

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Sharon M. Y. Au and Gaylien S. Hall
Address c/o 3615 Harding Avenue, Suite 203, Honolulu, Hawaii 96816

Project Name (*): KEEAUMOKU HALE
Address: 1440 Keeaumoku Street, Honolulu, Hawaii 96822

Registration No. 5773 (Conversion) Effective date: November 1, 2005
Expiration date: October 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.

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

X SUPPLEMENTARY: (pink) This report updates information contained in the:
[] Preliminary Public Report dated:
[X] Final Public Report dated: September 16, 2005
[] Supplementary Public Report dated:

And [] Supersedes all prior public reports.
[X] Must be read together with Final Public Report effective September 16, 2005
[] 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. FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

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:

DESCRIPTION OF UNITS (IDENTIFICATION OF APARTMENT UNIT). Since the date of the Final Public Report, the Developers have determined that the numbering of the condominium units is incorrect. Apartment No. 3 should be identified as Apartment No. 4, and Apartment No. 4 should be identified as Apartment No. 3.

The revised description of Apartment No. 3 is as follows: Apartment No. 3 is located in Building 1 and consists of one (1) bedroom, a kitchen, a living room and a bathroom, and contains approximately 450 square feet, together with one covered lanai which contains approximately 56 square feet.

The revised description of Apartment No. 4 is as follows: Apartment No. 4 is located in Building 1 and consists of two (2) bedrooms, a kitchen, a living room and a bathroom, and contains approximately 528 square feet, together with one covered lanai which contains approximately 56 square feet.

The Second Amendment to Declaration of Condominium Property Regime of Keeaumoku Hale and Condominium Map No. 4015 dated October 5, 2005, which corrected the apartment numbering, was recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-202304.

This change affects page 11 of the Final Public Report and Exhibits A and D, Paragraph 6 of Exhibit J and Exhibit K of the Final Public Report, which revised page and Exhibits are attached hereto.

PERMITTED ALTERATIONS. The Developers have amended the Declaration to clarify the obligations of apartment owners with respect to permitted alterations to the apartments and requirements to repair damage to common elements.

The Second Amendment to Declaration of Condominium Property Regime of Keeaumoku Hale and Condominium Map No. 4015 dated October 5, 2005, referenced above, corrected the language of Paragraph U regarding permitted alterations.

This change affects Paragraph 7 of Exhibit C of the Final Public Report.

**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:

<input type="checkbox"/>	Proposed				
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No.	2005-124238	
			Book	Page	
	Filed -	Land Court:	Document No.		

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

First Amendment of Declaration of Condominium Property Regime of Keeaumoku Hale dated August 2, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-155078.

Second Amendment of Declaration of Condominium Property Regime of Keeaumoku Hale and Condominium Map No. 4015 dated October 5, 2005, recorded in said Bureau as Document No. 2005-202304.

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:

<input type="checkbox"/>	Proposed				
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances	Condo Map No.	4015	
<input type="checkbox"/>	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]:

Second Amendment of Declaration of Condominium Property Regime of Keeaumoku Hale and Condominium Map No. 4015 dated October 5, 2005, recorded in said Bureau as Document No. 2005-202304.

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:

<input type="checkbox"/>	Proposed				
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No.	2005-124239	
			Book	Page	
<input type="checkbox"/>	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]:

Fee Owner: Sharon M. Y. Au and Gaylien S. Hall*
 Name
c/o 3615 Harding Avenue, Suite 203
 Address
Honolulu, Hawaii 96816

Lessor: N/A
 Name
 Address

* Sharon M. Y. Au acquired the fee simple interest in Apartment Nos. 1 and 3, and an undivided 50% interest in Apartment No. 5, and Gaylien S. Hall acquired the fee simple interest in Apartment Nos. 2 and 4, and an undivided 50% interest in Apartment No. 5 by Partition Deed dated September 8, 2005, recorded in the Bureau of Conveyances of the State of Hawaii on September 15, 2005, as Document No. 2005-185728, as amended by Partial Correction to Partition Deed dated October 5, 2005, recorded in said Bureau as Document No. 2005-206003.

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: two (2) Floors Per Building: one (1) floor in Building 2
two (2) floors in Building 1
 Exhibit "A" contains further explanations.
3. **Principal Construction Material:**
 Concrete Hollow Tile Wood
 Other Glass, brick
4. **Uses Permitted by Zoning:**

	No. of Apts.	Use Permitted By Zoning	
<input checked="" type="checkbox"/> Residential	<u>5</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

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

5. Special Use Restrictions:

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

- Pets: shall not be kept, bred or used for any commercial purpose
- Number of Occupants: _____
- Other: See Exhibit "B" attached hereto
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: two (2) Trash Chutes: None

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath/½Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>1</u>	<u>1</u>	<u>1/1/0</u>	<u>399</u>	<u>44</u>	<u>Lanai</u>
<u>2</u>	<u>1</u>	<u>2/1/0</u>	<u>483</u>	<u>44</u>	<u>Lanai</u>
<u>3</u>	<u>1</u>	<u>1/1/0</u>	<u>450</u>	<u>56</u>	<u>Lanai</u>
<u>4</u>	<u>1</u>	<u>2/1/0</u>	<u>528</u>	<u>56</u>	<u>Lanai</u>
<u>5</u>	<u>1</u>	<u>3/1/2</u>	<u>1590</u>		

Total Number of Apartments: 5

* 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 approximate net living area of enclosed portions of each respective Apartment is measured from the interior surface of all perimeter walls, and no reduction has been made to account for interior walls, structural members and the like within the perimeter walls. All approximate net lanai floor areas are based upon measurements taken from the interior surface of all perimeter walls which do not separate the interior of the Apartment from the lanai, the exterior surface of all perimeter walls which separate the interior of the Apartment from the lanai, and from the interior edge of the exterior railings or other boundaries of the lanai.

Apartment Nos. 1 through 4 shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment, the same being deemed common elements. Apartment Nos. 1 through 4 shall be deemed to include all the walls, windows and partitions which are not load bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the fixtures originally installed therein.

Apartment No. 5 shall not be deemed to include any pipes, wires, conduits or other utility or service lines running through the apartment or lot area which are utilized for or serve more than one apartment or lot area, the same being deemed common elements. Apartment No. 5 shall be deemed to include the foundation, floor slabs, columns, beams, supports, all the perimeter walls, interior loadbearing walls, windows and partitions within its perimeter walls, window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, the roof, stairs, stairways, rails, any doors and door frames, storage and laundry contained in Apartment No. 5, the entry porch, sun porch, and the fixtures and appliances originally installed inside Apartment No. 5.

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. 5773 filed with the Real Estate Commission on August 24, 2005.

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

YELLOW paper stock WHITE paper stock PINK paper stock

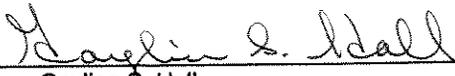
- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A.-1 .6] (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.

SHARON M. Y. AU and GAYLIEN S. HALL

Printed Name of Developer

By: 
 Sharon M. Y. Au

10-11-5
 Date

By: 
 Gaylien S. Hall

10-11-5
 Date

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

Exhibit A

Description of Apartments

Apt. No.	Floor	Approximate Net Living Area	Total Number of Rooms	BR/BT/ ½ BT	Percentage Common Interest	Percentage Limited Common Interest
1	1st	399	4	1/1/0	13.00	22.00
2	1st	483	5	2/1/0	16.00	27.00
3	2nd	450	4	1/1/0	14.00	23.00
4	2nd	528	5	2/1/0	17.00	28.00
5	n/a	1590	11	3/1/2	40.00	—
					100.00	100.00

END OF EXHIBIT A

Exhibit C

Permitted Alterations to an Apartment

Paragraph U of the Declaration provides as follows:

1. Except as may be otherwise provided in this Declaration, the restoration or replacement of the Project or of any building or Common Elements, or the construction of any additional building, or the alteration of or addition to any structure which differs in any material respect from the Condominium Map of the Project, shall be undertaken by the Association or any Apartment owners pursuant only to an amendment of this Declaration, approved by not less than eighty percent (80%) of the owners of the Common Interests and accompanied by the written consent of the holders of first mortgages on Apartments to which at least fifty-one percent (51%) of the votes of Apartments subject to such mortgages are allocated (if the lienholders require such consent) affecting any of the Apartments, in accordance with complete plans and specifications therefore prepared by a licensed architect or engineer if so required by the Board, first approved by the Board; provided, however, that any complete replacement of Building 1 or Building 2 pursuant to Section U.7 below, shall not require the approval of the owners of Common Interests or holders of first mortgages on Apartments, other than those with interests in Building 1 or Building 2, respectively. Promptly upon completion of any such restoration, replacement or construction, the Association shall duly file such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a licensed architect or engineer.
2. All construction shall be completed expeditiously and in a manner that will not unreasonably interfere with the use or enjoyment of the Project by other Apartment owners. No Apartment owner shall do any work which jeopardizes the soundness or safety of the Project, reduces the value thereof, or impairs any easement or hereditament, without in every such case the consent of the owners of seventy-five percent (75%) of the Common Interests, together with the consent of all Apartment owners whose Apartments or Limited Common Elements appurtenant thereto are directly affected, being first obtained; provided, however, that non-material structural additions or alterations to the Common Elements, or additions to or alterations of an Apartment made within such Apartment or within a Limited Common Element appurtenant to and for the exclusive use of such Apartment shall require approval only by the Board and such percentage, number or group of Apartment owners as may be required by this Declaration or the Bylaws. Upon completion of any addition or alteration which changes the floor plan of an Apartment or Limited Common Element, the Board shall cause a copy of the revised floor plan of the Apartment or Limited Common Element affected to be filed, at the expense of the owner of such Apartment, as an amendment of this Declaration and said Condominium Map. "Non-material structural additions or alterations to the Common Elements", as used herein, shall mean a structural addition to the Common Elements which does not jeopardize the soundness or safety of the property, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any non-consenting owner of the use or enjoyment of any part of property or directly affect any non-consenting owner.
3. Prior to commencing any improvements or alterations permitted to be made pursuant to this Section U, and as a condition to the Apartment owner's right to undertake such

improvements and alterations, the Apartment owner shall provide to the Board: (i) a certification in form and content reasonably satisfactory to the Board signed by an architect or engineer duly registered in the State of Hawaii, that such improvement or alteration will not affect the structural integrity of the Common Elements, Limited Common Elements, or any other Apartment in the Project; (ii) satisfactory evidence that all governmental approvals for such alteration have been duly obtained; and (iii) if the cost of the improvement or alteration, as reasonably determined by the Board, shall exceed the sum of \$25,000.00, the Board may require that the owner provide evidence satisfactory to the Board of sufficient financing to complete such alteration or, in lieu thereof, require that the owner shall obtain, at such owner's expense, a performance and lien payment bond, naming as obligees the Declarant, the Board and the Association and collectively all Apartment owners and their respective mortgagees of record, as their interests may appear, for a penal sum of not less than one hundred percent (100%) of the estimated cost of such construction and with a corporate surety authorized to do business in the State of Hawaii. The Association and any Apartment mortgagee who so requires shall be named as additional insureds and, upon the request of the Association, evidence of such insurance shall be deposited with the Association.

4. The Apartment owner making any improvement or alteration, his or her contractors and subcontractors, and their respective employees and agents, shall have the right, and an easement in favor of the owner and his or her successors and assigns, from time to time, to enter upon and use the Common Elements and Limited Common Elements of the Project, and to do all things reasonably necessary or useful for designing, developing, constructing or completing the rebuilding of said Apartment at the sole cost and expense of the owner of such Apartment.

5. The Apartment owner making any improvement or alteration shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to such owner's Apartment for electricity, sewer and other utilities and services and, when applicable, to add, delete, relocate, realign, reserve, and grant easements and rights-of-way over, under and upon the Common Elements as necessary or desirable in connection therewith, provided that services used by the other Apartments shall not be unreasonably and materially impaired. The Apartment owner, his or her contractors and subcontractors, and their respective employees and agents, shall not cause any interruption in the service of utilities to the Project, other than a temporary interruption, and shall use reasonable efforts, consistent with maintaining the progress of design, development, construction and completion of said Apartment, so as to minimize interference with the use and enjoyment of the Project by the other owners and occupants thereof.

6. All improvements or alterations within the Project shall be made in accordance with all applicable laws, ordinances, rules, regulations and codes ("Laws"). Any Apartment owner who makes an alteration or addition to his or her Apartment, the Limited Common Element appurtenant thereto or Common Element shall indemnify, defend and hold harmless the Association against any and all claims, liability, loss, cost, expense, injury or damages ("Claims") arising from such alteration or addition including without limitation Claims arising from failure to observe applicable Laws.

7. Alteration of Building 1 or Building 2. Notwithstanding any provision contained herein to the contrary, the owner of Building 1, provided Apartment Nos. 1 - 4 are collectively

owned by the same owner, and the owner of Building 2 shall have the right, with the consent of any mortgagee affecting said Apartments, to replace said Building 1 or Building 2 with a new Apartment on the Limited Common Elements appurtenant to such Apartment at such owner's sole option, at any time, without the consent of the Association, the other Apartment owners, or anyone with an interest in the Project, and pursuant to the terms and conditions set forth in this Section U. The owner of Building 1 or Building 2, as the case may be, shall be responsible for all costs and expenses in connection with the construction of the new Apartment, including any and all costs in connection with such owner's construction of improvements or alterations to the Common Elements, and any and all costs of relocating or repairing any Common Elements including, but not limited to, water, sewer and any other utility lines. Nothing contained in this paragraph shall authorize any work or alteration which would jeopardize the soundness or safety of the Apartment or any other part of the Project, reduce the value thereof, affect or impair any easement or rights of any of the other Apartment owners, or directly affect any Apartment owner. Promptly upon completion of such construction, the Board shall cause an amendment of this Declaration, together with a complete set of floor plans of the Project as so altered, certified as built by a licensed architect or engineer, to be filed at the expense of the owner of such Building.

END OF EXHIBIT C

Exhibit D

Parking Stall Assignments

The Project has a total of ten (10) parking stalls. The current assignment of parking stalls as limited common elements is shown below:

Apt. No.	Parking Stall Number(s)
1	5
2	8T, 9T
3	6
4	7T, 10T
5	1, 2CT, 3CT
guest	4

"C" denotes Compact; "T" denotes Tandem

One (1) parking stall (Parking Stall No. 4) is designated for guest parking.

NOTE CONCERNING ASSIGNMENT OF STALLS: Hawaii Revised Statutes provides owners of apartments with the right to change the designation of parking stalls, as follows:

§514A-14 Parking Stalls. Notwithstanding any provision of the declaration, apartment owners shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of the declaration and respective apartment leases or deeds involved. The amendment need only be signed and approved by the lessor (in the case of a leasehold project) and the owners (and their respective mortgagees if any) of the apartments whose parking stalls are being changed. The amendment shall be effective only upon recording or filing of the same of record with the bureau of conveyances.

Accordingly, the Declaration may be subsequently amended by the Developer or individual apartment owners in order to reallocate parking stalls.

END OF EXHIBIT D

Exhibit J

Disclosure Abstract

As of October 11, 2005

This disclosure abstract is made by Sharon M. Y. Au and Gaylien S. Hall (collectively, the "Developer"), as the owners of the fee interest in the Keeaumoku Hale condominium project (the "Project"), which Project consists of the existing buildings and the underlying land situate at Kaaihi, Makiki, Honolulu, City and County of Honolulu, State of Hawaii, containing an area of 8,715 square feet, more or less, identified as Tax Map Key No. (1) 2-4-21-20, plus an undivided one-half (1/2) right in that certain roadway containing an area of 1,172 square feet, more or less, identified as Tax Map key No. (1) 2-4-21-62. The condominium apartments, common elements and limited common elements of the Project were created pursuant to the Declaration of Condominium Property Regime of Keeaumoku Hale dated June 3, 2005, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-124238 (the "Declaration"), as amended. This disclosure describes the Project as of the dated of recordation of the Declaration and the physical condition of the Project as of the date hereof.

1. **Project:**

Keeaumoku Hale
1440 Keeaumoku Street
Honolulu, Hawaii 96822

2. **Developer:**

Sharon M.Y. Au and Gaylien S. Hall
c/o 3615 Harding Avenue, Suite 203
Honolulu, Hawaii 96816
Phone: (808) 733-2233

3. **Managing Agent:** Pure Management
1314 South King Street, Honolulu, Hawaii 96814

4. **Maintenance Fees:** The breakdown of the estimated annual maintenance fees and the estimated monthly fees for each apartment, representing the common expenses of the Project allocated to each apartment, which are hereby certified to be based on generally accepted accounting principles, are set forth in **Exhibit K**. The maintenance fee estimate is a projection of what individual apartment owners will be required to contribute toward the maintenance and upkeep of the Project on a monthly basis. The Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the Project and even if maintenance fees have been accurately estimated, such fees will tend to increase in an

increase in an inflationary economy and as the improvements age. The estimated maintenance fees and monthly fees for each apartment are based on the latest information available to the Developer and are subject to revision based on actual costs for items enumerated. Maintenance fees can vary depending on services desired by apartment owners. Each buyer should check the attached maintenance fee schedule to see what services are included therein.

5. **Project Description:** The Project consists of two (2) existing buildings which are constructed primarily of wood, concrete, glass and brick. Building 1 contains Apartment Nos. 1 - 4, and consists of two (2) stories with no basement. Building 2 contains Apartment No. 5 and consists of one (1) story with no basement, as more particularly shown on the Condominium Map.

Building 1 contains a total of four (4) apartments, with two (2) apartment units located on each floor. There is an exterior walkway along the entrances to each apartment. Two stairways, each located at the ends of the walkways, provide access to the second floor of Building 1. There are no elevators in the building.

Building 2 contains one (1) residential apartment.

There are a total of ten (10) parking stalls located on the Project, numbered 1 through 10. Eight (8) parking stalls are standard stalls, and two (2) parking stalls are compact stalls. Two (2) parking stalls are covered, and eight (8) parking stalls are uncovered. Each parking stall is a limited common element appurtenant to the apartment to which it is assigned, except one (1) guest parking stall, which is designated as a limited common element appurtenant to Apartment Nos. 1 - 4. The Project does not have any disability accessible parking or loading zones.

In front of Building 1 is a paved area with seven (7) parking stalls, four (4) of which are tandem parking stalls. In front of Building 2 is a paved area with a covered carport and three (3) parking stalls, two (2) of which are tandem parking stalls.

Each apartment in Building 1 has immediate access to the corridors, stairways and walkways which provide access to the roadway leading to Keeaumoku Street, a public street. Building 2 has direct access to Keeaumoku Street.

Individual apartment mailboxes are located at the carport which is adjacent to Building 2. Each apartment in Building 1 has a washer/dryer unit installed on the lanai appurtenant to each apartment. There is a washer/dryer unit located within Building 2.

6. **The Apartments.** The Project contains a total of five (5) condominium apartments, all of which are intended for residential use. Each apartment is designated as a separate fee simple estate. Each apartment consists of the space within the perimeter walls, floors and ceilings of the respective apartment as shown on the Condominium Map.

Apartment Nos. 1 - 4 are identified by a one-digit number. Apartment No. 5 is identified as the "House". The location and apartment number of each apartment are shown on the Condominium Map.

There are five (5) apartments in the Project, designated as Apartment No. "1", "2", "3", "4" and "House". Apartment No. 1 has one (1) bedroom, a kitchen, a living room and a

bathroom, and contains approximately 399 square feet, together with one lanai which contains approximately 44 square feet. Apartment No. 2 has two (2) bedrooms, a kitchen, a living room and a bathroom, and contains approximately 483 square feet, together with one lanai which contains approximately 44 square feet. Apartment No. 3 has one (1) bedroom, a kitchen, a living room and a bathroom, and contains approximately 450 square feet, together with one lanai which contains approximately 56 square feet. Apartment No. 4 has two (2) bedrooms, a kitchen, a living room and a bathroom, and contains approximately 528 square feet, together with one lanai which contains approximately 56 square feet. The House unit (hereinafter "Apartment No. 5") has three (3) bedrooms, one (1) full bathroom, two (2) half-bathrooms, a laundry room, an enclosed entry porch and an enclosed sun porch, and contains approximately 1,590 square feet.

7. **Construction Detail.** Buildings 1 and 2 are constructed of brick, concrete, wood and glass.

8. **Compliance with County Code.** To the best of the Developer's information and belief, Building 1 of the Project was in compliance with all applicable code requirements at the time it was constructed, and no variance or special permits have been granted to allow deviations from any applicable codes. To the best of Developer's information and belief, there is no record on file with the City and County of Honolulu of any building permit with respect to Building 2 of the Project. To the best of the Developer's information and belief, no variance or special permits have been granted with respect to Building 2 to allow deviations from any applicable codes. As of the date of the Declaration and to the best of the Developer's information and belief, the Project contains the following legal nonconforming uses or structures, as set forth in a letter from the Department of Planning and Permitting of the City and County of Honolulu ("DPP") dated April 19, 2005: (i) Building 1 and the garage appurtenant to Building 2 are nonconforming because they lack the required minimum setback from the rear and side boundaries; (ii) the nine (9) foot-wide driveway appurtenant to Building 1 is nonconforming; and (iii) the parcel of land underlying the limited common elements for Buildings 1 and 2 is nonconforming because it is smaller than the minimum 10,000 square foot lot area. A copy of the DPP letter dated April 19, 2005, is attached hereto as **Exhibit 1**.

Each apartment owner, by the acceptance of such owner's apartment deed, shall be deemed to have acknowledged that the Developer is not making any promises about whether or not the apartments, the Project or any improvements meet the requirements of any building, health, zoning, land use, subdivision, setback or other law, ordinance, rule or regulation that may apply.

9. **No Warranties.** Except as set forth in Paragraph 8 above, the Developer cannot determine whether the Project contains any other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes. The Developer does not give any warranties or assurances that variances are obtainable from the City and County of Honolulu for any proposed improvements. The Project, the apartments and anything installed or contained therein are being sold in "AS IS" condition without any warranties. Article IV, Section D.1 of Addendum B to the Deposit, Receipt and Sales Contract used in connection with the Project provides, in part, as follows:

BUYER ACKNOWLEDGES THAT SELLER IS NOT THE ORIGINAL DEVELOPER OF THE PROJECT AND NEITHER

WAS INVOLVED IN (AND NEITHER IS RESPONSIBLE FOR) THE PLANNING OR CONSTRUCTION OF THE PROJECT. BUYER FURTHER ACKNOWLEDGES THAT APARTMENT NO. 5 WAS SUBSTANTIALLY COMPLETED IN 1929 AND APARTMENT NOS. 1 THROUGH 4 WERE SUBSTANTIALLY COMPLETED IN 1957 AND HAVE BEEN USED OVER THE YEARS PRIMARILY FOR RESIDENTIAL PURPOSES. BUYER UNDERSTANDS AND AGREES THAT THE APARTMENT AND OTHER IMPROVEMENTS AND PERSONAL PROPERTY (IF ANY) ARE BEING SOLD "AS IS, WHERE IS" WITHOUT ANY REPRESENTATIONS OR WARRANTIES OF ANY KIND, EXPRESS OR IMPLIED, AS TO THE CONDITION, STATE OF REPAIR, OPERATING ORDER, SAFETY, STRUCTURAL SOUNDNESS OR FITNESS THEREOF FOR ANY PARTICULAR PURPOSE.

WITHOUT LIMITING THE GENERALITY OF ANY OF THE FOREGOING, SELLER MAKES NO STATEMENTS OR PROMISES ABOUT: (A) THE CONSTRUCTION, STRUCTURAL SOUNDNESS, CONDITION OR STATE OF REPAIR, OPERATING ORDER, SAFETY OR LIVABILITY OF ANY IMPROVEMENTS IN OR WITHIN THE PROJECT; (B) THE SUITABILITY OF ANY IMPROVEMENTS FOR ANY PARTICULAR USE; (C) WHETHER OR NOT THE APARTMENTS, THE PROJECT OR ANY IMPROVEMENTS MEET THE REQUIREMENTS OF ANY BUILDING, HEALTH, ZONING, LAND USE, SUBDIVISION, SETBACK OR OTHER LAW, ORDINANCE, RULE OR REGULATION WHICH MAY APPLY; (D) WHETHER OR NOT ANY EASEMENT, RIGHT-OF-WAY OR DRIVEWAY MEETS THE REQUIREMENTS OF ANY BUILDING, HEALTH, ZONING, LAND USE, SUBDIVISION, SETBACK OR OTHER LAW, ORDINANCE, RULE OR REGULATION WHICH MAY APPLY; (E) THE DENSITY, STABILITY, STRUCTURE, EROSION OR OTHER CONDITION OF THE PROJECT'S SOIL FOR BUILDING OR ANY OTHER USE; (F) WHETHER ANY IMPROVEMENTS ON OR UNDER THE PROJECT ENCROACH OVER THE BOUNDARY LINES OF ANY LAND WHICH SHARES A BOUNDARY WITH THE PROJECT; (G) WHETHER ANY IMPROVEMENTS ON OR UNDER THE LAND WHICH SHARES A BOUNDARY WITH THE PROJECT ENCROACH OVER THE BOUNDARY LINES OF THE PROJECT; (H) ANY MATTER CONCERNING THE ELECTRICAL, WATER, GAS, PLUMBING OR SEWER SYSTEMS (IF ANY); AND (I) ANY STAKING OR SURVEY DONE BY ANY PERSON.

BUYER FOR ITSELF AND ITS SUCCESSORS, HEIRS, DEVISEES AND ASSIGNS, RELEASES SELLER AND ITS

AFFILIATES, AND EACH OF THEIR RESPECTIVE PAST, PRESENT AND FUTURE EMPLOYEES, AGENTS, AND EACH OF THEIR RESPECTIVE HEIRS, DEVISEES, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS FROM AND WAIVES ANY CLAIM, ACTION OR LIABILITY WHICH ARISES FROM OR RELATES TO ANY LATENT OR PATENT DEFECT IN THE PROJECT OR THE APARTMENT, KNOWN OR UNKNOWN, WHICH EXISTS NOW OR IN THE FUTURE, OR WHICH ARISES FROM OR RELATES TO ANY LACK OF COMPLIANCE OF THE PROJECT WITH ANY STATE, FEDERAL, COUNTY OR LOCAL LAW, CODE, ORDINANCE, ORDER, PERMIT, ADMINISTRATIVE REQUIREMENT OR REGULATION THAT BUYER MAY HAVE AGAINST SELLER UNDER ANY FEDERAL, STATE OR LOCAL LAW, ORDINANCE, RULE OR REGULATION NOW EXISTING OR HEREAFTER ENACTED OR PROMULGATED, INCLUDING WITHOUT LIMITATION THOSE RELATED TO ASBESTOS, ASBESTOS-CONTAINING MATERIALS, LEAD-BASED OR LEAD-CONTAINING PAINT, HAZARDOUS MATERIALS AND ENVIRONMENTAL CONDITIONS OR MATTERS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO OR IN THE PROPERTY OR THE PROJECT, OR BY VIRTUE OF ANY COMMON LAW RIGHT RELATING TO ASBESTOS, ASBESTOS-CONTAINING MATERIALS, LEAD-BASED OR LEAD-CONTAINING PAINT, HAZARDOUS MATERIAL AND ENVIRONMENTAL CONDITIONS OR MATTERS (INCLUDING THE PRESENCE OF MOLD OR MILDEW) IN, ON, UNDER ABOUT OR MIGRATING FROM OR ONTO OR INTO THE PROPERTY OR THE PROJECT OR BY VIRTUE OF ANY COMMON LAW RIGHT RELATING TO ASBESTOS, ASBESTOS-CONTAINING MATERIALS, LEAD-BASED OR LEAD-CONTAINING PAINT, HAZARDOUS MATERIALS, MOLD, MILDEW, FUNGUS AND OTHER TYPES OF BACTERIAL GROWTHS OR OTHER ENVIRONMENTAL CONDITIONS OR MATTERS IN, ON, UNDER, ABOUT OR MIGRATING FROM OR ONTO OR INTO THE APARTMENT OR PROJECT. SELLER AND BUYER AGREE THAT THIS RELEASE FROM LIABILITY HAS BEEN SPECIFICALLY NEGOTIATED BETWEEN SELLER AND BUYER.

10. **Permitted Use.** Each apartment in the Project may be occupied and used as a residential dwelling by the respective owner thereof, such owner's tenants, families, domestic servants and guests, provided that the owners of the respective apartments shall have the absolute right to rent or lease such apartments for such durations of time as they shall deem appropriate, subject to all provisions of the Declaration and the Bylaws, provided, however, that the initial term of any rental agreement or lease shall be at least thirty (30) days or such longer period as

may be required under applicable law. All rental agreements and leases shall be in writing. There is no hotel, commercial or non-residential development in the Project.

11. **Existing Structure.** The present condition of the site on which the Project is located and the structural components material to the use and enjoyment of the Project are described in the report from the architect which is attached hereto as **Exhibit 2.**

The Developer does not represent or warrant that the report attached hereto is correct or complete. The report should not be relied upon as the opinion of the Developer. No representations are made by the Developer with respect to the status or expected useful life of the structural components or the mechanical and electrical installations in the Project.

Because the Apartments are being sold by the Developer in "AS IS" condition, each buyer should carefully review the exhibits attached hereto in their entirety. Each buyer should inspect the buyer's apartment and the Project or have the apartment and Project inspected by the buyer's own experts to the buyer's complete satisfaction.

12. **Washer/Dryer Appliances.** Appliance-type washer/dryer units have been installed on each lanai of Apartment Nos. 1 – 4, and within Apartment No. 5. The washer/dryer appliances may not be able to handle large loads of laundry. As a precautionary measure, the Association of Apartment Owners may impose rules and restrictions governing the use of the washer/dryer appliances. For example, users may be subject to schedules limiting the frequency and time of use of the washer/dryer appliances.

13. **Limited Common Element Yard Areas.** Each of the apartments has use of the yard areas shown on the condominium map as limited common elements.

14. **Hazardous Materials.** 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. In light of the age of the Project, there may be mold and other hazardous substances in the apartments or in, under or around the Project. Because of the possible presence of such substances, buyers should have their respective apartments 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 buyers shall expressly release the Developer from any liability if any hazardous materials are discovered and shall release and indemnify, defend and hold harmless Seller, its employees, agents, successors and assigns, from or against any and all actions, liabilities, claims, losses, damages, costs or expenses including without limitation, attorneys' fees relating to hazardous materials, if any, in, under or around the Project.

15. **Lead-Based or Lead-Containing Paint.** The Project may present exposure to lead from lead-based or lead-containing paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent

neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The Developer is to provide buyers with a lead paint disclosure. A risk assessment or inspection, at each buyer's option and expense, for the presence of lead-based paint and/or lead-based paint hazards is recommended prior to purchase.

16. Mold/Mildew. Buyers are informed that tropical climates with warm temperatures, high humidity and frequent precipitation are conducive to the propagation of mold, mildew, fungus and other types of bacterial growths. Though the building and other improvements that are a part of the Project may be cleaned to satisfactory appearance, the Developer cannot guaranty that mold, mildew, fungus and other types of bacterial growths are not present in the Project. Buyers should be aware that, as with all properties, the building may have hidden, enclosed and unreachable areas where growths can occur and cannot be detected and that there may be mold and mildew growth in the Project if the Association and occupants of the apartments do not properly maintain the Project. If buyer, any member of buyer's family, or any person who will inhabit the Property has respiratory, skin or other health ailments or conditions that can be affected by mold, mildew, fungus or other types of bacterial growths they should seek professional advice before completing this purchase. Neither the Developer nor its agents associated with the Project have the requisite knowledge to provide counsel as to the presence, likelihood of conditions conducive to propagation of mold, mildew, fungus and other type of bacterial growths in the Project can have related to their health, welfare and continued enjoyment of the Property. Individuals who may be capable of providing such advice are professional home inspectors, medical professionals, scientific research professionals, certified industrial hygienists or other environmental specialists and/or others who have requisite knowledge in matters of detection and lab analysis services. Buyers are encouraged to perform or engage a professional consultant to perform a risk assessment or inspection in the buyer's apartment and the Project, at the buyer's option and expense, for the presence of mold, mildew, fungus or other types of bacterial growths in the apartment and the Project.

DATED: Honolulu, Hawaii, October 11, 2005. *AM*


SHARON M. Y. AU


GAYLIEN S. HALL

"Developer"

END OF EXHIBIT J

Exhibit 1

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743
DEPT. INTERNET: www.honolulu.gov • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2005/ELOG-231(AS)

April 19, 2005

Mr. Galen C. K. Leong
Ashford & Wriston
A limited Liability Law Partnership LLP
P O. Box 131
Honolulu, Hawaii 96810

Dear Mr. Leong:

Subject: Condominium Conversion Project
1440 Keeaumoku Street
Tax Map Key: 2-4-21: 20

This is in response to your letter dated February 1, 2005 requesting verification that the structures located at the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that a building permit was issued in 1937 for a new garage. However, there are no records on file prior to that date for the one-story single-family detached dwelling located on the Keeaumoku Street side of the property. The two-story four-unit apartment building at the rear of this property met all applicable code requirements when it was constructed in 1957. The dwelling and the apartment building with a total of seven all-weather-surface off-street parking spaces are permitted on this 8,715-square foot A-2 Apartment zoned lot.

Investigation also revealed the following:

1. The apartment building and garage are considered nonconforming because they lack the required minimum setback from the rear and side boundaries.
2. The 9-foot wide driveway access on the adjoining parcel 62 is also nonconforming.

Exhibit 2

TO WHOM IT MAY CONCERN

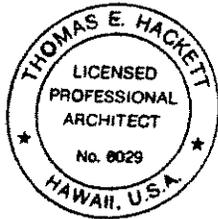
FROM: TOM HACKETT
Architect

DATE: 1-19-05

I have inspected the buildings which are a part of KEEAUMOKU ST. CPR. at
1440
KEEAUMOKU ST., Hawaii, and my observations during this inspection are as follows:

1. From my visual inspection of the existing buildings, the buildings appear to be in good structural condition.
2. The electrical and plumbing systems appear to be in good working order.
3. I am making no statement or representations with regard to the expected useful life of the structures.

Very truly yours,



Tom Hackett
Architect
Registration No. AR 6029

25436.01

Mr. Galen C. K. Leong
Ashford & Wriston
April 19, 2005
Page 2

3. This parcel is considered a nonconforming lot because it lacks the minimum lot area of 10,000 square feet.
4. 84/PU-10 was accepted on April 19, 1984 for designation of a public utility easement.

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

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

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create separate lots of record for subdivision and zoning purposes.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-family Enforcement Branch at 527-6341.

Sincerely yours,


for HENRY ENG, FAICP
Director of Planning and Permitting

HE:ft

Doc 365154

EXHIBIT K

**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>	
1	54.84	658.10
2	67.41	808.88
3	58.33	700.00
4	70.90	850.78
5 (House)	141.33	1695.88

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

disbursements for