

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Robert Sakamaki and Darlene Sakamaki
Address 1314 S. King Street, Suite 954 Honolulu, HI 96814

Project Name(*): 3261 & 3261A KILIHUNE PLACE
Address: 3261 & 3261A Kilihune Place, Honolulu, HI 96816

Registration No. 5564 (Conversion)

Effective date: March 16, 2005
Expiration date: April 16, 2006

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

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

Type of Report:

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

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

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

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

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

No prior reports have been issued by the developer.

Changes made are as follows:

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Robert Sakamaki
Darlene Sakamaki
Name* 1314 S. King St., Ste 954
Business Address Honolulu, HI 96814
Phone: (808) 589-2708 (Business)

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

N/A

Real Estate Broker*: None selected, see page 20
Name
Business Address
Phone: (Business)

Escrow Title Guaranty Escrow & Title Name Services
235 Queen Street, 1st Floor
Business Address Honolulu, HI 96813
Phone: (808) 521-0211 (Business)

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

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

Attorney for Developer: Naomi C. Fujimoto
Name 810 Richards Street, Suite 839
Business Address Honolulu, HI 96813
Phone: (808) 528-7125 (Business)

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

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

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2002-105047
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

None .

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. 3455
 Filed - Land Court Condo Map No. _____

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

None .

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2002-105048
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

None .

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

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

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

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

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

2. **Developer:**

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

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

As set forth in Section 27 of the Declaration of Condominium Property Regime of 3261 & 3261A Kilihune Place and as described in Exhibit "A" attached hereto and made a part hereof.

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: 3261 & 3261 A Kilibune Tax Map Key (TMK): (1) 3-3-047-073
Place, Honolulu, HI 96816

Address TMK is expected to change because _____

Land Area: 10,104 square feet acre(s) Zoning: R5

Fee Owner: Robert Sakamaki
 Darlene Sakamaki
 Name _____
 1314 S. King Street, Suite 954
 Address _____
 Honolulu, HI 96814

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
- Unit 3261 - 2 floors
 Unit 3261A - 1 floor

2. Number of Buildings: 2 Floors Per Building: _____
 Exhibit L contains further explanations.

3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other Masonry, glass (for windows) and allied materials

4. Uses Permitted by Zoning:

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

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

5. Special Use Restrictions:

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

Pets: See Exhibit "B"

Number of Occupants: _____

Other: See Exhibit "B"

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 in Unit 3261 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
<u>A</u>	<u>1</u>	<u>3/2</u>	<u>1228</u>	<u>200</u>	<u>carport</u>
<u>B</u>	<u>1</u>	<u>2/1</u>	<u>576</u>	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

Total Number of Apartments: 2

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

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

Boundaries of Each Apartment:

See Exhibit "C"

Permitted Alterations to Apartments:

See Exhibit "D"

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

The Owner-Occupant requirements are not applicable pursuant to HRS 514A-108(c) (pertaining to 2 unit projects)

7. Parking Stalls:

Total Parking Stalls: 2 + one carport

	<u>Regular</u> <u>Covered</u> <u>Open</u>	<u>Compact</u> <u>Covered</u> <u>Open</u>	<u>Tandem</u> <u>Covered</u> <u>Open</u>	TOTAL
Assigned Unit 3261A (for each unit)	<u>---</u>	<u>---</u>	<u>2</u>	<u>2</u>
Guest	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Unassigned	<u>---</u>	<u>---</u>	<u>---</u>	<u>---</u>
Extra for Purchase carport for Other: Unit 3261	<u>1</u> <u>--</u>	<u>--</u> <u>--</u>	<u>--</u> <u>--</u>	<u>1</u>
Total Covered & Open:	<u>1</u>	<u>---</u>	<u>2</u>	<u>3</u>

Each apartment will have the exclusive use of at least 1 parking stall(s).

Buyers are encouraged to find out which stall(s) will be available for their use.

Unit 3261A will have 2 stalls

Commercial parking garage permitted in condominium project.

Exhibit "E" 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):

All structural components, mechanical, and electrical installations are sound and functioning properly. Developers make no representation or warranty regarding the expected useful life of said structural components, mechanical, and electrical installations.

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>
parking Uses	<u> X </u>	<u> X </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.

See Exhibit "M"

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 "P".

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 "G".

as follows:

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

described in Exhibit _____.

as follows:

Unit 3261 - 20.90%
Unit 3261A - 79.10%

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 "H" describes the encumbrances against the title contained in the title report dated Oct. 19, 2004 and issued by Chicago Title Insurance Company

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
2 Mortgage s	Buyer's interest will terminate and Buyer's deposit will be refunded less escrow cancellation fees.

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:

There are no warranties for individual units or the common elements.

2. Appliances:

There are no warranties for any appliances.

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

Unit 3261 completed in 1959.
Unit 3261A completed in 1945.

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):

No plans or right to perform for future development.

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 "J" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated No executed copy yet. Please see Exhibit K.
Exhibit "K" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

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

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

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs

Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5564 filed with the Real Estate Commission on November 4, 2004.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

C. Additional Information Not Covered Above

DISCLOSURE REGARDING SELECTION OF REAL ESTATE BROKER:

The Developer has not selected a real estate broker for the sale of either unit in the project at this time.

When the Developer offers either unit for sale, the Developer shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed Disclosure Abstract identifying the designated broker, and (2) provide a copy of the Disclosure Abstract to the purchaser together with a copy of this Public Report.

Warning: The project may contain lead paint or other hazardous materials. The purchaser of any unit in the Project is purchasing the unit and any appurtenant interest in "as is" condition.

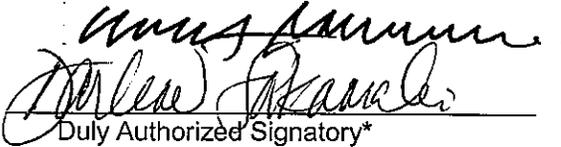
Since the owner of Unit 3261A has 79.10 % of the common interest in the project, the owner of Unit 3261A has the unilateral right to amend the Declaration and Bylaws and to pass all rules and regulations for the project.

Note: As long as the Developer owns a unit in the project, the other unit owner cannot lease his/her unit.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Robert Sakamaki and Darlene Sakamaki

Printed Name of Developer

By: 
Duly Authorized Signatory*

03-11-2005
03-11-2005
Date

Robert Sakamaki and Darlene Sakamaki, Owner/Developer

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

Part II, Section E.2 of the Condominium Public Report: Developer. Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

1. Pursuant to Section 15 of the Declaration, the Developer may amend the Declaration without the consent, signature, participation, vote, approval or joinder of any person (including, without limitation, any Apartment owner(s), any mortgagee of (or holder of any mortgage or lien on) an Apartment or any portion of the Project, any lessee (if any) of any Apartment or any portion of the Project, any holders of any other right, title or interest in an Apartment or Apartments or the Project or any portion thereof), by filing or recording an amendment to the Declaration pursuant to the provisions of Chapter 514A, H.R.S., after completion of construction of the Project described herein by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore recorded or filed or being recorded or filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the Apartments, as built.
2. Pursuant to Section 15 of the Declaration, the Developer and (upon conveyance of the Apartments by Developer) Apartment owners shall have the right to change the designation of Parking Stalls which are appurtenant to their respective Apartments by amendment of this Declaration and respective Apartment Deeds or Condominium Conveyance Documents (as the case may be), as allowed and provided by law.
3. Pursuant to Section 15 of the Declaration, the Developer may amend the Declaration to implement those additions, deletions, modifications, reservations or merger provisions contained in the Declaration and such amendment shall require the vote or written consent of only the Developer, and shall not require the vote, signature, consent, joinder or participation in any manner by any person (including, without limitation, the Association, any Apartment owner, any mortgagee of (or holder of any mortgage or lien on) an Apartment or any portion of the Project, any lessee (if any) of any Apartment or any portion of the Project, the holders of any other right, title or interest in an Apartment or Apartments or the Project or any portion thereof, or any other persons whose consent, joinder, signature, participation or approval would otherwise have been required except for this provision).
4. Pursuant to Section 27 of the Declaration, the Developer (specifically including its successors and assigns) shall have the right, without being required to obtain the consent, vote, signature, participation, approval or joinder (or any other act) of the Association, any Apartment owner any mortgagee of or holder of any mortgage or lien on an Apartment or any portion of the Project, any lessee (if any) of any Apartment or any portion of the Project, any holder of any other right, title or interest in an Apartment or Apartments or the Project or any portion thereof,

or any other persons or entities whose consent, vote, signature, participation, joinder or approval would otherwise be required, to execute, acknowledge, process and file or record any and all instruments necessary or appropriate for the purpose of carrying out the provisions of and exercising the rights, powers and privileges granted by or reserved in this Declaration, including, without limitation such amendment(s) to this Declaration and Bylaws as may be necessary or convenient to accomplish the same. Each owner of an Apartment, the Association, each mortgagee of (or holder of any mortgage or lien on) an Apartment or any portion of the Project, each lessee (if any) of any Apartment or any portion of the Project, and the holders of any other right, title or interest in an Apartment or Apartments or the Project or any portion thereof, and any and all persons and entities whose consent, vote, signature, participation, joinder or approval would be required to effectuate the purposes hereof, irrevocably, jointly and severally, appoint the Developer, its successors and assigns, as their and their respective true and lawful attorney-in-fact for the purposes of acknowledging, executing and recording or filing any of the documents needed to accomplish any of the things contained in this Declaration. Without limiting the generality of anything herein contained, the rights reserved by or given to Developer shall specifically include, but not be limited to the execution, acknowledgment, delivery and recordation or filing of the instruments (including, without limitation, amended Declaration, amended condominium map, amended bylaws), deeds, grants of easements, partial releases of mortgages or other liens, and other materials in connection with the rights of Developer set forth anywhere in this Declaration. In connection with the exercise of any right(s) described in this Declaration in favor of the Developer, the Developer, shall have the rights, for all purposes reasonably necessary for, or useful to, the matters set forth anywhere in this Declaration, to enter upon the Project with employees, agents and contractors, and to modify the Project and project documents (including, without limitation, by amendment of this Declaration, the condominium map and/or bylaws) and to file or record the same. Said rights shall also include, without limitation, an easement over, under and across the common elements of the Project for the purposes of all work connected with or incidental to the foregoing. The Developer, its successors and assigns, shall use reasonable efforts to keep its exercise of the rights reserved to it under this paragraph from unreasonably interfering with the rights of Apartment owners in the Project.

EXHIBIT "B"

PART III, SECTION C.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:

- [X] Pets: Article VI, Section 1(11), of the Bylaws provides that "no livestock, poultry, or other animals whatsoever shall be allowed or kept in either of the Apartments or in or on the Project, except for no more than one (1) domesticated dog or one (1) domesticated cat, caged birds, and aquarium fish per Apartment. The restrictions as to animals shall not be interpreted to prevent a handicapped person from bringing or keeping a traditional and reasonable animal as may be necessary to afford said person the equal opportunity to use and enjoy the condominium premises, and the Board of Directors shall make reasonable accommodations in these Bylaws and in the rules, regulations and/or restrictions if those accommodations may be necessary to afford a handicapped person equal opportunity to use and enjoy the condominium premises. However, any animal allowed to be kept in an Apartment or permitted on any other portion of the Project, whether a pet or an animal trained to assist disabled people, shall be subject to at least the following (in addition to any additional requirements as may be contained in the House Rules from time to time, not inconsistent with these Bylaws): (1) no animal shall be kept if the keeping of such animal is prohibited by law; (2) any animal permitted in the Project must be accompanied by the resident(s) or disabled person to whom the animal belongs when present in or in transit over the common elements or common areas and animals that can be leashed shall be kept on a leash while present in or in transit over common elements or common areas; (3) if any animal causes a nuisance (private or public, including, without limitation, any nuisance under Hawaii Revised Statutes Chapter 322), unreasonable disturbance or noise or unsanitary condition in any Apartment or any other Portion of the Project, the owner of such animal or the resident or occupant of the Apartment in which such animal is kept or the resident or occupant of the Apartment with whom the owner of the animal is visiting shall be given notice of such nuisance, unreasonable disturbance or unsanitary condition, with a copy to the owner of the Apartment in which such animal is kept or which such resident or occupant resides in or occupies (if different from such animal owner, resident or occupant), and such animal owner, resident, occupant or Apartment owner must correct or remove the nuisance, unreasonable disturbance or unsanitary condition within ten (10) days. The animal causing a nuisance, unreasonable disturbance or unsanitary condition may be ejected or removed from the Property if the Board of Directors reasonably determines that other alternatives have been unsuccessful. If the Board of Directors decides to eject or remove an animal from the Project and the animal is needed to provide

assistance to a disabled resident of the Project such animal may nonetheless be allowed to remain at the Project for a reasonable period of time, not to exceed sixty (60) days from the date the Board of Directors makes such determination while the disabled resident of the Project finds a suitable replacement animal, provided that the nuisance, unreasonable disturbance or unsanitary condition is controlled or abated to a sufficient degree that the presence of the animal during such interim period of time does not constitute an unreasonable imposition upon the other residents of the Project. If the disabled resident of the Project needs more than sixty (60) days to obtain a replacement animal, the such person may request an extension of time in writing given to the Board of Directors, which request shall state in detail the reason such extension of time is needed and the Board of Directors may, at its discretion and upon such conditions as it may deem reasonably appropriate, grant such extension of time.”

[] Number of Occupants:

[X] Other: Pursuant to Section 9 of the Declaration, the Apartments are intended for residential use only.

Pursuant to Section 29 of the Declaration, as long as the Developer resides in a unit in the Project the following restrictions apply:

(a) Unit 3261 will only be used, occupied and enjoyed by an owner-occupant.

(b) No renter, tenant, lessee or any person who does not own 100% of the fee simple title in Unit 3261 shall use, occupy or enjoy Unit 3261. For purposes of this subsection (b) only, “any person” may mean and include two or more people who collectively own 100% of the fee simple title in Unit 3261.

An "owner-occupant" shall mean a person owning 100% fee simple title in Unit 3261 or two or more persons collectively owning 100% fee simple title in Unit 3261. In the case of a person other than a natural person, "owner-occupant" shall include any person owning the majority of the ownership interest, legal and equitable, in the person, or, if a trust, the current beneficiary or current beneficiaries of the trust. In no event shall "owner-occupant" mean or include any other person, whether an employee, agent, designee or otherwise.

Nothing herein shall preclude an owner-occupant from inviting guests and invitees, provided that no guest or invitee shall reside in Unit 3261; "reside" in the foregoing means a presence at Unit 3261 for a period of more than thirty (30) days (whether or not consecutive) in any calendar year.

EXHIBIT "C"

PART III, SECTION C.6:

1. Boundaries of Each Apartment: Pursuant to Section 5 of the Declaration, in pertinent part:

Each Apartment consists of the entire free standing dwelling unit as shown on said Condominium Map, including (without limitation) all slabs, footings, and foundations, posts and piers, floors, areas under floors, stairways, walls (whether interior or exterior, loadbearing or non-loadbearing, structural or non-structural), pillars, columns, uprights, posts, beams, any other structural elements, any existing and future pipes, wires, cables, meters, conduits, ducts, vents, lines, fixtures, facilities, improvements, spaces, equipment or elements (for any service, utility or otherwise) which serve that Apartment, any door, window, or other closure therein, all finishings and coverings on all surfaces, ceiling, rafters, beams, areas above the ceiling, roof, roof elements (including structural) and roof coverings, and all fixtures attached to any of the foregoing. For the Apartment having a carport, the Apartment shall be deemed to include the carport, including (without limitation) all slabs, footings, and foundations, floors, stairways, walls (whether interior or exterior, loadbearing or non-loadbearing, structural or non-structural), pillars, columns, uprights, posts, beams, any other structural elements, any existing and future pipes, wires, cables, meters, conduits, ducts, vents, lines, fixtures, facilities, improvements, spaces, equipment or elements (for any service, utility or otherwise) which serve the Apartment to which the carport is attached or the carport, any door, window, or other closure therein, all finishings and coverings on all surfaces, ceiling, rafters, beams, areas above the ceiling, roof, roof elements (including structural) and roof coverings, all as respectively appropriate.

Anything to the contrary notwithstanding, in no event shall any Apartment or lot include any pipes, wires, cables, meters, conduits, ducts, vents, lines, fixtures, facilities, improvements, spaces, equipment or elements (for any service, utility or otherwise) wherever located which are utilized for or serve more than one Apartment or the common elements, the same being deemed common elements as hereinafter provided.

The horizontal boundaries of each Apartment shall be the unfinished surface of the land on which the dwelling unit is situated and the finished exterior of the roof of the dwelling unit. Where an Apartment consists in whole or in part of unenclosed space, if at all, the boundary defining such space is the boundary as shown on said Condominium Map.

END OF EXHIBIT "C"

EXHIBIT "D"

PART III, SECTION C.6:

1. Boundaries of Each Apartment: Pursuant to Section 5 of the Declaration, in pertinent part:

Each Apartment consists of the entire free standing dwelling unit as shown on said Condominium Map, including (without limitation) all slabs, footings, and foundations, posts and piers, floors, areas under floors, stairways, walls (whether interior or exterior, loadbearing or non-loadbearing, structural or non-structural), pillars, columns, uprights, posts, beams, any other structural elements, any existing and future pipes, wires, cables, meters, conduits, ducts, vents, lines, fixtures, facilities, improvements, spaces, equipment or elements (for any service, utility or otherwise) which serve that Apartment, any door, window, or other closure therein, all finishings and coverings on all surfaces, ceiling, rafters, beams, areas above the ceiling, roof, roof elements (including structural) and roof coverings, and all fixtures attached to any of the foregoing. For the Apartment having a carport, the Apartment shall be deemed to include the carport, including (without limitation) all slabs, footings, and foundations, floors, stairways, walls (whether interior or exterior, loadbearing or non-loadbearing, structural or non-structural), pillars, columns, uprights, posts, beams, any other structural elements, any existing and future pipes, wires, cables, meters, conduits, ducts, vents, lines, fixtures, facilities, improvements, spaces, equipment or elements (for any service, utility or otherwise) which serve the Apartment to which the carport is attached or the carport, any door, window, or other closure therein, all finishings and coverings on all surfaces, ceiling, rafters, beams, areas above the ceiling, roof, roof elements (including structural) and roof coverings, all as respectively appropriate.

Anything to the contrary notwithstanding, in no event shall any Apartment or lot include any pipes, wires, cables, meters, conduits, ducts, vents, lines, fixtures, facilities, improvements, spaces, equipment or elements (for any service, utility or otherwise) wherever located which are utilized for or serve more than one Apartment or the common elements, the same being deemed common elements as hereinafter provided.

The horizontal boundaries of each Apartment shall be the unfinished surface of the land on which the dwelling unit is situated and the finished exterior of the roof of the dwelling unit. Where an Apartment consists in whole or in part of unenclosed space, if at all, the boundary defining such space is the boundary as shown on said Condominium Map.

2. Permitted Alterations to Apartments: Pursuant to Section 13 of the Declaration:

Each Apartment owner is free (a) to alter, rebuild, improve, repair, restore, add to, subtract from, or otherwise modify said owner's Apartment in any manner, whether interior, exterior, structural or otherwise, (b) to further improve the Condominium Lot appurtenant to said

owner's Apartment, and (c) to alter, rebuild, repair, or otherwise modify the owner's Apartment and the Condominium Lot appurtenant thereto without the necessity of any vote, approval, signature, joinder or consent of, participation by, or notice to, any other owner, the Association of Owners, any encumbrancer of the Apartment, or any other person, except that no Apartment owner shall be entitled to utilize any building parameters (including, without limitation, floor area ratio, density, or height limitations) in excess of an amount equal to the percentage undivided interest appurtenant to said Apartment multiplied by the maximum floor area ratio, maximum height, maximum density, or other applicable buildable maximum available to the Property as a whole. Promptly upon completion of any such work, and if such work shall affect anything shown in the Condominium Map, the owner doing or causing such work to be done shall promptly submit to the Association of Owners a sufficient number of plans showing the Apartment after the work has been completed in sufficient content and detail to use the same as an amendment of the Condominium Map for the Project along with an "as built" certification from a registered Hawaii architect or professional engineer in form and content acceptable for recordation of said amendment, and the Association of Owners shall duly and promptly record or file of record such amendment together with a complete set of plans of the Project as so altered, certified "as built" by a registered architect or professional engineer and an amendment of this Declaration, all as appropriate and as required by law.

Provided, however, that notwithstanding any provision in this Declaration to the contrary, the Developer has and reserves the rights elsewhere in this Declaration reserved or given.

Owners who do any of the foregoing shall do so entirely at their own risk, cost and expense and shall be solely responsible for all permits, governmental approvals and other requirements of such work. The Apartment owner(s) causing the alteration, addition, change or other work shall be solely liable for insuring that the alteration, addition, change or work complies with all pertinent laws, rules, regulations and ordinances, and is otherwise appropriate for the intended purposes of such owner(s).

EXHIBIT "E"

PART III, SECTION C.7, Parking Stalls:

Unit 3261 includes a covered carport. Unit 3261A has appurtenant thereto two uncovered regular tandem parking stalls. According to the City and County of Honolulu Department of Planning and Permitting letter dated November 5, 2001, the number of off street parking spaces (3) are considered to be non-conforming but met the applicable code requirements when the units were constructed.

Please see Exhibit "M" for an explanation of the effect of non-conforming parking on obtaining building permits for either renovations or replacements of either unit.

END OF EXHIBIT "E"

EXHIBIT "F"

PART III, SECTION D.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:

One freehold estate is hereby designated in all remaining portions of the Project, herein called the "common elements", and consisting of all parts of the Property (including limited common elements) other than the Apartments, including, without limitation, the following:

(a) The land submitted to the condominium property regime, as described in Exhibit "A" attached to the Declaration;

(b) The 192 square foot walkway near the parking stalls (denominated as such on the Condominium Map); Pipes, wires, cables, meters, conduits, ducts, vents, lines, fixtures, facilities, improvements, spaces, equipment or elements (for any service, utility or otherwise) and appurtenant installations, enclosures, containers and boxes for services such as electricity, light, water, sewage, telephone, cable t.v. and other utilities which serve the Project as a whole; and

(c) Any other parts of the Project existing for the common use or necessary to the existence, maintenance, or safety of the Project as a whole.

END OF EXHIBIT "F"

EXHIBIT "G"

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

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

Limited Common Elements. Certain parts of the common elements, herein called the "limited common elements", are hereby designated, reserved, and set aside for the exclusive use of certain Apartments, and such Apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

(a) Each Apartment shall have appurtenant thereto the exclusive right to use, occupy and enjoy the lot on which such Apartment is situated, as shown on the Condominium Map and as follows: Lot A is appurtenant to Unit 3261; Lot B is appurtenant to Unit 3261A.

(b) Unit 3261 shall have appurtenant thereto the exclusive right to use, occupy and enjoy the limited common element directly behind the carport and adjacent to Kilihune Place (approximately 270 square feet), as shown on the Condominium Map. Unit 3261 shall also have the right to use and enjoy the landscaped area in front of Unit 3261 (approximately 438 square feet). Unit 3261A shall have appurtenant thereto the exclusive right to use, occupy and enjoy Parking Stall Nos. 1 and 2.

(c) Each Apartment shall have appurtenant thereto the exclusive right to use the mailbox assigned to said Apartment.

END OF EXHIBIT "G"

EXHIBIT "H"

Schedule B, Section 2, Part II, of the Condominium Final Public Report, Encumbrances Against Title contained in the updated title report dated October 19, 2004, issued by Chicago Title Insurance Company through First Hawaii Title Corporation:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Grant in favor of Hawaiian Electric Company, Inc., and GTE Hawaiian Telephone Company, Inc., a Hawaii corporation, dated April 8, 1944, recorded in the Bureau of Conveyances of the State of Hawaii in Book 1815, at Page 482, granting an easement for pole and wire line purposes.
3. Designation of easement (5 feet wide) for utility purposes, as shown on File Plan No. 404.
4. Mortgage dated February 24, 2000, by and between Robert Brian Sakamaki and Darlene Ann Sakamaki, "Mortgagor", and New Century Mortgage Corporation, "Mortgagee", recorded in said Bureau as Document No. 2000-028610 (herein sometimes referred to as the "New Century Mortgage").
5. Mortgage dated November 20, 1997, by and between Robert Brian Sakamaki and Darlene Ann Sakamaki, "Mortgagor", and GE Capital Hawaii, Inc., a Hawaii corporation, "Mortgagee" recorded in said Bureau as Document No. 97-164142 (herein sometimes referred to as the "GE Capital Hawaii Mortgage").
6. Subordination Agreement dated February 29, 2000, recorded in said Bureau as Document No. 2000-028611, subordinating the GE Capital Hawaii Mortgage to the New Century Mortgage.
7. Assignment of Mortgage dated May 22, 2002, by and between GE Capital Hawaii, Inc., "Assignor", and Wells Fargo Financial Hawaii, Inc., a Hawaii corporation, "Assignee", recorded in said Bureau as Document No. 2002-101727.
8. Declaration of Condominium Property Regime of "3261 & 3261A Kilihune Place" dated January 30, 2002, recorded in said Bureau as Document No. 2002-105047.
9. Condominium Map No. 3455 recorded in said Bureau.
10. By-Laws of the Association of Apartment Owners of 3261 & 3261A Kilihune Place dated January 29, 2002, recorded in said Bureau as Document No. 2002-105048

END OF EXHIBIT "H"

EXHIBIT "I"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
Unit 3261	\$9.60 x 12 = \$115.20
Unit 3261A	\$36.40 x 12 = \$436.80

* figures are rounded off to the nearest penny.

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

Estimate of Maintenance Fee Disbursements:

Monthly Fee x 12 months = Yearly Total

Utilities and Services

- Air Conditioning
- Electricity
 - common elements only
 - common elements and apartments
- Elevator
- Gas
 - common elements only
 - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance \$46.00 X 12 = \$552.00

Reserves(*)

Taxes and Government Assessments

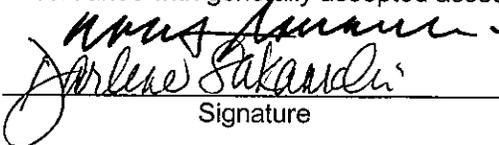
Audit Fees

Other

TOTAL \$46.00 X 12 = \$552.00

I, Robert Sakamaki and _____, as agent for/and/or employed by Darlene Sakamaki, the condominium managing agent/Developer for the _____

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.


Signature

03-11-2005
03-11-2005
Date

(*) 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.

ATTACHMENT TO EXHIBIT "T"

Estimate of Maintenance Fee Disbursements:

The only common element of the Project is a concrete walkway. There is no real property which the Association owns or leases which is not part of the common elements. There are no fixtures or personal or moveable property owned or leased by the Association. The concrete walkway is exempt association property because it has an estimated useful life of more than twenty years. Therefore, the Developer has not included a figure for reserves and the Association also has not yet done a reserve study in accordance with HRS §514A-83.6 and Subchapter 6, Title 16, Chapter 107, of the Hawaii Administrative Rules, as amended.

END OF ATTACHMENT TO EXHIBIT "T"

EXHIBIT "J"

Part V, Section A, Summary of Sales Contract:

The sales contract for the Project will be the Hawaii Association of Realtors Standard Form of Deposit Receipt Offer and Acceptance (DROA). The DROA contains the price and other terms and conditions under which a purchaser will agree to buy a unit in the Project. Among other things, the DROA states:

1. The total purchase price, method of payment, and additional sums to be paid in connection with the purchase of a unit in the Project.
2. The purchaser acknowledges receiving and reading the final public report for the Project prior to signing the DROA.
3. The Developer makes no representations concerning rental of a unit, income or profit from a unit or any other economic benefit to be derived from purchase of a unit.
4. Purchaser's money will be held in escrow.
5. Requirements relating to Purchaser's financing of the purchase of the unit.
6. Developer makes no warranties regarding the unit, the Project or anything installed or contained in the unit or the Project.
7. Purchaser must close the purchase by a certain date and pay closing costs in addition to the purchase price.
8. Purchaser will receive any interest on deposits made under the DROA.
9. If there is a default by Purchaser under the DROA, the Developer may, in addition to other remedies, be entitled to all deposits paid by Purchaser as liquidated damages.

The DROA contains various other important provisions relating to the purchase of a unit in the Project. It is incumbent upon purchasers and prospective purchasers to read with care the specimen DROA on file with the Real Estate Commission.

END OF EXHIBIT "J"

EXHIBIT "K"

Part V, Section A, Escrow Agreement:

No Current Escrow Agreement for 3261 & 3261 A Kilihune Place Condominium

There is no executed escrow agreement between developer and escrow under the requirements of HRS 514A-40, 514A-65 and 514A-67 because: 1) No purchasers' funds are to be used for construction of any part of the condominium project; 2) no moneys shall be paid by purchasers prior to the purchaser's receipt of the final public report on the condominium project; and 3) No unit will be conveyed or leased prior to completion of construction of the building or buildings for the purpose of financing such construction. All construction for this condominium conversion project is complete.

Attached hereto is a draft Escrow Agreement.

END OF EXHIBIT "K"

CONDOMINIUM ESCROW AGREEMENT

THIS AGREEMENT, made this ____ day of _____, 200 ____, by and between First Hawaii Title Corporation, a Hawaii corporation, whose principal place of business is City Financial Tower, 201 Merchant Street, Suite 2000, Honolulu, Hawaii 96813-2989, hereinafter called "Escrow", and Robert Sakamaki and Darlene Sakamaki, whose principal place of business is 1314 S. King Street, Suite 954, Honolulu, HI 96814-1944, hereinafter sometimes collectively called "Developer" and sometimes collectively called "Seller",

WITNESSETH:

WHEREAS, Developer intends to enter into a sales contract or sales contracts for the sale of a unit or units in a condominium project established under a Declaration of Condominium Property Regime created under Chapter 514A, Hawaii Revised Statutes, as amended, the terms of which sales contract(s) will provide for payment on accounts of the purchase price to be made to Escrow, to be held and disbursed by Escrow pursuant to the provisions hereof; and

WHEREAS, the name of the project is "3261 & 3261A KILIHUNE PLACE" (herein sometimes called the "Project"); and

WHEREAS, there are two (2) units in the Project; and

WHEREAS, the land included within the Project is located in the City and County of Honolulu, State of Hawaii and is designated as Tax Map Key 3-3-047-073;

NOW, THEREFORE, it is hereby mutually agreed as follows:

1. Sales Contract Deposited in Escrow. As and when Developer shall enter into a sales contract or Deposit Receipt Offer and Acceptance ("DROA"), it shall deliver an executed copy of such sales contract to Escrow for the sale of a unit. Unless a contrary intent is specifically stated, "sales contract" and/or "DROA" may both be hereinafter be referred to as "sales contract". Each sales contract shall contain the correct name(s) and address(es) of the purchaser(s), shall require that all payments to be made of the purchaser(s) thereunder shall be made to Escrow and shall be accompanied by the initial deposit required thereunder.

2. Receipt of Funds by Escrow. Seller shall pay over to Escrow any monies received by Seller from purchaser(s) under sales contracts covering units in the Project, including all disbursements made on loan commitments, if any, from lending institutions to individual purchasers. Escrow shall receive and hold in escrow and disburse as herein set forth: (a) all payments received by Escrow under sales contracts made by Seller; (b) all sums received by Escrow hereunder from Seller; (c) all funds from any lending institution pursuant to a mortgage loan for the purchase of any unit by individual purchasers; and (d) all sums received by Escrow from any other source on account of this Project. In accordance with written instructions from

Seller which are acceptable to Escrow, Escrow shall deposit all funds so received within a reasonable time of their receipt by Escrow and in reasonably convenient sums, in an interest bearing account or in interest bearing accounts in a federally insured bank or savings and loan institution unless different instructions are set forth in the sales contract(s). Any interest earned from any such interest-bearing account or accounts shall be treated as stated in the sales contract(s).

Escrow shall not be liable to either Seller or purchaser(s) for loss or diminution in funds invested in accordance with such instructions.

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

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

b. The Developer or the Developer's attorney shall have delivered a written opinion to Escrow stating that the requirements of Sections 514A-40, 514A-62 and 514A-63, Hawaii Revised Statutes, as amended, have been met; and, if the Project is a conversion project, that the requirements of 521-38, Hawaii Revised Statutes, as amended, have been complied with; or

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

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

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in subsections "a" or "b" above or upon receipt of a written request for a refund from purchaser(s) upon the occurrence of an event described in subsections "c" or "d" above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less the cancellation fee of Escrow) and thereupon said sales contract or DROA and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund

shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such a refund.

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

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

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

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

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

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

4. Unclaimed Funds. Escrow shall give each purchaser entitled to a return of funds notice thereof by registered, certified or regular mail, postage prepaid addressed to the purchaser at the purchaser's address shown on the sales contract or any address later made known in writing to Escrow by such purchaser. If such purchaser shall not have claimed such refund within sixty (60) days, Escrow shall deposit such funds into a special account with a bank or other depository selected by Escrow, in the name of the Developer, as trustee for the benefit of such purchaser. After notifying the purchaser of all such facts at purchaser's address as described herein and delivering all pertinent documents to Developer, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

5. Closing. Except for the sales contracts and any note and mortgage which is to be closed by the mortgagee thereof, Escrow shall promptly and diligently close the transactions and perform such services as are necessary or proper therefor. Upon receipt by Escrow of the conveyance document, all necessary releases of encumbrances, the full amount of the purchaser's price of the unit, any mortgage or other instruments securing payment by purchaser of all or part of the purchase price of the unit and purchaser's share of the closing costs, Escrow will act with diligence and dispatch to "close" the sale of the unit by performing the following:

a. Escrow shall cause the recording of such releases, conveyance document and mortgage, if any; and

b. After recordation, Escrow shall cause a copy of said conveyance document to be delivered to purchaser, the release or partial releases to be delivered to Developer, the mortgage, if any, to be delivered to purchaser's lending institution, and all sums respecting the purchase of the unit to be disbursed to the Developer after deduction by Escrow of Developer's share of the closing costs.

6. Partial Closings. It is understood that partial closings, i.e., closings for some but not all of the units, may be desired by Developer. If Developer desires to close any or all sales at different times, Escrow agrees to cooperate with Developer and shall vary its performance of the directions contained herein in such manner as will facilitate its performance of such partial closings.

7. Defects in Documents. Upon the closing of such sales transaction, provided that any individual mortgage in connection therewith may then be filed or recorded, and it is legally possible to file and/or record all closing documents and none is in any way defective, Escrow shall proceed promptly and within five (5) business days (exclusive of the day of closing) file and/or record the necessary documents to effect the transfer of legal title to the purchaser. If for any reason it is determined any document necessary to close the transaction is defective or cannot be filed or recorded, Escrow shall promptly notify Developer of such fact and Escrow shall proceed promptly to correct such defects as are within its capacity as an escrow depository to correct. If, for any cause beyond Escrow's control, the necessary documents cannot be filed or recorded within said five (5) day period after closing, Escrow shall file or record the same within five (5) days of learning that the reason which prevented the filing or recording no longer exists.

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

purchase of the unit to the person from whom, or entity from which, such documents were received; and Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

9. Protection of Escrow. In consideration of Escrow acting as escrow holder hereunder, it is agreed that Escrow is relieved from all liability for acting in accordance with the terms hereof, notwithstanding a notice to the contrary by Developer or any purchaser or third party. Escrow shall not be responsible for the validity or sufficiency or sufficiency of any sales contracts or other documents received by it and shall be entitled for all purposes to assume that the same have been signed by the persons whose signatures purport to be thereon and that any written certification or instruments from Developer are true and accurate.

If any dispute or difference shall arise or if any conflicting demand shall be made upon Escrow, Escrow shall not be required to determine the same or take any action in the premises, but Escrow may await settlement of the controversy by final appropriate legal proceedings or otherwise as it may require, or Escrow may file a suit in interpleader in any court having jurisdiction in the matter for the purpose of having the respective rights of the parties adjudicated and may deposit with the court any or all monies held hereunder. Upon institution of such interpleader suit or other action, depositing such money with the court and giving notice thereof to the parties thereto by personal service or in accordance with the order of the court, Escrow shall be fully released and discharged from all further obligations hereunder with respect to the monies so deposited.

Developer agrees to pay Escrow on demand and to indemnify and hold Escrow harmless from and against all costs, damages, judgments, attorneys' fees, expenses, obligations and liabilities of every kind and nature reasonably suffered or incurred in connection with or arising out of this escrow, including but not limited to all costs and expenses incurred in connection with the interpretation of this Agreement or with respect to any interpleader or other proceeding, and excluding all of the foregoing which is the result of any act or omission by Escrow or its agents which is not generally accepted in the Honolulu business community as a reasonable business practice. Upon payment thereof, Developer will be subrogated to Escrow's right to judgment for such costs, damages, etc., against third persons.

10. Binding Effect. This Agreement shall be binding upon and shall apply to and inure to the benefit of the parties hereto and their respective devisees, personal representatives, successors and assigns.

11. Termination. This Agreement may be terminated by either party hereto upon fifteen (15) days written notice to the other; provided, however, that all transactions in process hereunder at the time of such termination shall be completed under the terms of this Agreement.

12. Statutory Provisions Control. This Agreement is, in all of its provisions, to be deemed and interpreted as supplementary and subject to the provisions of Chapter 514A, Hawaii

Revised Statutes, as now or hereafter amended, and if any conflict should arise between the provisions of this Agreement and the provisions of said Chapter 514A, the provisions of the later shall control.

13. Reports and Billings by Escrow. Escrow shall furnish Developer with a semi-monthly Developer's report which will cover the status of each sales contract in escrow. Escrow shall, upon certification from Developer that such payments are due, bill each purchaser for payments due under the purchaser's sales contract.

14. Compensation of Escrow. The compensation of Escrow for performance hereunder shall be \$_____, plus Hawaii general excise tax, for each unit in the Project to be sold, on the condition that all sales of units in the Project are closed on or before two (2) years from the date hereof. Escrow shall also arrange for the issuance of a title insurance policy (standard owner's or ALTA lender's policy) for the sum of \$_____, plus Hawaii general excise tax, for each unit to be sold in the Project. An additional fee of \$_____, plus Hawaii general excise tax shall be charged to the purchaser for each mortgage obtained by the purchaser if the purchaser does not obtain a mortgage loan from a lender designated by the Developer.

Said compensation shall become due and payable with respect to a unit in the Project upon the first to occur of the following events: (1) the transfer to the purchaser of such unit of legal title thereto; or (2) final disbursement of the funds held in escrow in connection with such unit. In the event of the cancellation of any sales contract which has been submitted to Escrow, a cancellation fee commensurate with the services rendered by Escrow, plus all costs incurred by Escrow, shall be charged to the Developer unless otherwise agreed to between the Developer and the purchaser. If Escrow shall for any reason without fault on its part be required to change subsequent to the commencement of preclosings or closings for the Project any closing statement or document previously approved as to form and figures by Developer, Developer agrees to pay an additional charge for each such statement or document which is changed.

IN WITNESS WHEREOF, the parties hereto have executed these presents the day and year first above written.

FIRST HAWAII TITLE CORP.
By its

ROBERT SAKAMAKI

By its

DARLENE SAKAMAKI

"Escrow"

"Developer"

EXHIBIT "L"

Further description of the units:

1. Description of Improvements. The improvements constructed and to be constructed on the Property and which comprise the Project are shown on the plans, specifications and floor plans thereof prepared by WILLIAM W. W. WONG, licensed professional architect no. 6724, and filed with the Land Court of the State of Hawaii or recorded with the Bureau of Conveyances of the State of Hawaii as Condominium Map No. 3455 (herein referred to as the "Condominium Map").

The Project consists of two (2) free-standing dwelling units (herein sometimes referred to as "Apartment" in the singular and "Apartments" in the plural). One (1) Apartment (Type "A") is two (2) stories; one (1) Apartment (Type "B") is one (1) story. There is no basement in either of the dwelling units; one dwelling unit has a space under the floor due to post and pier construction. The dwelling units are constructed principally of wood, masonry, glass (for windows), and allied materials.

One of the Apartments includes a carport for one (1) vehicle. In addition to the carport, there are two (2) parking stalls.

All utilities, including electricity and water, serving each Apartment is separately metered for each Apartment.

The Apartments may be separately sold, conveyed, mortgaged, encumbered, leased, rented, used, and occupied, as allowed by law.

2. Description of Apartments. The Project is hereby divided into the following separate freehold estates.

Two (2) separate freehold estates are hereby designated in the spaces defined by the exteriors of the perimeter walls, doors, floors, slabs, windows and roofs of each of the two (2) Apartments of the Project, which Apartments are designated on the aforesaid Condominium Map. The vertical boundaries of each Apartment is from the top surface of the land on which the Apartment is situated to the exterior surface of the roof.

There are two (2) types of Apartments: one (1) Apartment of Design Type "A" and one (1) Apartment of Design Type "B".

Each of the Apartments is of a design type and contains the square footage set forth below. (The floor areas of Apartments are computed as net living area, measured from the interior surfaces of the walls of the respective Apartments. For the Apartment which includes a

carport the approximate square footage set forth below is for the Apartment proper, exclusive of the carport.)

The design types for the Apartments are shown on the Condominium Map and consist of the following:

Design Type "A". Design Type "A" is designated as "Unit 3261", is approximately 1,228 square feet of covered floor area and consists of three (3) bedrooms, two (2) baths, living room, family room, kitchen, closet(s) and carport.

Design Type "B". Design Type "B" is designated as Unit "3261A", is approximately 576 square feet of covered floor area and consists of two (2) bedrooms, one (1) bath, combination living room/kitchen area, and closet(s).

The Apartments in the Project are located as shown on the Condominium Map, and are numbered or designated as shown on the Condominium Map. The Apartment of Unit Type "A" is designated as Unit 3261 on the Condominium Map and bears a street address of 3261 Kilihune Place. The Apartment of Unit Type "B" is designated as Unit 3261A on the Condominium Map and bears a street address of 3261-A Kilihune Place.

Each of the Apartments has direct access to the Limited Common Element (either Limited Common Element "A" or Limited Common Element "B", as shown on the Condominium Map) on which it is located, which is a limited common element appurtenant to the Apartment on that Limited Common Element, thence to a walkway, which is a common element, and thence to Kilihune Place. Each Apartment owner shall have a perpetual and an unrestricted right of ingress and egress to his, her or its Apartment, which right runs with the land and shall be deemed to pass with the Apartment.

EXHIBIT "M"

Non-Conforming Parking:

The condominium project's parking conformed to the requirements for parking at the time the units were built. The parking requirements subsequently changed to so that if the condominium project were built today, four parking stalls would be required instead of the existing three official parking stalls. However, pursuant to Section 21-1.110(e) of Honolulu's Land Use Ordinance:

Nonconforming parking and loading may be continued, subject to the following provisions:

(1) If there is a change in use to a use with a higher parking or loading standard, the new use shall meet the off-street parking and loading requirements established in Article 6 [Land Use Ordinance requirements for parking and loading].

(2) Any use that adds floor area shall provide off-street parking and loading for the addition as required by Article 6. Expansion of an individual dwelling unit that results in a total floor area of no more than 2,500 square feet shall be exempt from this requirement.

(3)(A) When nonconforming parking or loading is reconfigured, the reconfiguration shall meet current requirements for arrangement of parking stalls, dimensions, aisles, and, if applicable, ratio of compact to standard stalls, except as provided in paragraph (B). If, as a result of the reconfiguration, the number of spaces is increased by five or more, landscaping shall be provided as required in Section 21-4.70 based on the number of added stalls, not on the entire parking area.

(3)(B) Parking lots and other uses and structures with an approved parking plan on file with the department prior to the effective date of this ordinance, and which include compact parking spaces as approved in the plan, may retain up to the existing number of compact spaces when parking is reconfigured.

(Added by Ord. 99-12; Am. Ord. 03-37)

END OF EXHIBIT "M"