

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Sharon M. Y. Au and Gaylien S. Hall
Business 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: May 21, 2007
Expiration date: June 21, 2008

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

SECOND SUPPLEMENTARY: (pink)

This report updates information contained in the:

- Preliminary Public Report dated:
Final Public Report dated: September 16, 2005
Supplementary Public Report dated: November 1, 2005

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:

1. **REASSIGNMENT OF PARKING STALL.** Since the date of the Final Public Report and Supplementary Public Report, the Developer has amended the Declaration to reassign Parking Stall Numbers 4 and 5. Parking Stall No. 4 was originally designated as a limited common element appurtenant to Apartment Numbers 1 through 4, and by Third Amendment to Declaration of Condominium Property Regime dated April 25, 2007 ("Third Amendment"), was designated as a limited common element appurtenant to Apartment Number 1. Parking Stall No. 5 was originally designated as a limited common element appurtenant to Apartment No. 1 and by Third Amendment was designated as a limited common element for the exclusive use of Apartments 1 through 4 as a guest parking stall. The Developer currently owns Apartment Numbers 1 through 4.

2. **DISCLOSURE REGARDING PARKING STALL 5.** Parking Stall No. 5 is currently landscaped and not paved for use as a parking stall. If the owners of Apartment Nos. 1 through 4 decide to pave Parking Stall No. 5 in the future, the cost for such paving will be borne by the owners of Apartment Nos. 1 through 4.

3. **MORTGAGES AND UPDATED TITLE REPORT.** Since the date of the Final Public Report and Supplementary Public Report, the Developer has refinanced its loans and Apartment Numbers 1 through 4 are subject to new mortgages. The mortgage information is reflected on page 15 and Exhibit "F" of this Supplement.

4. **MAINTENANCE FEES (EXHIBIT K).** The estimate of initial maintenance fees has been updated to reflect the Association's 2007 budget for maintenance fees.

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer	
Attorney for Developer	
General Contractor	
Real Estate Broker	
Escrow Company	
Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Description of Apartments	
EXHIBIT B: Use Restrictions for Apartments and Common Elements	
EXHIBIT C: Permitted Alterations to an Apartment	
EXHIBIT D: Parking Stall Assignments	
EXHIBIT E: Description of Common Elements, Limited Common Elements and Common Interests	
EXHIBIT F: Encumbrances Against Title	
EXHIBIT G: Warranties	
EXHIBIT H: Summary of Pertinent Provisions of the Sales Contract	
EXHIBIT I: Summary of Pertinent Provisions of the Escrow Agreement	
EXHIBIT J: Disclosure Abstract	
EXHIBIT K: 2007 Maintenance Fees	

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

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

N/A

Real Estate Broker*: Properties of the Pacific LLC Name Phone: (808) 733-2233 (Business)
3615 Harding Avenue, Suite 203 Business Address
Honolulu, Hawaii 96816

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

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

Condominium Managing Agent*: Pure Management Name Phone: (808) 596-8208 (Business)
1314 S. King Street, Suite 622 Business Address
Honolulu, Hawaii 96814

Attorney for Developer: Galen C. K. Leong, Esq. Name Phone: (808) 539-0400 (Business)
Ashford & Wriston Business Address
1099 Alakea Street, 14th Floor
Honolulu, Hawaii 96813

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

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

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

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

The Declaration for this condominium is:

<input type="checkbox"/>	Proposed			
<input checked="" type="checkbox"/>	Recorded -	Bureau of Conveyances:	Document No. <u>2005-124238</u>	
			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.

Third Amendment of Declaration of Condominium Property Regime of Keeaumoku Hale and Condominium Map No. 4015 dated April 25, 2007, recorded in said Bureau as Document No. 2007-074141.

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. <u>4015</u>		
<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. <u>2005-124239</u>	
			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]:

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>67%</u>
House Rules	---	<u>Board may change</u>

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

2. **Developer:**

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

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Sub-leaseholds:

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

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

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

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

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

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 1440 Keeaumoku Street Tax Map Keys (TMK): (1) 2-4-21-20
Honolulu, Hawaii 96822 (1) 2-4-21-62

Address TMK is expected to change because individual CPR numbers will be assigned to each apartment

Land Area: 8,715 (plus 1,172 for roadway) square feet acre(s) Zoning: A-2

Fee Owner: Sharon M. Y. Au and Gaylien S. Hall*
Name

Lessor: N/A
Name
Business Address

* Sharon M. Y. Au acquired the fee simple interest in Apartment Nos. 1 and 4, and an undivided 50% interest in Apartment No. 5, and Gaylien S. Hall acquired the fee simple interest in Apartment Nos. 2 and 3, 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.

Apartment No. 5 was conveyed by the Developer to a third party purchaser by Warranty Deed recorded in said Bureau on December 5, 2005 as Document No. 2005-247385.

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:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<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/1/2Bath</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.

Permitted Alterations to Apartments:

The owner of an apartment may alter such owner's apartment in accordance with Paragraph U of the Declaration, as set forth in Exhibit "C".

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a).

Developer has elected to provide the information in a published announcement or advertisement.

11. Conformance to Present Zoning Code

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

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

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

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

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

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

- described in Exhibit "E"
 as follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

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

described in Exhibit "E"

as follows:

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

described in Exhibit "E"

as follows:

- E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit "F" describes the encumbrances against the title contained in the title reports dated April 13, 2007 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

- There are no blanket liens affecting title to the individual apartments.
- 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>
<i>1. Unit 1: Mortgage dated October 26, 2005, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Central Pacific HomeLoans, Inc., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-220989.</i>	<i>In the event of foreclosure, the purchaser of Unit 1 will receive a full refund of all deposits (less a cancellation fee not to exceed \$250.00).</i>
<i>2. Unit 2: Mortgage dated October 26, 2005, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Central Pacific HomeLoans, Inc., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-220990.</i>	<i>In the event of foreclosure, the purchaser of Unit 2 will receive a full refund of all deposits (less a cancellation fee not to exceed \$250.00).</i>
<i>3. Unit 3: Mortgage dated October 26, 2005, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Central Pacific HomeLoans, Inc., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-220993.</i>	<i>In the event of foreclosure, the purchaser of Unit 3 will receive a full refund of all deposits (less a cancellation fee not to exceed \$250.00).</i>
<i>4. Unit 4: Mortgage dated October 26, 2005, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Central Pacific HomeLoans, Inc., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-220991.</i>	<i>In the event of foreclosure, the purchaser of Unit 4 will receive a full refund of all deposits (less a cancellation fee not to exceed \$250.00).</i>

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:
See Exhibit "G". THERE ARE NO WARRANTIES BEING MADE BY THE DEVELOPER.
- 2. Appliances:
See Exhibit "G". THERE ARE NO WARRANTIES BEING MADE BY THE DEVELOPER.

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

Building 1 was completed in 1957, and Building 2 was completed in 1929. The Developer did not construct or develop the Project. See Exhibits "G" and "J" for further information.

H. **Project Phases:**

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

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

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 "H" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 5, 2005
Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

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

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

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

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

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been 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

C. **Additional Information Not Covered Above**

DISCLOSURE REGARDING SALES OF UNITS:

Sharon M. Y. Au and Gaylien S. Hall each have active real estate licenses in the State of Hawaii and both parties are real estate brokers with Properties of the Pacific LLC, the real estate brokerage firm that is listing the units in this Project.

The Broker-in-Charge of Properties of the Pacific LLC is Claudia Kennedy.

- 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

Date: 5/2/07

By: 
 Gaylien S. Hall

Date: 5/2/07

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 B

Use Restrictions for Apartments and Common Elements

The following provisions in the Declaration and House Rules, as indicated, contain restrictions on the use of the apartments and the common elements of the Project:

I. Declaration

Section I of the Declaration provides the following:

1. The Apartments may be occupied and used as residential dwellings by the respective owners thereof, their 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 this Declaration and the Bylaws hereafter described; 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.
2. Each apartment owner may use the common elements of the Project in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other apartment owners, subject to:
 - a. The right of the Board of Directors, upon the approval of the owners of seventy-five percent (75%) of the common interests, to change the use of the common elements; provided, however, that the conversion of a common element to a limited common element shall require the approval of all owners;
 - b. The right of the Board of Directors, on behalf of the Association, to lease or otherwise use for the benefit of the Association those common elements which are not actually used by any of the apartment owners for an originally intended special purpose, as determined by the Board of Directors; provided that unless the approval of the owners of seventy-five percent (75%) of the common interests is obtained, any such lease shall not have a term exceeding five (5) years and shall contain a provision that the lease or agreement for use may be terminated by either party thereto on not more than sixty (60) days written notice;
 - c. The right of the Board of Directors to lease or otherwise use for the benefit of the Association those common elements not falling within paragraph 2(b) above, upon obtaining: (A) the approval of the owners of seventy-five percent (75%) of the common elements,

including all directly affected owners and all owners of apartments to which such common elements are appurtenant in the case of limited common elements, and (B) approval of all mortgagees of record on apartments with respect to which owner approval is required by (A) above, if such lease or use would be in derogation of the interest of such mortgagees; and

- d. The exclusive use of the limited common elements as provided in this Declaration.

II. House Rules

- A. Section III of the House Rules sets forth rules relating to noise and nuisance matters including, without limitation, restrictions as to creating any improper, offensive or unreasonable nuisances in the Project, creating any excessive noise, slamming doors, the volume of noise devices during late evening and early morning hours, and guest conduct.
- B. Section IV of the House Rules sets forth restrictions generally affecting the maintenance of the apartments and the building including, without limitation, restrictions on altering the exterior appearance of the apartments, restrictions on the display of signs, signals or lettering, prohibition of the attachment of any objects on the outside of the apartment or through any door or window, prohibition of waterbeds, and prohibition on the installation of radio or television antennae within the Project.

END OF EXHIBIT B

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	4
2	8T, 9T
3	6
4	7T, 10T
5	1, 2CT, 3CT
Guest	5

“C” denotes Compact; “T” denotes Tandem

One (1) parking stall (Parking Stall No. 5) is designated for guest parking for Apartments 1 through 4 only.

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 reassign parking stalls.

END OF EXHIBIT D

Exhibit E

**Description of Common Elements, Limited Common Elements,
Common Interests and Limited Common Interests**

1. Common Elements. Section E.2 of the Declaration describes the common elements as all portions of the Project other than the apartments, including specifically, but not limited to:

- a. The land described in the Declaration in fee simple; and
- b. All pipes, wires, conduits or other utility or service lines running through one apartment which are utilized for or serve more than one apartment and any other appurtenant installations for common services.

2. Limited Common Elements. Section E.3 of the Declaration describes the limited common elements as certain parts of the common elements which are set aside for the 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 and reserved for its exclusive use the parking stall or stalls assigned to it as shown on Exhibit "C" attached to the Declaration and as shown on the Condominium Map;

- b. Each Apartment shall have appurtenant thereto and reserved for its exclusive use one (1) mailbox located at the carport adjacent to Apartment No. 5.

- c. Apartment Nos. 1-4 Limited Common Elements. Apartment Nos. 1 through 4 shall collectively have appurtenant thereto and reserved for their exclusive use the following:

- i. All foundations, floor slabs, columns, beams, supports, unfinished perimeter and loadbearing walls, roofs, stairs, stairways, rails, walkways, storage rooms and electrical rooms in Building 1 that are not contained within an Apartment,

- ii. One (1) guest parking stall as shown on Exhibit "C" attached to the Declaration;

- iii. The private driveway, as shown on the Condominium Map, of which Declarant owns an undivided fifty percent (50%) interest; and

- iv. The land over which Apartment Nos. 1 through 4 is constructed and the area surrounding Apartment Nos. 1 through 4, including the yard, grounds, landscaping, walkways, driveways, curbs and fences located thereon, as shown on the Condominium Map, which comprises approximately 4,549 square feet.

- d. Apartment No. 5 Limited Common Elements:

Apartment No. 5 shall have appurtenant thereto and reserved for its exclusive use the land over which Apartment No. 5 is constructed and the area surrounding Apartment No. 5,

including the yard, grounds, landscaping, walkways, driveways, curbs and fences in and around Apartment No. 5, as shown on the Condominium Map, which comprises approximately 4,166 square feet.

3. Common Interest and Limited Common Interest. Section F of the Declaration describes the common interest and limited common interest for each apartment as follows:

a. Each Apartment shall have appurtenant thereto an undivided interest in all Common Elements of the Project, called the Common Interest, and the same proportionate share in the common profits and expenses of the Project and for all other purposes, including voting, as shown in Exhibit "B" to the Declaration. The allocation of Common Interests was calculated by assigning forty percent (40%) of the Common Interest to Apartment No. 5, and sixty percent (60%) of the Common Interest to Apartment Nos. 1 – 4, collectively. The percentage Common Interest for each Apartment within Building 1 was calculated by multiplying .60 by a fraction, the numerator of which is the net living area of such Apartment, and the denominator of which is the total net living area of Apartments 1 – 4.

b. In addition to the Common Interest described in Section F.1 of the Declaration, Apartment Nos. 1 – 4 shall have assigned to each of them a Limited Common Interest. Each applicable Apartment owner's Limited Common Interest was determined by dividing the net interior square footage of each Apartment by the aggregate net interior square footage of all Apartments in Building 1. Based on the foregoing formula, the initial Limited Common Interest assigned to Apartment Nos. 1 - 4 is set forth in Exhibit "B" to the Declaration.

NOTE: The common interest and limited common interest for each apartment is shown in this Public Report under Exhibit A.

END OF EXHIBIT E

Exhibit F

Encumbrances Against Title

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. As to Parcel First, only:
 - (A) Grant to Hawaiian Electric Company, Inc. and GTE Hawaiian Telephone Company Incorporated, now known as Verizon Hawaii, Inc., dated March 23, 1984, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17790, at Page 629, granting a perpetual right and easement for utility purposes over, under, upon, across and through easement being 5 feet wide, as shown on map attached thereto.
 - (B) Encroachment(s) as shown on the survey map prepared by Dennis K. Hashimoto, Land Surveyor, with DJNS Surveying & Mapping, Inc., dated February 5, 2004.
3. As to Parcel Second, only: Rights of others who may own undivided interest(s), or have easement or access rights, in said parcel.
4. The restrictions, reservations, covenants, conditions, agreements, obligations, terms, provisions and easements set forth in the Declaration of Condominium Property Regime for "Keeaumoku Hale" Condominium Project dated June 3, 2005, recorded in said Bureau as Document No. 2005-124238, and Condominium Map No. 4015, as amended by First Amendment of Declaration of Condominium Property Regime of Keeaumoku Hale and Condominium Map 4015 dated August 2, 2005, recorded in said Bureau as Document No. 2005-155078, Second Amendment of Declaration of Condominium Property Regime of Keeaumoku Hale and Condominium Map 4015 dated October 5, 2005, recorded in said Bureau as Document No. 2005-202304, and by Third Amendment of Declaration of Condominium Property Regime of Keeaumoku Hale and Condominium Map 4015 dated April 25, 2007, recorded in said Bureau as Document No. 2007-074141.
5. The restrictions, reservations, covenants, conditions, agreements, obligations, terms, provisions and easements set forth in the By-Laws of the Association of Apartment Owners of the Project dated June 3, 2005, recorded in said Bureau as Document No. 2005-124239, may have been and may hereafter be amended.
6. As to Parcel First, Apartment One, only: Mortgage dated October 26, 2005, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Central Pacific HomeLoans, Inc., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-220989.
7. As to Parcel First, Apartment Two, only: Mortgage dated October 26, 2005, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Central Pacific HomeLoans, Inc., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-220990.

8. As to Parcel First, Apartment Three, only: Mortgage dated October 26, 2005, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Central Pacific HomeLoans, Inc., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-220993.

9. As to Parcel First, Apartment Four, only: Mortgage dated October 26, 2005, in favor of Mortgage Electronic Registration Systems, Inc., as nominee for Central Pacific HomeLoans, Inc., a Hawaii corporation, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2005-220991.

10. Real Property Taxes that may be due and owing (reference is made to the Department of Finance, City and County of Honolulu).

END OF EXHIBIT F

Exhibit G

Warranties

1. Article IV, Section D.1 of Addendum B to the Deposit Receipt and Sales contract provides as follows:

a. Seller Makes No Warranties or Promises. 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.

BUYER SHALL INDEMNIFY, DEFEND AND HOLD HARMLESS SELLER, THEIR EMPLOYEES, AGENTS, HEIRS, DEVISEES, PERSONAL REPRESENTATIVES, SUCCESSORS AND ASSIGNS, FROM AND AGAINST ANY AND ALL ACTIONS, LIABILITY, CLAIMS, LOSSES, DAMAGES, COSTS OR EXPENSES, INCLUDING, WITHOUT LIMITATION, ATTORNEYS' FEES, RELATING TO ANY IMPAIRMENT OF BUYER'S USE AND ENJOYMENT OF THE PROPERTY OR THE PROJECT, LOSS OF MARKET VALUE OF THE PROPERTY OR PROPERTY DAMAGE, PERSONAL INJURY, BODILY INJURY OR DEATH TO THE PROPERTY OR PERSON OF BUYER OR ANY PERSON CLAIMING BY, THROUGH OR UNDER BUYER, ARISING OUT OF OR IN CONNECTION WITH ANY CONDITION OF THE PROPERTY.

Buyer acknowledges and agrees that Seller's disclaimer of warranties contained in this Section D.1 is an essential element in the determination of the purchase price for the Apartment being sold to Buyer. This means that the Apartment would not have been sold to Buyer for the amount of the purchase price stated in this Agreement without Seller's disclaimer of warranties.

2. Article IV, Section D.3, 4 and 5 of Addendum B to the Deposit Receipt and Sales Contract provides as follows:

a. The Condominium Map is Not a Warranty. The Condominium Map for the Project is intended to show only the layout, location, apartment numbers and dimensions of the apartments in the Project. Buyer agrees that the Condominium Map is not intended to be and is not a warranty or promise by Seller.

b. Seller Makes No Promise or Warranty About the Amount of Monthly Maintenance Fees. Buyer has examined and approved the estimate of monthly maintenance fees and assessments for the Apartment prepared by the Seller. Seller makes no promise or warranty about the accuracy of those amounts. Buyer understands that those amounts are only estimates and may change for various reasons. Buyer accepts and approves any changes in such estimate made by Seller.

c. Seller Makes No Promises About Rentals or Other Economic Benefits. BUYER AGREES THAT NEITHER SELLER NOR ANY SALESPERSON OR OTHER PERSON AFFILIATED WITH OR IN ANY WAY RELATED TO SELLER HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S PROPERTY. IF BUYER WANTS TO RENT OR SELL THE PROPERTY, HOW BUYER DOES IT WILL BE UP TO BUYER. BUYER ALSO AGREES THAT NEITHER SELLER NOR ANY SALESPERSON OR OTHER PERSON AFFILIATED WITH OR IN ANY WAY RELATED TO SELLER HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE PROPERTY OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE PROPERTY OR ABOUT THE TAX EFFECTS OF BUYING THE PROPERTY.

BUYER AGREES THAT SELLER MAY, AS A REQUIREMENT FOR CLOSING, REQUIRE BUYER, ANY SALESPERSON, OR ANYONE ELSE CONNECTED WITH THE OFFER TO SELL AND THE SALE OF THE PROPERTY, TO SIGN ADDITIONAL DOCUMENTS TO SATISFY SELLER THAT THE OFFER TO SELL AND THE SALE OF THE PROPERTY IS NOT IN VIOLATION OF ANY SECURITIES LAWS. BUYER AGREES THAT IF SELLER DETERMINES THAT THERE HAS BEEN A VIOLATION OF ANY SECURITIES LAWS, SELLER'S INJURY CAUSED BY SUCH VIOLATION WILL BE UNCERTAIN AS TO NATURE AND AMOUNT AND WILL BE DIFFICULT AND EXPENSIVE TO DETERMINE. BECAUSE OF THIS, BUYER AGREES THAT SELLER MAY OBTAIN AN INJUNCTION (IN OTHER WORDS, A COURT ORDER) FROM A COURT PROHIBITING ANY ACTS BY BUYER WHICH GIVE RISE TO SUCH VIOLATION. SELLER MAY ALSO TAKE ADVANTAGE OF ANY OF SELLER'S RIGHTS DESCRIBED IN SECTIONS G.2(a), (b), (c) AND/OR (d) BELOW. ALL OF SELLER'S COSTS, INCLUDING REASONABLE ATTORNEYS' FEES, INCURRED BECAUSE OF BUYER'S ACTIONS IN VIOLATION OF ANY SECURITIES LAWS, WILL BE PAID BY BUYER.

BUYER ALSO AGREES THAT IF BUYER CLAIMS THAT THERE HAS BEEN ANY VIOLATION OF ANY FEDERAL OR STATE SECURITIES OR DISCLOSURE LAWS (INCLUDING THE CONDOMINIUM LAWS) CONNECTED WITH THE OFFER OR SALE OF THE PROPERTY, THE INJURY CAUSED BY SUCH VIOLATION WILL BE DIFFICULT AND EXPENSIVE TO DETERMINE. BECAUSE OF THIS, BUYER AGREES THAT BUYER'S ONLY REMEDIES WILL BE TO SUE FOR SPECIFIC PERFORMANCE OR TO SUE FOR A REFUND OF THE TOTAL PURCHASE PRICE AND CLOSING COSTS ACTUALLY PAID, PLUS INTEREST AT THE RATE OF TWELVE PERCENT (12%) PER YEAR FROM THE FINAL CLOSING DATE UNTIL THE DATE OF REPAYMENT. BUYER ALSO AGREES THAT IF BUYER SUES FOR A REFUND (A) THE REFUND WILL BE

CONSIDERED AS LIQUIDATED DAMAGES AND NOT A PENALTY, AND (B) ANY ADDITIONAL AMOUNTS PAID BY BUYER FOR THE PROPERTY (SUCH AS LEASE RENTS, MAINTENANCE CHARGES AND OTHER COMMON EXPENSES (INCLUDING LIMITED COMMON EXPENSES), REAL PROPERTY TAXES, MORTGAGE LOAN FEES AND INTEREST, AND THE START-UP FEE) WILL BE PAID BY BUYER AS THE REASONABLE USE VALUE OF THE PROPERTY FROM THE FINAL CLOSING DATE UNTIL THE DATE OF REPAYMENT.

END OF EXHIBIT G

Exhibit H

Summary of Pertinent Provisions of the Sales Contract

A specimen Deposit Receipt and Sales Contract and Addendum "A" and "B" (the "Contract") have been submitted to the Real Estate Commission. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE CONTRACT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Contract, among other things, covers in more detail the following items:

1. Developer ("Seller"), in its sole discretion, and in addition to any other rights of cancellation or termination reserved to Seller, may elect to cancel the Contract if Buyer defaults under the Contract. Buyer may lose all of its deposits with Escrow and Seller. Seller may, at its option, pursue other legal remedies. If Seller defaults under the Contract, Buyer shall be entitled to specific performance of the Contract, or shall have the right to cancel and terminate the Contract.

2. The projected closing dates are as described in the Contract.

3. Buyer is required to prepay maintenance fees, Additional Sums, Closing Costs and Prorations as more particularly described in the Contract.

4. The Contract confirms that Buyer has had the opportunity to read and approve the Project documents, including the Declaration, the Bylaws, the Condominium Map, the House Rules, the form of Apartment Deed, the Escrow Agreement, this Public Report and all amendments and supplements to all such documents. The Contract also provides that the rights of any of Seller's lenders with a security interest in the Project will be superior to the rights of Buyer under the Contract.

5. Buyer specifically acknowledges and accepts certain enumerated conditions regarding on-going marketing of the project stated in the Contract as well as any inconvenience or annoyance which Buyer may experience as a result of such conditions, and expressly waives any rights, claims or action which Buyer might otherwise have against Seller or third parties as a result of such circumstances.

6. If Buyer cancels the Contract because of Seller's default, Seller will repay to Buyer all sums paid by Buyer to the Seller or to Escrow under the Contract, without interest (except that Buyer will get interest on sums held by Escrow in an interest-bearing account in favor of Buyer, if Buyer checked the appropriate box on the first page of the Contract). Buyer agrees that if Seller defaults at any time, Buyer will only have the rights mentioned in the Contract and that Buyer waives any other rights Buyer might otherwise have.

7. Seller shall have certain rights and remedies against Buyer in the event Buyer fails to perform any of the terms and conditions of the Contract, including failure to comply with the pre-closing and closing requirements, as more particularly described in the Contract, including the right to retain Buyer's deposit and the right to other actual and liquidated damages, and the right to specifically enforce the Contract.

8. The Contract prohibits Buyer from assigning the Contract.

ALL BUYERS SHOULD READ THE CONTRACT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE CONTRACT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE CONTRACT, AND DOES NOT ALTER OR AMEND THE CONTRACT IN ANY MANNER. IF ANY PROVISIONS OF THIS SUMMARY CONTRADICT THE PROVISIONS CONTAINED IN THE CONTRACT IN ANY WAY, THE PROVISIONS OF THE CONTRACT SHALL OVERRIDE THE PROVISIONS OF THIS SUMMARY.

END OF EXHIBIT H

Exhibit I

Summary of Pertinent Provisions of the Escrow Agreement

A copy of the Escrow Agreement between the Developer (herein, the "Seller") and Title Guaranty Escrow Services, Inc. ("Escrow") has been submitted to the Real Estate Commission. The Escrow Agreement, among other things, covers in more detail the following items:

1. Seller shall deliver an executed copy of each sales contract for the sale of a residential apartment to Escrow. Each sales contract shall be accompanied by the initial deposit required thereunder.

2. Seller shall pay Escrow monies received from purchasers under sales contracts covering apartments in the Project. Escrow shall receive and hold in escrow and disburse funds as set forth in detail in the Escrow Agreement. Escrow shall deposit all funds so received in an account at a federally-insured interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. Except for specific circumstances stated in the Escrow Agreement, any interest earned on funds deposited in escrow under the Escrow Agreement shall accrue to the credit of Seller.

3. No disbursements of funds held in escrow shall be made unless and until, among other conditions, (a) an effective date for a Final Public Report has been issued; (b) the purchaser has 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 (c) Seller or Seller's attorney shall have delivered a written opinion to Escrow that the purchaser's sales contract has become effective.

4. A purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such purchaser, together with any interest that may have accrued to the credit of purchaser, if any one of the following has occurred: (a) Seller and the purchaser shall have together requested to Escrow in writing to return to the purchaser the purchaser's funds held thereunder by Escrow; or (b) Seller shall have notified Escrow of Seller's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller; or (c) the purchaser has exercised such purchaser's right to cancel or rescind the contract pursuant to the Condominium Act.

In the event of a default by the purchaser in any matter being handled by Escrow, upon certification by the Seller of Seller's termination of the sales contract, Escrow will thereafter treat all funds of the purchaser paid on account of such purchaser's sales contract as funds of Seller and not as funds of the purchaser.

5. Except for the sales contract and any note and mortgage that is to be closed by the mortgagee thereof, Escrow shall promptly and diligently arrange for and supervise the execution of all documents related to the Project and shall promptly, and diligently close the transactions

and perform such services as are necessary or proper therefor, in the manner established in the Escrow Agreement.

NOTE: ALL BUYERS AND PROSPECTIVE BUYERS SHOULD READ THE ESCROW AGREEMENT AND ALL AMENDMENTS, IF ANY, IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE ESCROW AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE ESCROW AGREEMENT, AND DOES NOT ALTER OR AMEND THE ESCROW AGREEMENT IN ANY MANNER.

END OF EXHIBIT I

Exhibit J

Disclosure Abstract

As of April 25, 2007

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"). 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 2007 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 budgeted 2007 maintenance fee 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 will tend to

increase in an inflationary economy and as the improvements age. The 2007 budgeted maintenance fees and monthly fees for each apartment are based on the latest information available to the Developer. 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. 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.

17. **Parking Stall No. 5.** Parking Stall Number 5, which is a guest parking stall, is currently landscaped and not suitable for parking purposes. Parking Stall Number 5 is a limited common element for the exclusive use of Apartments 1 through 4. If the majority of owners of Apartments 1 through 4 decide to pave Parking Stall Number 5 in the future, the owners of Apartments 1 through 4 will each be responsible for the cost of such paving.

DATED: Honolulu, Hawaii, April 25, 2007.



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.honoluluapp.org • INTERNET: www.honolulu.gov

MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANGLIE
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.

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 2

TO WHOM IT MAY CONCERN

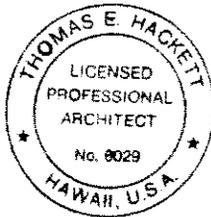
FROM: TOM HACKETT
Architect

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

EXHIBIT K
2007 MAINTENANCE FEES
AND
2007 MAINTENANCE FEE DISBURSEMENTS

Estimate of 2007 Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>	
1	78.51	942.12
2	96.48	1157.78
3	83.33	999.96
4	101.31	1215.72
5 (House)	122.80	1473.60

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

2007 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	152.00	1824.00

Maintenance, Repairs and Supplies

Building	10.00	120.00
Grounds	50.00	600.00

Management

Management Fee	50.00	600.00
Payroll and Payroll Taxes		
Office Expenses	20.00	240.00

Insurance 175.43 2105.18

Reserves(*)

Taxes and Government Assessments

Audit Fees 25.00 300.00

Other

TOTAL 482.43 5789.18

Sharon M. Y. Au and Gaylien S. Hall, the Developers for the Keeaumoku Hale 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

April 25, 2007

Date



Signature

April 25, 2007

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.