the event there is any inconsistency between these House Rules and the Declaration and/or the Bylaws, the Declaration and/or Bylaws will prevail.

The Board may from time to time make other rules and regulations for the Project or amend the House Rules set forth below.

A. OCCUPANCY:

1. **Use of Apartments.** Apartments shall only be used for those purposes as are permitted by the Declaration, the Bylaws, the deed conveying an apartment to an Owner, and applicable zoning.

2. **Animals.**

a. **Generally.** No livestock, poultry, rabbits, or other animals whatsoever shall be allowed or kept in any apartment or any other part of the Project except as provided in subsection b below and except as follows:

(i) up to two household pets (including one miniature pig) other than guard or trained attack dogs shall be permitted.

(ii) any dog shall be placed on a lead or leash, provided that such dog (shall at all times be accompanied by and in the control of their owners while present

upon the common elements(exclusive of the limited common element appurtenant to the apartment owned by the owner of such dog) and no dog shall be chained in the common element (inclusive of said limited common element.)

(iii) No dog shall be left by an owner overnight in the limited common element appurtenant to the apartment owned by the owner of such dog.

(iv) No animal shall excessively bark or make other noise.

(v) An owner shall be responsible for cleaning up after his pet, repair any damage caused by his pet to the common elements or the property of other apartment owners, and shall indemnify and hold the apartment owners harmless from any damage or cost incurred resulting from the Owner's pet.

b. Remedies. If any such permitted pet shall cause a nuisance or unreasonable disturbance or poses a threat to the health or safety of any Owner, tenant or guest, the owner thereof will be given an opportunity to rectify the problem by measures which fall short of ejection of the animal from the Project. Ejection will be required only if the Board reasonably determines that less drastic alternatives have been unsuccessful. If such an animal is ejected and is a certified guide dog, it will nonetheless be allowed to remain at the Project for a reasonable period of time while the owner thereof attempts to find a suitable replacement animal, provided that the problem is controlled to a sufficient degree that the continued presence of the animal during that time does not constitute an unreasonable imposition upon, or threat to the safety or health of, other Owners, tenants or guests.

c. Indemnification. In no event shall the Board, the Association of Apartment Owners of the Project (the "Association"), the manager or managing agent be or be deemed to be liable for any loss, damage or injury to persons or property caused by or arising in connection with any Owner's, tenant's or guest's pet, guide dog, signal dog or other animal. By acquiring an interest in an apartment in the Project, each Owner agrees to indemnify, defend and hold harmless the Board, the Association, the manager and the managing agent against any claim or action at law or in equity arising out of or in any way relating to such Owner's or such Owner's tenant's or guest's pet, guide dog, signal dog or other animal.

3. Conduct of Tenants, Guests and Other Persons. An Owner is responsible for the conduct of his tenants and his (or his tenant's) guests. If an Owner is unable to control the conduct of his tenants or his (or his tenant's) guests, the Owner will, upon request of the Board, immediately remove such person or persons from the Project and the Board and the Association will not be liable for any lost rentals or other damage suffered by the Owner.

4. Appointment of Local Agent. Owners shall designate a local agent to represent them if their residence is outside of the State of Hawaii or if they will be absent from the Project for more than thirty (30) days. The Owners will file their out-of-

town address and telephone number, and the address and telephone number of their local agent, with the Board.

5. **Rules of Governmental Authority.** Each Owner, tenant, or guest shall at all times observe and comply with all laws, ordinances, rules and regulations now and hereafter made by any governmental authority or the Association applicable to the use of the Project.

B. USE OF COMMON AND LIMITED COMMON ELEMENTS:

1. **Parking Automobiles and Other Vehicles or Equipment.**

a. **Parking Generally.** All vehicles belonging to apartment Owners and their tenants shall be parked in parking stalls which are a limited common elements appurtenant to the Owner's apartment, provided, that in the case of those apartments which have a garage, one additional vehicle may be parked in front of such garage in such a manner so as not to interfere with the ingress/egress of vehicles owned by other owners in the Project. Guests, invitees or employees of apartment Owners or tenants may park their vehicles in designated guest or visitor parking stalls if any are available, provided, however, that no guest or visitor parking stall may be occupied by the same vehicle for more than twenty-four (24) consecutive hours. No boats or trailers or un-motorized vehicles of any kind may be parked in any stall. No vehicle of any kind shall be parked in any stall if any part of the vehicle extends beyond the boundaries of the stall or otherwise inhibits the ability of others to use adjacent stalls or to move safely in the parking areas and/or roadways or driveways leading thereto. Unlicensed motorized vehicles are not to be stored anywhere at the Project.

b. **Violations.** Violators of any parking regulations promulgated by the Board shall have their vehicles towed away at their own expense. If the violator is a tenant, invitee, employee or guest of any Owner, the Owner shall be held responsible for the payment of the towing charge.

c. **Repairing, Washing Cars, etc.** No car repairs or adjustments may be made at any time on the common elements of the Project. No cars may be washed anywhere at the Project except in areas (if any) specifically designated for that purpose on a first-come, first-served basis.

d. **Responsibility for Damage.** Damage to cars and other objects or to the common elements shall be the responsibility of the person causing the damage. Each Owner shall use care in parking, entering and exiting his assigned parking stall(s) so as not to damage vehicles in adjacent or nearby stalls or any part of the garage structures, including the doors.

e. **Rules and Regulations.** Vehicular access to and egress from each parking stall in the Project (or outside of the Project on contiguous parcels of land, if permitted) , shall be subject to such entry and exit system and rules as may be

established by the Association and to agreements with County of Hawaii and owners of neighboring properties. Such entry and exit systems may, without limitation, include the use of gate cards and/or parking stickers in order to gain access to or egress from the parking stalls or access to or exit from other parking facilities. Each user of a parking stall shall at all times comply with such entry and exit system and rules from time to time established by the Board.

2. **Camping.** No camping or use of tents on the common elements of the Project is allowed at any time.

3. **Fireworks.** Use of fireworks of any kind anywhere in the Project is strictly prohibited at all times.

4. **Barbecuing.** Outdoor cooking shall be permitted only in designated common areas or upon uncovered portions of limited common areas (LCA) appurtenant to an apartment owned by such owner which uncovered portions are located at least five(5) feet from any structure. Only propane-fueled cooking equipment is permitted in the assigned yard areas. Open fires, including charcoal briquette fires, are not permitted anywhere in the Project except within designated areas in the vicinity of the swimming pool.

5. **Recreational Facility.** The pool and the surrounding areas are for the exclusive use of residents of the Project and their guests during the hours to be determined by, and in accordance with the rules to be promulgated by, the Board. Residents and guests shall use the pool and other recreational facilities at their own risk.

C. NOISE AND NUISANCES:

1. **Noise and Nuisances Prohibited.** No nuisance shall be allowed in the Project nor shall any use or practice be allowed that is improper or offensive in the reasonable opinion of the Board or that is in violation of the Bylaws or these House Rules or that unreasonably interferes with or is an unreasonable annoyance to the peaceful possession or proper use of the Project by other Owners or tenants.

2. Specific Rules.

a. Excessive Noise and Objectionable Odors Prohibited.

Residents and other occupants of the apartments shall avoid unreasonably excessive noise of any kind at all times and shall not cause or permit any unreasonably disturbing noise or objectionable odors to emanate from their apartments.

b. **Hours for Deliveries and Maintenance/Construction Work.** No Deliveries of any items to nor maintenance or construction work on any apartment will be allowed before 8:00 a.m. or after 6:00 p.m. except in an emergency.

c. **Hours for Reduced Volume for Radios and Stereos.** Radios, TV's, stereos, etc. in the apartments must be played at reduced volume after 10:00 p.m. and before 8:00 a.m.

d. **Departure of Guests; Minimizing Noise.** When guests of any apartment are leaving at night, noise must be kept at a minimum.

3. **Soliciting Prohibited.** No solicitation of any kind (including but not limited to commercial, political or religious soliciting) is allowed in the Project, provided, however, that Owners of Apartments which are permitted to be used for commercial or retail purposes shall be not affected by this prohibition. Report all solicitations to the Board.

D. SAFETY CONSIDERATIONS:

1. **Supervision of Children.** Children play at their own risk in the Project and should be supervised by an adult at all times. Such risks may include unattended equipment, poisonous substances, fertilizers, open pits, etc., that may be left or stored within the common areas. Parents are responsible for the actions of, and will exercise control over, their children.

2. **Flammable or Dangerous Liquids.** Flammable fluids such as gasoline, kerosene or explosive materials or articles deemed hazardous to life, limb or property, or the presence of which may increase the Project's hazard or liability insurance premiums, will not be used or stored anywhere within the Project except in connection with the use of small tools or appliances by Association employees.

3. **Right of Entry in Favor of Association.** Every Owner, tenant, or guest hereby grants a right of entry to any persons authorized by the Board in the event of an emergency originating in or threatening an apartment, whether or not the Owner or occupant is present at the time. Keys to the apartments must be furnished to the Board.

E. AESTHETIC CONSIDERATIONS:

1. **Cleanliness; Attractive Appearance of Apartments, Lanais and Enclosed Yard Areas.** All Owners and tenants are responsible for the cleanliness and day-to-day maintenance of their apartments and lanai areas. Said areas shall be kept in a neat, attractive and sanitary condition. No objects, other than appropriate lanai furniture and potted plants in appropriate containers, shall be permitted on lanais, and no objects except appropriate yard furniture and landscaping shall be permitted in the enclosed yard areas appurtenant to ground level apartments. Except as provided herein, the storage of personal property and similar objects on a lanai or in an enclosed yard area is strictly prohibited.

2. **Limited Common Elements.** Each of Apartments A and C has for its exclusive use that limited common element which is located adjacent to its respective

apartment unit. It is referred to as a "LCA". Each of the Owners of apartments having an appurtenant LCA (including tenants) is responsible for the cleanliness and day-to-day maintenance of its LCA. Each LCA shall be kept in a neat, attractive and sanitary condition, and in furtherance thereof each LCA Owner shall be responsible, among other things, to do the following at his sole cost and expense: (i) keep the grass and landscaping neatly cut and trimmed and watered ; (ii) remove unsightly trash, including pet droppings and (iii) keep vegetation at least three(3) feet from the buildings located within the Project. Should an LCA Owner fail to meet his obligations hereunder, then the Board may request the LCA to meet his obligation, and should the LCA Owner fail to do so, then the Board shall have enter onto the LCA, meet the obligations of the LCA Owners and bill such LCA Owner for the cost thereof.

3. **Window Cleaning.** Each Owner shall be responsible, at such Owner's expense, for cleaning the interior and exterior surfaces of all windows in the Owner's apartment and assigned garage parking area.

4. **No Objects to be Hung from Windows or Railings.** No clothes, bedding, carpeting or anything else shall be hung on or from windows or lanais for any purpose, nor shall clothing or laundry be hung in walkways or windows, or placed on or hung over landings in such a manner as to be visible from other apartments and/or the common areas or other properties in the vicinity of the Project.

5. **Trash Disposal.** All household trash shall be secured in plastic trash bags (except for dry paper, which need not be bagged) and placed in a trash container or other designated receptacles. Refuse, garbage or trash of any kind shall not be placed or thrown in any common area of the Project.

6. **No Household Objects to be Placed Outside Apartments.** No garbage cans, household or commercial supplies, excess items or similar articles shall be placed outside any apartment or on any lanai in a place where they can be seen from outside any apartment.

F. REPAIRS, MAINTENANCE, AND MODIFICATIONS:

1. **Repairs and Maintenance.**

a. **Apartment Owner's Duty to Repair and Maintain.** Every Owner, from time to time and at all times, shall promptly perform all repair and maintenance work within his apartment and those limited common elements for which the Owner is responsible, the omission of which would adversely affect the Project, any common element or any other apartment, and shall be responsible for all loss and damage caused by his failure to do so.

b. **Repairs Inside of Apartments to be at Owner's Expense.** All repairs of internal installations within each apartment, such as plumbing and electrical fixtures, appliances, telephones, doors, lamps, and other fixtures and accessories

belonging to such apartment, including the walls and floor coverings of such apartment, shall be at the apartment Owner's expense.

c. **Repairs Affecting Common Elements.** Unless otherwise agreed by all of the Owners, any repairs or maintenance that may affect the common elements shall be performed by a licensed contractor or other qualified personnel.

2. **Modifications and Additions.** If required by the Declaration and/or Bylaws, any modifications or additions to or of an apartment or common element must receive the prior written permission of the Board.

a. **Signs.** Except as permitted by the Board and except for "For Sale" signs in connection with an Owner's offering of sale of an apartment in the Project (subject to regulation by the Board) which are permitted, Owners or tenants shall not place any signs in or on buildings or in or upon other common elements.

b. **Board May Require Plans and Specifications.** The Board may require the presentation of plans and specifications prepared by a registered architect or engineer for the alteration prior to approval.

c. **No Attachment of Objects to the Exterior Without Board Approval.** No Owner or tenant, except with the written consent of the Board, shall permit the attachment, hanging, projection or protrusion of any object, including garments, wiring or other device for electrical or telephone installations, television, machines, or other equipment or appurtenances on the exterior of a building or protruding through the walls, windows or roof thereof.

3. **Board May Require Removal of Unauthorized Work.** The Board may inspect any work and may order the removal of any work that has not been approved or that may adversely affect the common elements or the exterior appearance of the Project.

4. **No Roof Access.** No person whatsoever (other than the manager or managing agent and authorized tradesmen and technicians) shall be allowed on any roof within the Project for any purpose.

G. **VIOLATIONS OF THESE RULES:**

1. **Reporting Violations and Damages.**

a. **Reporting of Violations.** All corrective actions regarding violations of the House Rules and damages to the common elements will be enforced by the Board and should be reported promptly to the Board.

b. **Damage to Common Elements.** Any damage to the common elements shall be surveyed by the Board or other authorized personnel at the direction

of the Board and the cost of repair or replacement and any legal fees incurred may be assessed by the Board against the person or persons responsible, including, but not limited to, any Owner for damages caused directly or indirectly by his tenants or such Owner's (or his tenants') family members, domestic servants, or guests.

2. **Remedies.** The violation of any of these House Rules shall give the Board, or its agents the right to:

a. **Enter Apartments.** Enter the apartment and/or limited common elements in which, or as to which, such violation or breach exists and to summarily abate and remove, at the expense of the defaulting Owner (whether or not caused by the Owner or any person for whose conduct the Owner may be responsible), any structure, thing or condition that may exist therein contrary to the intent and meaning of the provisions hereof or of the Declaration, the Bylaws, and the Board or the authorized agents shall not thereby be deemed guilty in any manner of trespass; and/or

b. **Institute Legal Proceedings.** Institute legal proceedings to enjoin, abate or remedy the continuance of any such violation, and all costs thereof, including attorneys' fees, shall be borne by the defaulting Owner (whether caused by the Owner or by any person for whose conduct the Owner may be responsible).

H. AMENDMENT:

Prior to the election of the first Board, Kaloaluiki Streamside, LLC (the "Developer") may amend these House Rules in any manner without the joinder, consent or approval of any other party. Upon election of the first Board and at all times thereafter, these House Rules may be amended by the vote of a majority of those Directors present at a duly called meeting at which a quorum of Directors is present, and shall become effective when published to all apartment Owners.

The Developer hereby adopts the foregoing House Rules of Kaloaluiki Streamside this 28th day of September, 2004.

BBP Kaloaluiki LLC, a Hawaii limited liability company

By 

Anthony T. Price
Its Member