

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

CONDOMINIUM PROJECT NAME	1672 and 1672 A CALIFORNIA AVE.
Address	1672 and 1672 A California Avenue Wahiawa, Hawaii 96786
Registration Number	6123
Effective Date of Report	November 13, 2006
Developer	MARC ALLEN MUNDEN and LIANA ADELLA MUNDEN

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; or (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

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

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

SPECIAL NOTICE

This is a condominium project, not a subdivision, and the project does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a limited common element and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

Facilities and improvements normally associated with County approved subdivisions may not necessarily be provided for, and services such as County street maintenance and trash collection may not be available for interior roads or driveways.

This public report does not constitute approval of the project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS DEVELOPER'S PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

TABLE OF CONTENTS

	<u>Page</u>
Preparation of this Report	1
General Information On Condominiums	2
Operation of the Condominium Project.....	2
1. THE CONDOMINIUM PROJECT	3
1.1 The Underlying Land.....	3
1.2 Buildings and Other Improvements.....	3
1.3 Unit Types and Sizes of Units	3
1.4 Parking Stalls	4
1.5 Boundaries of the Units.....	4
1.6 Permitted Alterations to the Units	4
1.7 Common Interest.....	4
1.8 Recreational and Other Common Facilities	4
1.9 Common Elements.....	5
1.10 Limited Common Elements.....	5
1.11 Special Use Restrictions	5
1.12 Encumbrances Against Title	5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters	6
1.14 Other Zoning Compliance Matters	6
1.15 Conversions	7
1.16 Project In Agricultural District.....	8
1.17 Project with Assisted Living Facility	8
2. PERSONS CONNECTED WITH THE PROJECT	9
2.1 Developer.....	9
2.2 Real Estate Broker	9
2.3 Escrow Depository	9
2.4 General Contractor.....	9
2.5 Condominium Managing Agent.....	9
2.6 Attorney for Developer	9
3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS	10
3.1 Declaration of Condominium Property Regime	10
3.2 Bylaws of the Association of Unit Owners	10
3.3 Condominium Map.....	10
3.4 House Rules.....	11
3.5 Changes to the Condominium Documents	11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents.....	11
4. CONDOMINIUM MANAGEMENT	12
4.1 Management of the Common Elements	12
4.2 Estimate of the Initial Maintenance Fees	12
4.3 Utility Charges to be Included in the Maintenance Fee	12
4.4 Utilities to be Separately Billed to Unit Owner	12
5. SALES DOCUMENTS	13
5.1 Sales Documents Filed with the Real Estate Commission.....	13
5.2 Sales to Owner-Occupants	13
5.3 Blanket Liens.....	13
5.4 Construction Warranties	13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion	14

TABLE OF CONTENTS

	<u>Page</u>
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing	14
5.7 Rights Under the Sales Contract	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract.....	16
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed.....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change .	17
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.....	18
EXHIBIT A: Unit types and sizes of units	
EXHIBIT B: Boundaries of the Units	
EXHIBIT C: Permitted Alterations to the Units	
EXHIBIT D: Common Elements	
EXHIBIT E: Limited Common Elements	
EXHIBIT F: Special Use Restrictions	
EXHIBIT G: Encumbrances Against Title	
EXHIBIT H: Verified Statement from County Official	
EXHIBIT I: Summary of Sale Contract Provisions	
EXHIBIT J: Summary of the Escrow Agreement	
EXHIBIT K: Disclosure Abstract	
EXHIBIT L: Declaration of Condominium Property Regime	
EXHIBIT M: Bylaws of the Association of Unit Owners	
EXHIBIT N: Condominium Map	

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are attached as exhibits to this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner		
Fee Owner's Address		
Address of Project	1672 and 1672 A California Avenue Wahiawa, Hawaii 96786	
Address of Project is expected to change because		
Tax Map Key (TMK)	(1) 7-5-003-077	
Tax Map Key is expected to change because	Each Unit will be assigned a new tax key	
Land Area	20,705 square feet	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)		

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	2
Number of New Building(s)	2
Number of Converted Building(s)	
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	The buildings are constructed principally of wood and are built on a concrete slab foundation. The roofs of the Buildings are covered with asphalt shingle.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Area
1672	1	3/2.5	1891 sq. ft.	295/502	Lanai & deck/ garage	2,688 sq. ft.
1672 A	1	3/2.5	1891 sq. ft.	295/502	Lanai & deck/ garage	2,688 sq. ft.
See Exhibit A .						

2	Total Number of Units
---	------------------------------

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

Total Parking Stalls in the Project:	4
Number of Guest Stalls in the Project:	-0-
Number of Parking Stalls Assigned to Each Unit:	2 (located in each Unit's garage)
Attach Exhibit ____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit: See Exhibit B
--

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project): See Exhibit C
--

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is: 50% for each Unit
Described in Exhibit _____.
As follows:

1.8 Recreational and Other Common Facilities (Check if applicable):

<input type="checkbox"/>	Swimming pool
<input type="checkbox"/>	Laundry Area
<input type="checkbox"/>	Storage Area
<input type="checkbox"/>	Tennis Court
<input type="checkbox"/>	Recreation Area
<input type="checkbox"/>	Trash Chute/Enclosure(s)
<input type="checkbox"/>	Exercise Room
<input type="checkbox"/>	Security Gate
<input type="checkbox"/>	Playground
<input type="checkbox"/>	Other (describe):

1.9 Common Elements

<p>Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.</p>									
<p>Described in Exhibit <u>D</u> .</p>									
<p>Described as follows:</p>									
<table border="1"> <thead> <tr> <th>Common Element</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Elevators</td> <td>0</td> </tr> <tr> <td>Stairways</td> <td>0</td> </tr> <tr> <td>Trash Chutes</td> <td>0</td> </tr> </tbody> </table>		Common Element	Number	Elevators	0	Stairways	0	Trash Chutes	0
Common Element	Number								
Elevators	0								
Stairways	0								
Trash Chutes	0								

1.10 Limited Common Elements

<p>Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.</p>
<p>Described in Exhibit <u>E</u> .</p>
<p>Described as follows:</p>

1.11 Special Use Restrictions

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p>	
<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Exhibit F
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

<p>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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>
<p>Exhibit <u>G</u> describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: August 22, 2006</p>
<p>Company that issued the title report: Old Republic Title and Escrow</p>

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
<input checked="" type="checkbox"/>	Residential		<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	R-10
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<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(specify)		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code.		none			

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots	
<p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p>	

	Conforming	Non-Conforming	Illegal
Uses	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

<p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p>
--

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	<input type="checkbox"/> Applicable <input checked="" type="checkbox"/> Not Applicable
Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:	
Developer's statement of the expected useful life of each item reported above:	
List of any outstanding notices of uncured violations of any building code or other county regulations:	
Estimated cost of curing any violations described above:	

Verified Statement from a County Official	
Regarding any converted structures in the project, attached as Exhibit ____ is a verified statement signed by an appropriate county official which states that either: (A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable: (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; or (B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.	
Other disclosures and information:	

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer</p>	<p>Name: MARC ALLEN MUNDEN & LIANA ADELLA MUNDEN Address: 59-748 Amaumau Place, Haleiwa, HI 96712</p> <p>Business Phone Number: 808-638-8618 E-mail Address: mundendesign@hotmail.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>N/A</p>
<p>2.2 Real Estate Broker</p>	<p>Name: None see page 18 Address:</p> <p>Business Phone Number: E-mail Address:</p>
<p>2.3 Escrow Depository</p>	<p>Name: Old Republic Title and Escrow of Hawaii Address: 733 Bishop Street, Suite 2700 Honolulu, Hawaii 96813</p> <p>Business Phone Number: 808-566-0100</p>
<p>2.4 General Contractor</p>	<p>Name: N/A Address:</p> <p>Business Phone Number:</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Self-managed by Association of Unit Owners Address:</p> <p>Business Phone Number:</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Jeffrey S. Grad, Esq. Address: 841 Bishop Street, Suite 1800 Honolulu, Hawaii 96813</p> <p>Business Phone Number: 808-521-4757</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	August 15, 2006	3470612

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	August 15, 2006	3470613

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

Land Court Map Number	1842
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

Are Proposed	<input type="checkbox"/>
Have Been Adopted and Date of Adoption	<input type="checkbox"/>
Developer does not plan to adopt House Rules	<input checked="" type="checkbox"/>

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

Document	Minimum Set by Law	This Condominium
Declaration	67%	100%
Bylaws	67%	100%

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

<input type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	<p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <p>Right to Grant Utility Easements.</p> <p>Declarant reserves the right to grant (including the right to convey, transfer, cancel, relocate and otherwise deal with a grant) to any public or governmental authority rights-of-way and other easements, which are for the benefit of the Project or which do not materially interfere with the use nor materially impair the value of any Unit, over, across, under and through the common elements (including Limited Common Elements) for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof. The rights reserved to Declarant in this paragraph shall continue for so long as Declarant owns any interest in any of the Units. Upon transfer of title to the last Unit in the Project to a party other than Declarant, the rights reserved to Declarant in this paragraph shall terminate as to Declarant and shall automatically vest in the Association.</p> <p>Continued (See Page -11a-)</p>

Easement to Complete Repairs and Maintenance of the Project.

Declarant shall have and hereby reserves an easement over and upon any portion of the Project, including the common elements and any Unit, as may be reasonably necessary for the repair, maintenance or replacement of any improvements to, and correction of defects and other punch-list items in the common elements or any Unit.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

<p>Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.</p>	
<p>The Initial Condominium Managing Agent for this project is (check one):</p>	
<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

<p>Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, a lien may be placed on your unit and the unit may be sold through a foreclosure proceeding. Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided.</p>
<p>Exhibit <u>K</u> contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p>

4.3 Utility Charges to be Included in the Maintenance Fee

<p>If checked, the following utilities are included in the maintenance fee:</p>	
<input type="checkbox"/>	Electricity for the common elements
<input type="checkbox"/>	Gas for the common elements
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

<p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p>	
<input checked="" type="checkbox"/>	Electricity for the Unit only
<input checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit I contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: August 15, 2006 Name of Escrow Company: Old Republic Title and Escrow Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

<input type="checkbox"/>	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
<input type="checkbox"/>	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit _____.
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.	
<input checked="" type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance

5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:
Building and Other Improvements: One year from closing of sale to Buyer (See Exhibit I)
Appliances: One year from closing of sale to Buyer (See Exhibit I)

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

Status of Construction: Completed (see Notice of Completion)
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

<input checked="" type="checkbox"/>	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. If the box to the left is checked, Sections 5.6.2 and 5.7, which follow below, will not be applicable to the project.
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5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):	
<input type="checkbox"/>	For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or
<input type="checkbox"/>	For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.

In connection with the use of purchaser deposits (check Box A or Box B):

<p>Box A <input type="checkbox"/></p>	<p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p>
<p>Box B <input type="checkbox"/></p>	<p>The Developer has <u>not</u> submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p>

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as Item 5, if any, and are being delivered to you with this report.

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	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 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

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

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

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

DISCLOSURE REGARDING SELECTION OF REAL ESTATE BROKER:

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

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

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report any pertinent or material change or both in any information contained in this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Marc Allen Munden and Liana Adella Munden

Printed Name of Developer

By:  October 12, 2006
Duly Authorized Signatory* Date

MARC ALLEN MUNDEN

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

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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 purchasers 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. The Developer hereby agrees promptly to amend this report to report any pertinent or material change or both in any information contained in this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

Marc Allen Munden and Liana Adella Munden

Printed Name of Developer

By 
Duly Authorized Signatory

October 12, 2006

Date

LIANA ADELLA MUNDEN

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

***Must be signed for a corporation by an officer; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.**

EXHIBIT A

Unit Types and Sizes of Units

- (a) Unit 1672. Unit 1672 was completed in 2006. The Unit contains a total of three bedrooms and two and one-half bathrooms, living room, kitchen, dining area, closets and storage areas, a lanai and a garage. The total net living area of the Unit is approximately 1891 square feet. The area of lanai and deck is approximately 295 square feet, and the area of the garage is approximately 502 square feet.

- (b) Unit 1672-A. Unit 1672-A was completed in 2006. The Unit contains a total of three bedrooms and two and one-half bathrooms, living room, kitchen, dining area, closets and storage areas, a lanai and a garage. The total net living area of the Unit is approximately 1891 square feet. The area of lanai and deck is approximately 295 square feet, and the area of the garage is approximately 502 square feet.

End of Exhibit "A"

EXHIBIT B:

Boundaries of the Units

Each Unit consists of: (a) all footings, floors, foundations, perimeter walls and roofs of the building and all other improvements from time to time located upon the Dwelling Area appurtenant to the Unit;

(b) all of the space, fixtures, walls and other improvements located within such footings, floors, foundations, perimeter walls and roofs;

(c) all exterior surfaces and finishes of such footings, floors, foundations, perimeter walls and roofs;

(d) all decks, lanais, porches, steps, stairs or other improvements physically attached to any building and for the exclusive use of the Owner and occupant of any such building; and

(e) all portions of any carport or garage attached to any such building or located on the Dwelling Area appurtenant to the Unit and for the exclusive use of the Owner and occupant of the Unit.

End of Exhibit "B"

EXHIBIT C:

Permitted Alterations to the Units

Paragraph 19.1 of the Declaration allows for changes to Units. It reads in pertinent part as follows:

"19.1 Changes to Units. Notwithstanding anything to the contrary contained in the Declaration, a Unit Owner, with the consent by the holder of any mortgage affecting the Owner's Unit (if required by such mortgage), shall have the right at his sole option at any time and from time to time without the consent of any other Unit Owner or other person or entity, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Unit or portions thereof or to make or build improvements upon the Dwelling Area appurtenant to his Unit (each of the foregoing is referred to as a "change" and collectively, they are referred to as "changes") subject to the following conditions:

(i) All changes shall conform with the then applicable City and County building codes, zoning laws and ordinances applicable to such changes;

(ii) All changes to a Unit shall be made within the Dwelling Area to which the Unit is appurtenant and no nearer than five feet from the boundary line separating the Dwelling Areas;

(iii) No change to a Unit will be made if the effect of such change would be to exceed the Unit's "proportionate share" of allowable development rights applicable to the Land (such to include without limitation, maximum building areas and number of dwelling units) as set forth in the LUO when the change is to be made; provided, that each Unit shall be allocated at least one dwelling unit. The "proportionate share" for each Unit for purpose hereof shall be the same as the common interest appurtenant to such Unit.

(iv) All such changes shall be at the expense of the Owner making the change and shall be expeditiously made and in a manner that will not unreasonably interfere (except on a temporary basis) while such change is being made with the other Owner's use of his Unit or its appurtenant Dwelling Area.

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

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

(vii) If the consent to the change or joinder of the other Owner in obtaining a permit or utilities, for example, is required by the Act, a governmental entity or a utility, then each Owner shall give such consent or joinder promptly following the request of the Owner making such change, provided that all costs and expenses associated with the change shall be borne by the Unit Owner making such change.

(viii) Each and every conveyance, lease and mortgage or other lien made or created on any Unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a Dwelling Area shall reserve to each Owner the rights set forth in this paragraph."

End of Exhibit "C"

EXHIBIT D:

Common Elements

One freehold estate is hereby also designated in all the portions of the Project other than the Units. Such are referred to herein as "common elements". The common elements include, but are not limited to:

- 4.1 The Land in fee simple;
- 4.2 Any pipes, wires, ducts, conduits or other utility or service lines, drainage ditches or appurtenant drainage structures and retaining walls (if any), which are located outside the Units and which are utilized for or serve more than one Unit;

End of Exhibit "D"

EXHIBIT E:

Limited Common Elements

Paragraph 5 of the Declaration designates:

5.1 Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of certain of the Units, and each Unit shall have appurtenant thereto exclusive easements for the use of all such limited common elements set aside and reserved for such Unit's exclusive use.

Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne by the Owner of the Unit to which such limited common element is appurtenant.

5.2 The limited common elements so set aside and reserved for the exclusive use of Unit 1672 are as follows:

(a) The site on which Unit 1672 is located, consisting of the land area beneath and immediately adjacent to Unit 1672, as shown and delineated on the Condominium Map as 9693 square feet (including the airspace above such site) is for the exclusive benefit of Unit 1672 (which may be referred to as "Dwelling Area 1672"); and

(b) A mailbox designated by Declarant for the use of Unit 1672.

5.3 The limited common elements so set aside and reserved for the exclusive use of Unit 1672-A are as follows:

(a) The site on which Unit 1672-A is located, consisting of the land beneath and immediately adjacent to Unit 1672-A, as shown and delineated on the Condominium Map as 7759 square feet (including the airspace above such site) is for the exclusive benefit of Unit 1672-A (which may be referred to as "Dwelling Area 1672-A"); and

(b) A mailbox designated by Declarant for the use of Unit 1672-A.

5.4 Any other common element of the Project which is rationally related to fewer than all the Units shall be deemed a limited common element appurtenant to and for the exclusive use of such Unit to which it is rationally related.

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

End of Exhibit "E"

EXHIBIT F:

Special Use Restrictions

Section 9 of the Declaration relating to "USE AND BUILDING RESTRICTIONS" provides as follows:

9.1 Permitted Uses. Each Unit shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and social guests and for any other purpose permitted by the Land Use Ordinance for the City and County of Honolulu ("LUO") then in effect.

9.2 Rental Use. The Owner of a Unit shall have the absolute right to lease his Unit, provided that any such lease shall be expressly made subject to the covenants and restrictions contained in this Declaration and the Bylaws.

9.3 Care and Disturbance. No Owner will suffer anything to be done or kept in a Unit or elsewhere in the Project which would jeopardize the soundness of the Project, or which will interfere with or unreasonably disturb the rights of other Unit Owners, or which will increase the rate of the hazard insurance on the Project or the Units.

9.4 Use of Common Elements. The common elements shall be used only for the purposes for which they are designed and intended.

9.5 Maintenance and Paint Colors. Every Unit Owner and occupant shall at all times keep his Unit and the limited common elements appurtenant thereto in a strictly clean and sanitary fashion. Such shall include repainting the exterior of each building constituting his Unit, as such becomes reasonably necessary. To the extent practicable, the paint colors of each of the Units shall be as the apartment owners shall agree and if they fail to agree, then the paint colors of each Unit shall be substantially similar to the colors of the Unit at the time of the purchase of his Unit by the then Unit Owner.

End of Exhibit "F"

EXHIBIT G

Encumbrances Against Title

ENCUMBRANCES AGAINST TITLE

1. EASEMENT for sanitary sewer purposes as shown on Maps 10 and 20, as set forth by Land Court Order No. 22971, filed July 21, 1964.
2. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the GRANT OF EASEMENT granted to CITY AND COUNTY OF HONOLULU for An easement for sewer purposes dated May 1, 1964 filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 337244.
3. EASEMENT for drainage purposes as shown on Maps 18 and 20 as set forth by Land Court Order No. 35044, filed May 4, 1972.
4. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the GRANT OF EASEMENT granted to CITY AND COUNTY OF HONOLULU for an easement for drainage purposes dated April 11, 1972, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 580167.
5. Agreement for PARTY WALL executed by REUBEN Y.F. TYAU, husband of Jennie Y. Tyau and Between LESTER ICHIRO TANJI and JOY TOSHIE TANJI, husband and wife, on the terms, covenants and conditions contained therein, dated April 16, 1985, recorded April 18, 1985 in the Bureau of Conveyances, State of Hawaii, in Book 18575, Page 673. (NOT NOTED ON TRANSFER CERTIFICATE OF TITLE REFERRED TO HEREIN)
6. Agreement for ENCROACHMENT executed by RODOLFO ALEJO CABTSURA and MARGARITA RAMIT CABISURA, husband and wife, (hereinafter referred collectively to as "OWNER A") and between WARREN H.Y. TYAU and JENNIE Y. TYAU, as Trustees of the Reuben Y.F. Tyau Trust, dated December 11, 1989, (hereinafter referred collectively to as "OWNER B") On the terms, covenants and conditions contained therein, dated January 20, 2005 recorded March 30, 2005 in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-061213, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3246879 Re: Chainlink fence.
7. DECLARATION FOR HOLDING TANK FACILITY executed by MARC ALLEN MUNDEN and LIANA ADELLA MUNDEN on the terms, covenants and conditions contained therein, dated January 10, 2006 recorded January 25, 2006 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3382794.
8. MATTERS AS SHOWN ON CONDOMINIUM MAP NO. 1842, FILED IN THE OFFICE OF THE ASSISTANT REGISTRAR OF THE LAND COURT OF THE STATE OF HAWAII.
9. COVENANTS, CONDITIONS, RESTRICTIONS, RESERVATIONS, AGREEMENTS, OBLIGATIONS, PROVISIONS AND EASEMENTS, BUT OMITTING ANY COVENANTS OR RESTRICTIONS IF ANY, BASED UPON RACE, COLOR, RELIGION, SEX, HANDICAP, FAMILIAL STATUS, OR NATIONAL ORIGIN UNLESS AND ONLY TO THE EXTENT THAT SAID COVENANT (A) IS EXEMPT UNDER CHAPTER 42, SECTION 3607 OF THE UNITED STATES CODE OR (B) RELATES TO HANDICAP BUT DOES NOT DISCRIMINATE AGAINST HANDICAPPED PERSONS, AS SET FORTH IN THE DECLARATION OF CONDOMINIUM PROPERTY REGIME DATED AUGUST 15, 2006, FILED AS DOCUMENT NO. 3470612.
10. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF **1672 AND 1672 A CALIFORNIA AVE** DATED AUGUST 15, 2006, FILED AS DOCUMENT NO. 3470613
11. ANY AND ALL EASEMENTS ENCUMBERING THE APARTMENT HEREIN MENTIONED, AND/OR THE

COMMON INTEREST APPURTENANT THERETO, AS CREATED BY OR MENTIONED IN SAID DECLARATION, AND/OR SAID APARTMENT DEED, AND/OR AS DELINEATED ON SAID CONDOMINIUM MAP.

12. REAL PROPERTY TAXES DUE AND PAYABLE. FOR MORE INFORMATION PLEASE CONTACT THE DIRECTOR OF FINANCE, CITY AND COUNTY OF HONOLULU.

End of Exhibit "G"

EXHIBIT H

Verified Statement from a County Official

Building Permit dated July 1, 2005 and February 17, 2006

Affidavit of Publication of Notice of Completion dated June 5, 2006 and August 15, 2006

End of Exhibit "H"

IN THE MATTER OF

OWNER'S NOTICE OF COMPLETION OF CONTRACT
MR & MRS MARC MUNDEN

STATE OF HAWAII
FILED

AUG 15 AM 9:28

AFFIDAVIT OF PUBLICATION

STATE OF HAWAII

City and County of Honolulu

SS.

**OWNER'S NOTICE
OF COMPLETION
OF CONTRACT**

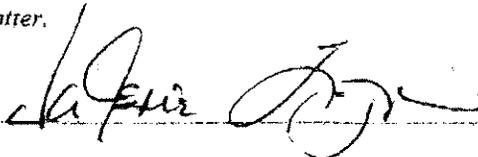
NOTICE IS HEREBY GIVEN pursuant to the provisions of Section 507-43 of the Hawaii Revised Statutes, the improvement by MUNDEN DESIGN & BUILD of that certain SINGLE FAMILY RESIDENCE situated at 1672 "A" CALIFORNIA AVE., TRK. 7-5-003, 077, Wahiawa, Oahu, Hawaii, has been completed.

MR. & MRS.
MARC MUNDEN
(Owner)
(Hon. Adv. July 26;
Aug. 2, 2006)(A-487128)

Valerie L Yanagihara being duly sworn deposes and says that she is a clerk, duly authorized to execute this affidavit of THE HONOLULU ADVERTISER, a division of GANNETT PACIFIC CORPORATION, that said newspaper is a newspaper of general circulation in the State of Hawaii, and that the attached notice is a true notice as was published in the aforementioned newspaper as follows:

The Honolulu Advertiser: 2 times(s) on
07/26/2006
08/02/2006

and that affiant is not a party to or in any way interested in the above entitled matter.



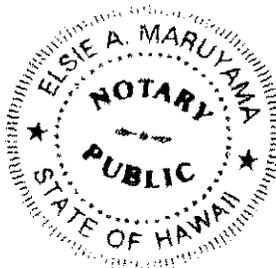
Subscribed and sworn to before me this 2nd day of August A. D. 20 06

Elsie A. Maruyama

ELSIE A. MARUYAMA

Notary Public of the First Judicial Circuit
State of Hawaii
My commission expires

March 7, 2006



L.N.

06-T-1048

IN THE MATTER OF

OWNER'S NOTICE OF COMPLETION OF CONTRACT
MARC & LIANA MUNDEN

1ST JUDICIAL CIRCUIT
STATE OF HAWAII
FILED
2006 JUN -5 AM 10:25

M.N. TANAKA
CLERK

AFFIDAVIT OF PUBLICATION

STATE OF HAWAII
City and County of Honolulu

ss.

OWNER'S NOTICE OF COMPLETION OF CONTRACT
NOTICE IS HEREBY GIVEN that pursuant to the Provisions of Section 507-43, of the Hawaii Revised Statutes, the construction by MUNDEN DESIGN & BUILD of that certain RESIDENCE situated at 1672 CALIFORNIA AVE., TMK: 7-5-003: 077, Wahiawa, Oahu, Hawaii, has been completed.
MARC & LIANA MUNDEN
(Owners)
(Hon. Adv.: May 22, 29, 2006) (A-410303)

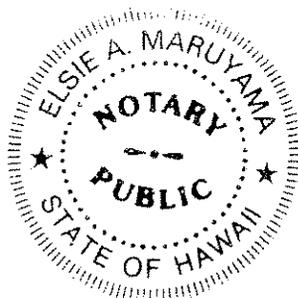
Jane Kawasaki *being duly sworn,*
deposes and says that she is a clerk, duly authorized to execute this affidavit of THE HONOLULU ADVERTISER, a division of GANNETT PACIFIC CORPORATION, that said newspaper is a newspaper of general circulation in the State of Hawaii, and that the attached notice is a true notice as was published in the aforereferenced newspaper as follows:

The Honolulu Advertiser: 2 time(s), on 05/22/2006, 05/29/2006

and that affiant is not a party to or in any way interested in the above entitled matter.

Jane Kawasaki
Subscribed and sworn to before me this 29th day of May A.D. 2006.

Elsie A. Maruyama
ELSIE A. MARUYAMA
Notary Public of the First Judicial Circuit
State of Hawaii
My commission expires March 7, 2008



L.N. 06-1-0732



DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

850 SOUTH KING STREET * HONOLULU, HAWAII 96813
Phone: (808) 523-4505 * Fax: (808) 527-6111

PAID RECEIPT

BUSINESS ACTUAL TIME
DATE/TIME: 7/01/2005 15:43:08
NO. 0162 WALKER CA - CA
RECEIPT # 182100 7/01/2005
NO. 9014 6208 BUILDING
FISCAL YR: 2005 FUND: 110 GENERAL FUND
Receipt Tot: \$2,271.00
\$2,271.00 CA \$1.00 CA

BUILDING PERMIT

FOR THE PERFORMANCE OF WORK UNDER THE BUILDING, ELECTRICAL, PLUMBING, AND SIDEWALK CODES CHAPTERS 16, 17, 18, AND 20, RESPECTIVELY, AND UNDER CHAPTER 18 (PERMITS AND PERMITS) OF THE REVISED ORDINANCES OF THE CITY AND COUNTY OF HONOLULU

LOCATION

Zone	Section	Plan	File No.
7	5	008	077

1072 CALIFORNIA AVE
20,705 Sq. Ft.

Site Address (if other than primary):

\$2,271.00
PERMIT FEE
Type of Payment(s)
Cash
Check X
Credit

Accepted Value of Work: \$178,250

PROJECT: (BP 582430) (TMK: 75003077) MR & MRS MARC A MUNDEN --
NEW TWO STORY SINGLE FAMILY DWELLING WITH GARAGE
ALSO 5'-6" MAX HT RETAINING WALL AT RIGHT SIDE OF
GARAGE AND 4'-0" MAX HT RETAINING AT LEFT SIDE OF
PROPERTY

TYPE OF WORK

New Building Y
Plumbing Work Y

Retaining Wall Y

Electrical Work Y

RIGHT OF WAY WORK

Sidewalk Types:
Linear Ft. of Sidewalk:

Driveway: New: X Existing:
Curbing Types:
Linear Ft. of Curbing:

Private:
Driveway Types: Concrete
Linear Ft. of Driveway: 10'-0"

Please notify this office at least 24 hours before starting work in the Right-Of-Way. Phone: 523-4276

GENERAL CONTRACTOR

MUNDEN MARC A. aka MUNDEN DESIGN

ANDREW
Contact: (808) 351-4505

NOTES

CEB Printed Clauses:

- 3'-0" MAX RETAINING OUTSIDE FOOTPRINT OF NEW SFD
- EROSION / RUNOFF CONTROL - CAUTION REQUIRED - BEST MANAGEMENT PRACTICES LIST ATTACHED TO PLAN, WILL BE ENFORCED.

PERMIT ISSUED: 07/01/2005

Location Permit Issued: HMB
Application Created: HMB

Permission is hereby given to do above work according to conditions hereon and according to approved plans and specifications pertaining thereto, subject to compliance with ordinances and laws of the City and County of Honolulu and State of Hawaii.

FOR DIRECTOR OF DEPARTMENT OF PLANNING AND PERMITTING

THIS PERMIT MUST BE POSTED IN A CONSPICUOUS PLACE ON THE SITE DURING THE PROGRESS OF WORK. THIS PERMIT MAY BE REVOKED

IF WORK IS NOT STARTED WITHIN 180 DAYS OF DATE OF ISSUANCE OR IF WORK IS SUSPENDED OR ABANDONED FOR 120 DAYS.

ELECTRICAL AND PLUMBING WORK TO BE DONE BY LICENSED PERSONS AS REQUIRED UNDER CHAPTER 448 E, HAWAII REVISED STATUTES.

NOTICE TO HOMEOWNERS: This is to inform all homeowners that improvements to your home may require approval by your Homeowners Association or authorized representative prior to the commencement of construction.

Approval by the Department of Planning and Permitting does not certify compliance with the Covenants, Conditions and Restrictions or other design restrictions administered and enforced by your Homeowners Association.

ALL CONSTRUCTION UNDER THIS BUILDING PERMIT IS SUBJECT TO INSPECTION BY THE BUILDING OFFICIAL. IT SHALL BE THE DUTY OF THE PERSON DOING THE WORK AUTHORIZED BY THIS PERMIT TO NOTIFY THE BUILDING OFFICIAL THAT THE WORK IS READY FOR INSPECTION.

APPLICATION NO.: A2005-06-0377

JobID: 22211786
ExternalID: 022211786-001

PERMIT NO.: 582430



1672 "X"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

PAID RECEIPT

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
Phone: (808) 523-4505 • Fax: (808) 527-8111

BUSINESS ACTUAL TIME TRN
2/17/2006 2/16/2006 10:45:50 200

PERMIT NO. 592433 RECEIPT N 113154 2/16/2006 OFLN

BUILDING PERMIT

FOR THE PERFORMANCE OF WORK UNDER THE
BUILDING ELECTRICAL, PLUMBING, AND SIDEWALK CODES,
CHAPTERS 10, 17, 19, AND 20, RESPECTIVELY, AND UNDER CHAPTER 18
(FEES AND PERMITS) OF THE REVISED ORDINANCES OF
THE CITY AND COUNTY OF HONOLULU

PERMIT FEE \$2,262.00
Type of Payment(s)
Check X
Charge
Accepted Value of Work: \$178,000

LOCATION

Zone	Section	PLU	Parcel
7	5	008	077

1672 CALIFORNIA AVE
20,705 Sq. Ft.

Site Address (if other than primary): 1672A CALIFORNIA AVE

PROJECT: (BP #592433) (TMK: 75003077) 1672A CALIFORNIA AVE, MR & MRS
MARC A MUNDEN - NEW TWO STORY SINGLE FAMILY
DWELLING WITH GARAGE AND 2'-6" RETAINING AT RIGHT SIDE
OF PROPERTY

TYPE OF WORK

New Building Y Retaining Wall Y Electrical Work Y
Plumbing Work Y

RIGHT OF WAY WORK

Driveway: New Existing X Private
Curbing Types: Driveway Types:
Linear Ft. of Sidewalk: Linear Ft. of Curbing: Linear Ft. of Driveway:

Please notify this office at least 24 hours before starting work in the Right-Of-Way. Phone: 523-4276

GENERAL CONTRACTOR

MUNDEN MARC A; dba MUNDEN DESIGN
AND BUILD
Contact Info: 391-8818
Lic. No.: BC-19632

NOTES

Fence Clause
All footings shall rest on firm, stable, undisturbed soil and built entirely within property.

CEB Printed Clause
EROSION/RUNOFF CONTROL - CAUTION REQUIRED - BEST MANAGEMENT PRACTICES LIST ATTACHED TO PLAN, WILL
BE ENFORCED.

DATE ISSUED: 02/16/2006

Permission is hereby given to do above work according to conditions hereon and according to approved plans and specifications pertaining thereto; subject to compliance with ordinances and laws of the City and County of Honolulu and State of Hawaii.

Location Permit Issued: HMB

Location Application Created: HMB

FOR DIRECTOR OF DEPARTMENT OF PLANNING AND PERMITTING

THIS PERMIT MUST BE POSTED IN A CONSPICUOUS PLACE ON THE SITE DURING THE PROGRESS OF WORK. THIS PERMIT MAY BE REVOKED

IF WORK IS NOT STARTED WITHIN 180 DAYS OF DATE OF ISSUANCE OR IF WORK IS SUSPENDED OR ABANDONED FOR 120 DAYS.

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Approval by the Department of Planning and Permitting does not certify compliance with the Covenants, Conditions and Restrictions or other design restrictions administered and enforced by your Homeowners Association.

ALL CONSTRUCTION UNDER THIS BUILDING PERMIT IS SUBJECT TO INSPECTION BY THE BUILDING OFFICIAL. IT SHALL BE THE DUTY OF THE

APPLICATION NO.: A2005-06-0380

JobID: 22211982
ExternalID: 022211798-002

PERMIT NO.: 592433

EXHIBIT I

Summary of Sale Contract Provisions

The Sales Contract consists of two documents: a Hawaii Association of Realtors Standard form "Deposit Receipt Offer and Acceptance" ("DROA") and a document attached to the DROA which is entitled "Special CPR Provisions to the DROA" ("Special Provisions.")

The Special Provisions are intended to amend the DROA, and unless the context would indicate clearly to the contrary, then in the event of any conflict between a provision contained in the Special Provisions and a provision contained in the DROA, the provision contained in the Special Provisions will prevail.

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

8. Rights of Buyer to Cancel the Sales Contract.

(A) Paragraph 6 of the Sales Addendum gives the Buyer the right to cancel the Sales Contract for any reason subject to the conditions set forth therein. Pertinent provisions within Paragraph 6 are as follows:

"(a) The Buyer may cancel the Sales Contract at any time up to midnight of the thirtieth day after:

- (i) The date that the Buyer signs the Sales Contract; and
- (ii) All of the items specified in subsection (a)(1) of §514B-86 HRS (which are listed in Paragraph 11(b) [of the Sales Contract]) have been delivered to the Buyer.

(b) If the Buyer cancels, then the Buyer will be entitled to receive the refund of any down payment or deposit, less any escrow cancellation fees and other costs associated with the purchase, which cost and fees shall not exceed \$250.

(c) The Buyer may waive the right to cancel, or shall be deemed to have waived the right to cancel, by:

- (i) Checking the waiver box on the cancellation notice and delivering it to the Seller.
- (ii) Letting the thirty-day cancellation period expire without taking any action to cancel; or
- (iii) Closing the purchase of the unit before the cancellation period expires.

(B) Paragraph 7 of the Sales Addendum gives the Buyer the right to cancel the Sales Contract if there are material changes in the Property or the Project, subject to the conditions set forth therein. Pertinent provisions within Paragraph 7 are as follows:

"(a) Rescission Right. Except for any additions, deletions, modifications and exercise by Seller of reservations made pursuant to the terms of the Declaration of Condominium Property Regime for the Project, the Buyer may rescind his purchase of the Property even though this sales contract is binding upon him if there is a material change in the Project which directly, substantially, and adversely affects the use or value of (1) the Buyer's Property or appurtenant limited common elements, or (2) those amenities of the Project available for the Buyer's use.

(b) Waiver of Rescission Right. Upon delivery to the Buyer of a description of the material change on a form prescribed by the Real Estate Commission, the Buyer may waive the buyer's rescission right provided in subsection (a) by:

- (i) Checking the waiver box on the option to rescind sales contract instrument, signing it, and delivering it to the Seller;
- (ii) Letting the thirty-day rescission period expire without taking any action to rescind; or
- (iii) Closing the purchase of the unit before the thirty-day rescission period expires.

(c) In the event of rescission pursuant to the provisions of this section, the Buyer shall be entitled to a prompt and full refund of any moneys paid."

(C) Buyer may also cancel the Sales Contract if Buyer fails to qualify for permanent financing if Paragraph C-24 of the DROA has been selected.

9. Paragraph 11 of the Special Provisions provides that the Buyer acknowledges Buyer having received

(a) a true copy of the Developer's Public Report including all amendments with an effective date issued by the Real Estate Commission, and that the Developer's Public Report includes the report itself, the Project's recorded declaration and bylaws, house rules if any, a letter-sized condominium project map, and all amendments. (Provided, that where it is impractical to include a letter-sized condominium project map, the prospective purchaser or purchaser shall have an opportunity to examine the map.) and (b) a notice of the buyer's thirty-day cancellation right on a form prescribed by the Real Estate Commission.

Seller reserves the right to modify the above documents as may be required by law, any title insurance company, or any institutional mortgagee.

10. Paragraph 12 provides that Seller will give one year warranties on workmanship and materials of the Apartment and on the furnishings and fixtures and appliances installed therein, subject to certain terms and conditions. The pertinent provisions of Paragraph 12 are as follows:

"(a) Seller's One Year Warranty re Construction and Materials.

- (i) Seller agrees and warrants that the materials used in construction of the Apartment shall be of good quality and that the workmanship in constructing the Apartment (collectively, the "Work") shall be free from damage or defect.
- (ii) Notwithstanding the foregoing, Seller's warranty as to the Work excludes, however, any damage or defect caused by abuse, improper or insufficient maintenance, improper operation or normal wear and tear and normal usage.

(iii) If the Work is not free from damage or defect, then Seller shall promptly correct such Work after receiving written notice from the Buyer of such damage or defect, provided that (aa) the Buyer shall give such notice promptly after discovery of such damage or defect; (bb) the Buyer has not previously given the Seller a written acceptance of such condition and (ii) such notice shall be given in any event within one year after the date of Buyer's closing on his purchase of the Apartment.

(b) Manufacturer's and Dealer's Warranties. The closing of the sale of the Property shall also constitute (i) the giving of a one year warranty by the Seller in favor of the Buyer against any defects in any furnishings, fixtures and appliances that are part of the Property; and (ii) the assignment without recourse by Seller to Buyer, (subject to the same conditions set forth in (a) above) for the unexpired term beyond such one year period following closing, if there is any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Property.

Buyer acknowledges that Seller is only passing through to Buyer any such manufacturer's or dealer's warranties; except as otherwise stated, Seller is not adopting any such warranties or acting as co-warrantor with respect to any furnishings, fixtures or appliances. If and when the purchase contracts therefor are executed by the Seller, then the terms of the manufacturer's or dealer's written warranties will be made available for Buyer's examination at Seller's sales office.

(c) Disclaimer of Warranties. Except for the agreements set forth above, it is expressly understood and agreed by and between Seller and Buyer that there are no warranties which extend beyond the description on the face of this Agreement. SELLER MAKES NO WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE" OR ANY OTHER WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE PROPERTY, OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE PROPERTY, OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS THEREOF).

(d) Chapter 672E Requirement for Filing a Lawsuit or other Action for Defective Construction Against the Contractor. CHAPTER 672E OF THE HAWAII REVISED STATUTES CONTAINS IMPORTANT REQUIREMENTS BUYER MUST FOLLOW BEFORE BUYER MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED, OR CONSTRUCTED BUYER'S HOME OR FACILITY. NINETY DAYS BEFORE BUYER FILES A LAWSUIT OR OTHER ACTION, BUYER MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS BUYER ALLEGES ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. BUYER IS NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW, AND FAILURE TO FOLLOW THEM MY NEGATIVELY AFFECT BUYER'S ABILITY TO FILE A LAWSUIT OR OTHER ACTION."

THE SUMMARY CONTAINED IN THIS EXHIBIT IS MERELY A SUMMARY AND IS NOT INTENDED TO BE A SUBSTITUTE FOR THE BUYER'S CAREFUL REVIEW OF THE SALES CONTRACT.

End of EXHIBIT "I"

EXHIBIT "J"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT.

Summary of the Condominium Escrow Agreement between the Developer and Old Republic Title and Escrow of Hawaii.

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase a Unit shall be turned over to the Escrow Agent. Any interest earned on funds deposited in escrow shall accrue to the credit of the Developer; except that, if Escrow is requested to establish a separate account for a purchaser, the purchaser shall pay Escrow a fee of \$25.00 for each such separate account and shall furnish Escrow the purchaser's social security or federal identification number, and any interest earned on funds deposited in such account shall accrue to the credit of the purchaser.

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

- (a) The Real Estate Commission shall have issued an effective date of the Developer's Public Report on the Project;
- (b) The purchaser shall have been given and shall have acknowledged receipt of (i) a copy of said Public Report and (ii) notice of purchaser's thirty-day cancellation right upon a form prescribed by the Real Estate Commission; and
- (c) The purchaser shall have waived the right to cancel or be deemed to have the right to cancel, in accordance with Section 514B-86 of the Act; and
- (d) The Developer shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

At the request of Escrow, Developer's attorney shall delivered a written opinion to Escrow that the foregoing conditions shall have been complied with and the purchaser's sales contract has become effective.

3. Return of Funds and Documents. A purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

- (a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or
- (b) Developer shall have notified Escrow of Developer's exercise of any option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or
- (c) A purchaser shall have exercised his thirty-day cancellation right to rescind the sales contract pursuant to Section 514B-86 of the Act; or
- (d) In the event of a material change in the Project, a purchaser shall have exercised his thirty-day cancellation right to rescind the contract pursuant to Section 514B-87 of the Act.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee commensurate with the work done by Escrow prior to such cancellation) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

- (e) If the purchaser indicated the purchaser's intention to be an owner-occupant of a Unit under Section 514B-95 et. seq. of the Act by signing a document entitled "Affidavit of Intent to Purchase and Reside in an Owner-Occupant Designated Condominium Residential Unit," and if the purchaser and the Developer so request in writing,

Escrow will refund the purchaser's deposits upon the occurrence of any of the following events:

- (i) No sales contract has been offered to the purchaser (A) within six (6) months of the issuance of an effective date for the Project's first condominium public report (if the "chronological system" defined in section 514B-95 of the Act has been used to establish a final reservation list), or (B) within six (6) months of the public lottery (if the "lottery system" described in section 514B-95 of the Act has been used to establish a final reservation list). In this case only, no cancellation fees will be subtracted from the refund; or
- (ii) Before signing a sales contract, the purchaser requests that his name be removed from the Developer's final reservation list; or
- (iii) The purchaser chooses not to sign a sales contract; or
- (iv) The purchaser is unable to obtain a loan (or a commitment for a loan) for sufficient funds to purchase the Unit by the time the sales contract allows the purchaser to obtain a loan or a commitment for a loan, and either the purchaser or the Developer chooses to cancel the sales contract. The Act requires that the purchaser shall have at least fifty (50) calendar days from the day the Developer signs and accepts the sales contract to obtain a loan or a commitment for a loan; or
- (v) The purchaser is required by the Act to rescind the sales contract because the purchaser will not or cannot reaffirm at closing the purchaser's intention to be an owner-occupant of the Unit. In this case, Escrow will refund only what remains (if anything) of purchaser's deposits after Escrow pays the Developer the greater of five percent (5%) of the purchaser's deposits or a sum equal to the Developer's actual damages caused by the purchaser's rescission of the sales contract.

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

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

End of Exhibit "J"

EXHIBIT " K"

DISCLOSURE ABSTRACT

Dated: August 11, 2006

1. (a) PROJECT: 1672 and 1672 A CALIFORNIA AVE
1672 and 1672 A California Avenue
Wahiawa. Oahu, Hawaii 96786
 - (b) DEVELOPER: MARC ALLEN MUNDEN and
LIANA ADELLA MUNDEN
59-748 Amaumau Place
Haleiwa, Oahu, HI 967312
Telephone: (808) 638-8616
 - (c) MANAGING AGENT: Self-Managed by the Association of Apartment Owners
2. Breakdown of annual maintenance fees and monthly estimate costs for each unit are more fully described on Exhibit "1" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
- Note: Developers disclose that no reserve study was done in accordance with Chapter 514A-83.6, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.
3. DESCRIPTION OF ALL WARRANTIES COVERING THE DWELLINGS AND COMMON ELEMENTS:
Developer is providing a warranty to Buyer with respect to the construction, materials, and workmanship of the Apartment and the common elements, which warranty shall expire one year following the date of substantial completion of the Project (as evidenced by Seller's publication of the Notice of Completion.)
4. USE OF UNITS. The **1672 and 1672 A CALIFORNIA AVE** Condominium Project will consist of two (2) units which shall be occupied and used only purposes permitted by the Land Use Ordinance for the City and County of Honolulu ("LUO") then in effect.
5. OBLIGATION TO PAY COMMON EXPENSES. A Unit Owner shall become obligated to start paying the Unit Owner's share of common expenses thirty days after receiving written notice from the Developer.

EXHIBIT "1"
ESTIMATED OPERATING EXPENSES
For Period September 1, 2006 to August 31, 2007
As Prepared by Developer

Estimated Annual Expenses

Ground Maintenance	
Water/Sewer	\$-0-
* Electricity:	\$-0-
**Fire/Liability Insurance:	\$-0-
Management Fee:	\$-0-
Miscellaneous:	\$-0-
TOTAL ANNUAL EXPENSES	\$-0-

Estimated Monthly Expenses \$-0-

Estimated Monthly Maintenance Fee
for Each Apartment: \$-0-

Note: * All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.

 ** Section 514A-86, Hawaii Revised Statutes, requires the Association of Apartment Owners to purchase fire insurance to cover the improvements of the Project, and that premiums be common expenses. Developer anticipates that the Association may elect to permit individual apartment owners to obtain and maintain separate policies of fire insurance and name the Association as an additional insured. In such case, fire insurance premiums will be the responsibility of individual apartment owners and not common expenses.

The Developer certifies that the maintenance fees and costs as estimated by the Developer is based on generally accepted accounting principles.



MARC ALLEN MUNDEN



LIANA ADELLA MUNDEN

"Developer"

EXHIBIT "L"

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L-607 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED
AUG 22, 2006 10:00 AM
Doc No(s) 3470612
on Cert(s) 740,588



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/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL PICKUP G:\CPR\CLIENT\Munden
wahiawa\Declaration of CPR 1.wpd
MARC ALLEN MUNDEN
59-748 Amaumau Place
Haleiwa, HI 96712

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This Document contains 29 pages.

Tax Map Key No. (1)7-5-003:077

DECLARATION OF
CONDOMINIUM PROPERTY REGIME

"1672 and 1672 A CALIFORNIA AVE."

(Condominium Map No. 1039)

Jeffrey S. Grad
Attorney At Law
A Law Corporation

TABLE OF CONTENTS

<u>Section</u>	<u>Page</u>
1. <u>NAME, LOCATION AND DESCRIPTION OF PROPERTY</u>	4
2. <u>DESCRIPTION OF PROJECT</u>	4
3. <u>DESCRIPTION OF UNITS AND ADJACENT AREAS</u> ..	4
4. <u>COMMON ELEMENTS</u>	6
5. <u>LIMITED COMMON ELEMENTS</u>	7
6. <u>PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS</u>	7
7. <u>EASEMENTS</u>	8
8. <u>PARTITION</u>	11
9. <u>PERMITTED AND PROHIBITED USES</u>	11
10. <u>ASSOCIATION OF UNIT OWNERS AND APPLICABILITY OF PART VI TO THE PROJECT</u>	12
11. <u>ADMINISTRATION OF THE PROJECT</u>	12
12. <u>SERVICE OF PROCESS</u>	13
13. <u>COMPLIANCE WITH DECLARATION AND BY-LAWS</u>	13
14. <u>ALTERNATIVE DISPUTE RESOLUTION</u>	13
15. <u>COMMON AND LIMITED COMMON COSTS AND EXPENSES</u>	14
16. <u>INSURANCE</u>	15
17. <u>DAMAGE, DESTRUCTION OR CONDEMNATION OF Unit.</u>	18
18. <u>DAMAGE, DESTRUCTION OR CONDEMNATION OF COMMON ELEMENTS</u>	19
19. <u>ALTERATION OF PROJECT</u>	20
20. <u>AMENDMENT OF DECLARATION</u>	21
21. <u>INVALIDITY</u>	24
22. <u>DEFINITIONS AND INTERPRETATION</u>	25
23. <u>BINDING EFFECT AND COUNTERPARTS</u>	26
24. <u>COMPLIANCE WITH ZONING AND BUILDING ORDINANCES AND CODES</u>	26

THIS DECLARATION, made this 15th day of August, 2006, by MARC ALLEN MUNDEN and LIANA ADELLA MUNDEN, husband and wife, whose mailing address is 59-748 Amaumau Place, Haleiwa, HI 96712, hereinafter collectively referred to as the "Declarant".

W I T N E S S E T H :

WHEREAS, Declarant owns in fee simple a parcel of real property situate at Wahiawa, District of Wahiawa, City and County of Honolulu, State of Hawaii, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Land"); and

WHEREAS, the Land has been improved by constructing thereon buildings and other improvements, including two dwelling units,; and

WHEREAS, Declarant desires to submit the Land and such improvements to a condominium regime, such improvements being in accordance with plans incorporated herein by reference and simultaneously filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii ("Recording Office") as Condominium Map No. 1672 (hereinafter referred to as the "Condominium Map"); and

NOW, THEREFORE, in order to create a condominium project consisting of said Land and improvements (herein called the "Project") and to be known as "1672 and 1672 A CALIFORNIA AVE.", Declarant hereby submits the Land and all of their estate, right, title and interest therein to a Condominium Property Regime established by the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended (the "Act") and in furtherance thereof, makes the following declarations as to divisions, limitations, restrictions, covenants and conditions, and hereby declares and agrees that said real property is held and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to said declarations, restrictions and conditions set forth herein and in the Bylaws, of even date herewith and which is being filed in the Recording Office (and which Bylaws are incorporated herein by reference) hereof, as the same may from time to time be amended, which declarations, restrictions and conditions shall constitute covenants running with the Land and shall be binding on and for the benefit of Declarant, their respective successors and assigns, and all subsequent owners and lessees of all or any part of said real property and their respective successors, heirs, personal representatives and assigns. All of the provisions of this Declaration are intended to create mutual servitudes upon each

unit within the condominium project herein described and to create reciprocal rights between the respective unit owners.

1. NAME AND LOCATION OF PROPERTY.

1.1 Name and Location of Project: The name of the Project is "1672 and 1672 A CALIFORNIA AVE.". It is located at 1672 and 1672 A California Ave., Wahiawa, Hawaii, which is Tax Map Key Number (1)7-5-003:077.

1.2 Number of Condominium Map ("Condominium Map"): _____, which is being filed concurrently herewith.

2. DESCRIPTION OF LAND: The Project is located on the Land, which is more particularly described in Exhibit "A" attached hereto and made a part hereof.

3. DESCRIPTION OF PROJECT.

3.1 Number of Units. The Project contains two (2) apartment units. (Each apartment unit may be interchangeably referred to as a "Dwelling", "Apartment" or "Unit"). Each Unit is located in a separate building.

3.2 Designation of Each Unit and its Common Interest. The apartments are identified on the Condominium Map as "Unit 1672" and "Unit 1672-A" respectively (and hereinafter may be so referred to.)

There is appurtenant to each Unit a fifty (50%) percent common interest, in accordance with Section 6 below.

3.3 Number of Buildings etc. within the Condominium Property Regime. The Project contains two buildings. Only one project is within the condominium property regime formed pursuant to this Declaration.

Each building in the Project is two stories in height and contains a single apartment unit.

3.4 Uses. The permitted and prohibited uses of each Unit are set forth in Section 9 of the Declaration.

3.5 Description of the Buildings. The buildings within the Project contain two stories, without a basement. The buildings are constructed principally of wood and are built on a

concrete slab foundation. The roofs of the Buildings are covered with asphalt shingle.

3.6 Unit Location and Access. Viewing the Project from California Avenue, Unit 1672 is located on the left portion of the Land, and Unit 1672-A is located on the right portion of the Land. The location of the buildings and the Units are as shown on the Condominium Map. The Units have direct access onto California Avenue via a shared driveway located on the Land, as shown on the Condominium Map.

3.7 Description of Units:

(a) Unit 1672. Unit 1672 was or will be completed in 2006. The Unit contains a total of three bedrooms and two and one-half bathrooms, living room, kitchen, dining area, closets and storage areas, a lanai and a garage. The total net living area of the Unit is approximately 1891 square feet. The area of lanai and deck is approximately 295 square feet, and the area of the garage is approximately 502 square feet.

(b) Unit 1672-A. Unit 1672-A was or will be completed in 2006. The Unit contains a total of three bedrooms and two and one-half bathrooms, living room, kitchen, dining area, closets and storage areas, a lanai and a garage. The total net living area of the Unit is approximately 1891 square feet. The area of lanai and deck is approximately 295 square feet, and the area of the garage is approximately 502 square feet.

3.8 Parking. Each Unit includes a two-car garage, as shown on the Condominium Map.

3.9 Additional Rights of Unit Owner. An Owner of a Unit has (a) the exclusive right to use the yard area (each called a "Dwelling Area") and other areas, described in Paragraph 5 below as the Limited Common Elements appurtenant to his Unit; and (b) the right to use with other owners the Common Elements (exclusive of the Limited Common Elements).

3.10 Designation and Boundaries of Units.

(a) One (1) freehold estate is hereby designated in each of the two(2) Units within the Project.

(b) Each Unit consists of (i) all footings, floors, foundations, perimeter walls and roofs of the building and all other improvements from time to time located upon the Dwelling Area appurtenant to the Unit; (ii) all of the space, fixtures,

walls and other improvements located within such footings, floors, foundations, perimeter walls and roofs; (iii) all exterior surfaces and finishes of such footings, floors, foundations, perimeter walls and roofs; (iv) all decks, lanais, porches, steps, stairs or other improvements physically attached to any such building which is for the exclusive use of such Unit; and (v) all portions of any carport or garage attached to any building or located on the Dwelling Area appurtenant to the Unit and which is for the exclusive use of the Owner of such Unit. Notwithstanding the foregoing, a Unit shall not be deemed to include any pipes, wires, ducts, conduits, or other utility or service lines running through a Unit which are utilized by or which serve any other Unit.

(c) The foregoing, as initially established or as hereafter changed pursuant to Paragraph 19.1 of this Declaration, is referred to herein as a "Unit."

(d) Should the descriptions and divisions set forth in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map, however, is intended to show only the layout, location, Unit numbers and dimensions of the Units and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

The approximate net living floor areas set forth in this Declaration or on the Condominium Map are based on measurements taken from the exterior surface of all perimeter walls.

4. COMMON ELEMENTS.

One freehold estate is hereby also designated in all the portions of the Project other than the Units. Such are referred to herein as "common elements". The common elements include, but are not limited to:

4.1 The Land in fee simple;

4.2 Any pipes, wires, ducts, conduits or other utility or service lines, drainage ditches or appurtenant drainage structures and retaining walls (if any), which are located outside the Units and which are utilized for or serve more than one Unit;

5. LIMITED COMMON ELEMENTS.

5.1 Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of certain of the Units, and each Unit shall have appurtenant thereto exclusive easements for the use of all such limited common elements set aside and reserved for such Unit's exclusive use.

Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne by the Owner of the Unit to which such limited common element is appurtenant.

5.2 The limited common elements so set aside and reserved for the exclusive use of Unit 1672 are as follows:

(a) The site on which Unit 1672 is located, consisting of the land area beneath and immediately adjacent to Unit 1672, as shown and delineated on the Condominium Map as 9693 square feet (including the airspace above such site) is for the exclusive benefit of Unit 1672 (which may be referred to as "Dwelling Area 1672"); and

(b) A mailbox designated by Declarant for the use of Unit 1672.

5.3 The limited common elements so set aside and reserved for the exclusive use of Unit 1672-A are as follows:

(a) The site on which Unit 1672-A is located, consisting of the land beneath and immediately adjacent to Unit 1672-A, as shown and delineated on the Condominium Map as 7759 square feet (including the airspace above such site) is for the exclusive benefit of Unit 1672-A (which may be referred to as "Dwelling Area 1672-A"); and

(b) A mailbox designated by Declarant for the use of Unit 1672-A.

5.4 Any other common element of the Project which is rationally related to fewer than all the Units shall be deemed a limited common element appurtenant to and for the exclusive use of such Unit to which it is rationally related.

6. PERCENTAGE OF COMMON INTERESTS. The percentage of undivided interest in the Common Elements appurtenant to Unit 1672 shall be 50% and to Unit 1672-A shall be 50%. Except as provided in Sections 514B-32(a)(12), 514B-46, and 514B-140(d) of

the Act and except as otherwise provided in the Declaration, a Unit's common interest shall be permanent and remain undivided, and may not be altered or partitioned without the consent of the Owner of the Unit and the Owner's mortgagee, expressed in a duly executed and recorded Declaration amendment. The common interest shall not be separated from the Unit to which it appertains, and shall be deemed to be conveyed or encumbered with the Unit even if the common interest is not expressly mentioned or described in the conveyance or other instrument.

7. EASEMENTS.

In addition to any easements designated as Limited Common Elements, the Units shall have or be subject to the following easements and rights:

7.1 Utilities. Each Unit shall have appurtenant thereto perpetual, nonexclusive easements over, under and across the common elements (including Limited Common Elements) designed for such purposes for ingress to, egress from, utility services for (including, but not limited to telephone, electricity, water, sewer and cable TV) and for the support, maintenance and repair of such Unit; and in the other common elements for their use according to their respective purposes.

In connection with the foregoing grant of easement for utility purposes, the Owner of Unit 1672-A shall have an easement over, under and across Dwelling Area 1672 for the operation of and for the repair and maintenance and removal (if required by the City and County) of the sewer holding tank located on Dwelling Area 1672-A. All costs and obligations relating thereto shall be borne by the Owner of Unit 1672-A, which shall be deemed the owner of the holding tank.

7.2 Encroachments. If (i) any part of the common elements now or hereafter encroaches upon a Unit or its appurtenant Limited Common Element or (ii) any part of a Unit or its appurtenant Limited Common Element encroaches upon any portion of the common elements or upon another Unit or its appurtenant Limited Common Element, then, in either event a valid easement for such encroachment and maintenance thereof, so long as it continues, does and shall exist. If any building or other improvement shall be partially or totally destroyed and then rebuilt, or in the event of any shifting, settlement or movement of any building or other improvement, minor encroachments by any common element upon any apartment or Limited Common Element, or by any Unit upon any other common element or Limited Common Element due thereto reconstruction shall be permitted, and valid easements for such encroachments and the maintenance thereof, so long as they continue, shall exist. Notwithstanding the

foregoing, no valid easement for encroachment shall be created in favor of the Owner of any Unit or in favor of any Owners of the common elements if such encroachment occurred due to the negligence or misconduct of said Owner or Owners.

7.3 Pipes, Wires, etc. Each Unit Owner shall have an easement in common with the other Owner(s) to use all pipes, wires, ducts, cables, conduits, utility lines and other common elements located in another Unit (or in, on or under the Dwelling Area appurtenant to such other Unit), but serving his Unit. Each Unit shall be subject to an easement in favor of the Owner of the other Unit ("burdened Unit") to use the pipes, ducts, cables, wires, conduits, utilities, and other common elements serving such other Unit located in such burdened Unit (or in, on or under the Dwelling Area appurtenant to such other Unit) if such use does not materially interfere with the use by the Owner of the burdened Unit.

7.4 Right to Grant Utility Easements. Declarant reserves the right to grant (including the right to convey, transfer, cancel, relocate and otherwise deal with a grant) to any public or governmental authority rights-of-way and other easements, which are for the benefit of the Project or which do not materially interfere with the use nor materially impair the value of any Unit, over, across, under and through the common elements (including Limited Common Elements) for lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage and other public services and utilities, and rights to enter for the purpose of installing, repairing, altering and removing such lines and facilities and of trimming any trees in the way thereof. The rights reserved to Declarant in this paragraph shall continue for so long as Declarant owns any interest in any of the Units. Upon transfer of title to the last Unit in the Project to a party other than Declarant, the rights reserved to Declarant in this paragraph shall terminate as to Declarant and shall automatically vest in the Association.

7.5 Easement to Complete Repairs and Maintenance of the Project. Declarant shall have and hereby reserves an easement over and upon any portion of the Project, including the common elements and any Unit, as may be reasonably necessary for the repair, maintenance or replacement of any improvements to, and correction of defects and other punch-list items in the common elements or any Unit.

7.6 Common Driveway.

(a) There is declared as a shared driveway for access and utility purposes in favor of both Units that certain portion of the Land, as shown as "Common Driveway" on the Condominium Map. Within such easement area is a concrete driveway, which is to be utilized by both Unit Owners, subject to the following conditions:

(b) Each Unit Owner shall have the right from to time to make use of the Common Driveway for installation of utilities and for access between his Unit and California Avenue.

(c) Each Unit Owner shall have the right from to time to make any and all improvements within, on or under the Common Driveway, provided, however, (i) that such improvements shall be made in such a manner as not to unreasonably restrict on a permanent basis the access in favor of the Owner of the other Unit or others entitled to its use; and (ii) all costs to make such improvements (but not the subsequent repair, maintain and replacement thereof of any improved area) shall be paid for by the Owner making such improvement(s);

(d) All costs of the subsequent repair, maintenance and replacement of any improvement made by any Unit Owner within the Common Driveway (including the landscaping thereof) shall be borne by the Owners as a common expense (to be shared with others entitled to its use); provided, however, that (i) any such costs to repair, maintain and replace resulted from damage caused by one of the Owners of a Unit shall be paid for by the Owner of such Unit; and (ii) after the completion of any construction, reconstruction, maintenance, operation, repair or removal work by an Owner of a Unit within the Common Driveway, such Owner shall restore at his sole cost and expense the surface of the ground within the Common Driveway to its original condition to the extent that such restoration is reasonably possible.

(e) The Common Driveway shall not be used for parking or storage of vehicles, rubbish, construction materials or other items, except on an emergency or on a temporary basis, and such Driveway shall be kept in good repair and maintenance as a common expense.

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8. PARTITION.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by the Act. In the event that the Project is judicially ordered to be sold under Section 514B-47 of the Act, then notwithstanding the provisions of the Act, the net proceeds of sale, together with the net proceeds from any insurance on the Project shall be divided among the Unit Owners in proportion to the fair market values of each Unit, provided that no payment hereunder shall be made to a Unit Owner until there has first been paid off out of the Owner's share of such net proceeds all liens on the Owner's Unit. In the event the Unit Owners are unable to agree as to the fair market value of a Unit or Units, the fair market value shall be determined in accordance with Section 14.

9. PERMITTED AND PROHIBITED USES.

9.1 Permitted Uses. Each Unit shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and social guests and for any other purpose permitted by the Land Use Ordinance for the City and County of Honolulu ("LUO") then in effect.

9.2 Rental Use. The Owner of a Unit shall have the absolute right to lease his Unit, provided that any such lease shall be expressly made subject to the covenants and restrictions contained in this Declaration and the Bylaws.

9.3 Care and Disturbance. No Owner will suffer anything to be done or kept in a Unit or elsewhere in the Project which would jeopardize the soundness of the Project, or which will interfere with or unreasonably disturb the rights of other Unit Owners, or which will increase the rate of the hazard insurance on the Project or the Units.

9.4 Use of Common Elements. The common elements shall be used only for the purposes for which they are designed and intended.

9.5 Maintenance and Paint Colors. Every Unit Owner and occupant shall at all times keep his Unit and the limited common

elements appurtenant thereto in a strictly clean and sanitary fashion. Such shall include repainting the exterior of each building constituting his Unit, as such becomes reasonably necessary. To the extent practicable, the paint colors of each of the Units shall be as the apartment owners shall agree and if they fail to agree, then the paint colors of each Unit shall be substantially similar to the colors of the Unit at the time of the purchase of his Unit by the then Unit Owner.

10. ASSOCIATION OF UNIT OWNERS AND APPLICABILITY OF PART VI TO THE PROJECT.

10.1 Administration of the Project shall be vested in its Association of Unit Owners, herein called the "Association", consisting of both of the Unit Owners in accordance with the Bylaws recorded herewith and incorporated by reference, as such may be amended from time to time. The Owner of any Unit upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such Unit ceases for any reason, at which time his membership in the Association shall automatically cease.

10.2 In accordance with Section 514B-101, Part VI of the Act shall not apply to the Project.

11. ADMINISTRATION OF THE PROJECT.

Operation of the Project and maintenance, repair, replacement and restoration of the common elements, and any additions and alterations thereto, shall be in accordance with the provisions of the Act, the Declaration, the Bylaws, and the House Rules, if any, and the apartment deed conveying to each Owner his Unit.

The Owner of each Unit shall be solely responsible for the maintenance, repair, replacement and restoration of his Unit and such Unit's appurtenant Limited Common Elements, except as otherwise provided herein, and the Association shall be responsible for all other common elements of the Project, and specifically but without limitation, the Association shall:

11.1 Keep all common elements (exclusive of the Limited Common Elements) of the Project in a strictly clean and sanitary

condition and observe and perform all laws, ordinances, rules and regulation now or hereafter made by any governmental authority for the time being applicable to the common elements (exclusive of the Limited Common Elements) or the use thereof.

11.2 Well and substantially repair, maintain and keep all common elements (exclusive of the Limited Common Elements) of the Project with all necessary reparations and amendments whatsoever in good order and condition, and repair and make good all defects in the common elements (exclusive of the Limited Common Elements) of the Project herein required to be repaired by the Association, of which notice shall be given by any Owner or his agent, within 30 days after the giving of such notice.

11.3 Not erect or place on the Project any building or structure, including fences and walls, nor make additions or structural alterations to or exterior changes of any common elements of the Project, except in accordance with plans and specifications, including detailed plot plan first approved in writing by both of the Unit Owners or such larger number thereof as may be required by law, including all Owners of Unit thereby directly affected, and complete any such improvements diligently after the commencement thereof.

11.4 Observe and perform all of the limitations, restrictions, covenants and conditions to be observed and performed under the Declaration, the Bylaws, and the House Rules, if any.

12. SERVICE OF PROCESS.

The persons hereby authorized to receive service of legal process in all cases provided in the Act shall be Marc Allen Munden, whose address appears on page 3 of the Declaration so long as said person remains an owner of a Unit in the Project, or any of the principal officers of the Association.

13. COMPLIANCE WITH DECLARATION AND BYLAWS AND OTHER ENCUMBRANCES.

All Unit Owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and comply strictly with the

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provisions of the Declaration, the Bylaws, the House Rules, if any, all covenants and conditions referred to in Exhibit A attached hereto, and all agreements, decisions and determinations of the Association lawfully made or amended from time to time, and failure to comply with any of the same shall be grounds for an action to recover sums due, for damages or injunctive relief, or both, maintainable by the Board of Directors or Managing Agent, if any, on behalf of the Association, or in a proper case, by an aggrieved Unit Owner.

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14. ALTERNATIVE DISPUTE RESOLUTION. At the request of any party, any dispute concerning or involving one or more unit owners and the Association, its board, managing agent (if any), or one or more other unit owners with respect to the interpretation, application, or enforcement of the Condominium Property Act, the Declaration or the Bylaws, the parties to the dispute shall be required to participate in mediation in accordance with Section 514B-161 of the Act and/or arbitration in accordance with Section 514B-162 of the Act. The submission of any dispute to an arbitration under Section 514B-162 of the Act is subject to right of a party to a trial de novo in accordance with Section 514B-163 of the Act.

15. COMMON AND LIMITED COMMON COSTS AND EXPENSES.

15.1 All charges, costs, expenses, assessments and taxes whatsoever incurred by the Association for or in connection with the administration and operation of the Project, including without limitation, for the maintenance, repair, replacement and restoration of the common elements (including without limitation, all common utilities), any additions and alterations thereto, all liability whatsoever for loss or damage arising out of or in connection with the common elements, or any accident or fire on the common elements or any nuisance thereon, and all premiums for hazard and liability insurance herein required with respect to the Project, shall constitute common expenses of the Project for which the Unit Owners shall be severally liable in accordance with their respective common interest; provided, however, any costs and expenses incurred by the Association in connection with a Limited Common Element ("limited common expenses") shall be charged to the Owner of the Unit to which the limited common element is appurtenant, who shall be responsible for reimbursing the Association for such limited common expenses.

15.2 In the event that a Unit Owner makes disproportionate use of any shared utilities, then any other Unit Owner may request that the cost sharing for the shared utilities be revised so that it be proportionate to the use by each Owner. In the event the Owners fail to agree on a revised method of cost sharing, an Owner may refer the issue to arbitration under Section 14 of the Declaration.

15.3 The Board shall from time to time assess (a) the common expenses against all the Units in the respective proportionate shares, and (b) the limited common expenses against the Unit or Units to which the limited common elements are appurtenant. The unpaid amount of any such assessments against a Unit shall constitute a lien against such Unit which may be foreclosed by the Board as provided by the Act and the Bylaws.

15.4 Any expense which cannot be separately identified or attributed to a specific Unit or its appurtenant Limited Common Element shall be charged as a common expense.

16. INSURANCE.

16.1 Fire and Extended Coverage Insurance. Each Unit Owner at his own expense shall at all times keep his Unit and the limited common elements appurtenant to such Unit insured by a separate policy against loss or damage by fire with extended coverage issued by an insurance company or companies authorized to do business in Hawaii in an amount as near as practicable to the full replacement cost of the Unit without deduction for depreciation, with an inflation guard endorsement. If the Project is located in an identified flood hazard area as designated by the federal Department of Housing and Urban Development, each Unit Owner shall also obtain, if available at reasonable cost, and maintain flood insurance covering its Unit and appurtenant limited common elements.

In every case of such loss or damage to any Unit, subject to Section 18 of the Declaration, all proceeds of such separate insurance shall be used as soon as reasonably possible by the Unit Owner for rebuilding, repairing or otherwise reinstating the Unit and its appurtenant limited common element in a good and substantial manner according to the original plans and elevations thereof or such modified plans conforming to laws and ordinances then in effect as hereinafter provided, and the Unit Owner at its

own expense shall make up any deficiency in its respective separate insurance proceeds.

Every such policy shall (unless unobtainable at a reasonable cost):

1. Provide that the liability of the insurer thereunder shall not be affected by, and that the insurer shall not claim any right of set-off, counterclaim, apportionment, proration or contribution by reason of any other insurance obtained by or for any Unit Owner;

2. Contain no provision relieving the insurer from liability for loss occurring while the hazard to such Unit is increased, whether or not within the knowledge or control of the Unit Owner or the Board, or because of any breach of warranty or condition or any other act or neglect by the Unit Owner or the Board or other Unit Owner or any other persons under either of them;

3. Provide that such policy may not be canceled (whether or not requested by the Board or an individual Unit Owner) except by the insurer giving at least thirty (30) days' prior written notice thereof to the Board, the holder of a mortgage covering the Unit, and every other person in interest who shall have requested such notice of the insurer;

4. Contain a waiver by the insurer of any right of subrogation to any right of the Board or Unit Owners against any of them or any other persons under either of them;

5. Contain a standard mortgagee clause which shall:

(a) Provide that any reference to a mortgagee in such policy shall mean and include all holders of mortgages of any Unit, in their respective order of priority, whether or not named therein;

(b) Provide that such insurance as to the interest of any mortgagee shall not be invalidated by any act or neglect of the Board or the Unit Owners or any persons under any of them;

(c) Waive any provision invalidating such mortgagee clause by reason of the failure of any mortgagee to notify the insurer of any hazardous use or vacancy, any requirement that the mortgagee pay any premium thereon, and any contribution clause.

6. Contain a provision requiring the insurance carrier, at the inception of the policy and on each anniversary date thereof, to provide the Owners and the Board with a written summary in layman's terms of the policy, including the type of

policy, description of coverage and limits thereof, amount of annual premium and renewal date.

Notwithstanding the foregoing, if the holder of a first mortgage on either Unit requires that fire insurance for all or a portion of the Project be carried by the Association, the Association shall procure and maintain the appropriate policy of fire insurance, with extended coverage, insuring the entire Project against loss by fire and other casualty. Any such policy or policies shall meet all of the requirements applicable to individual Unit policies as set forth above and shall be in the name of the Association, for the use and benefit of each Unit Owner. The Association or any insurance trustee with whom the Association has entered into an insurance trust agreement shall hold any proceeds of insurance in trust for the Unit Owners and their first mortgage holders, as their interests may appear. Each Unit Owner and each Unit Owner's mortgagee shall be beneficiaries of the policy in the percentage of their respective common interests. Certificates of insurance shall be issued to each Unit Owner and mortgagee upon request. The cost of the policy shall be allocated according to paragraph 16.1 above. Such policy shall be primary in the event a Unit Owner has other insurance covering the same loss.

16.2 General Liability Insurance. The Board, on behalf of the Association, at its common expense, shall effect and maintain at all times comprehensive general liability insurance covering all the Unit Owners with respect to claims for personal injury, death and property damage in connection with the operation, maintenance or use of the Common Elements of the Project and all Units of the Project and, if required by the holder of any mortgage covering a Unit, legal liability arising out of lawsuits related to employment contracts of the Association, if any. Such policy shall be maintained with a responsible insurance company and shall have minimum limits of not less than \$500,000 for injury to one person and \$1,000,000 for injury to more than one person in any one accident or occurrence and \$50,000 for property damage, and from time to time upon receipt thereof deposit promptly with the Board current certificates of such insurance, without prejudice to the right of any Unit Owners to maintain additional liability insurance for their respective Units. Such insurance shall (a) provide that the same shall not be invalidated by any act or neglect of the Board or Unit Owners or any persons under any of them, and may not be canceled or substantially modified without at least thirty (30) days prior written notice to the Association and to each holder of a first mortgage of any Unit, and (b) contain a waiver by the insurer of any right of subrogation to any right of the Board or Unit Owners against any of them or any other persons under them.

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All premiums for insurance herein required to be obtained by the Board on behalf of the Association shall be a common expense to be paid by monthly assessments thereof, and such payments shall be held in a separate escrow account of the Association and used solely for the payment of such premiums as the same become due.

Notwithstanding the foregoing, this obligation for the Association to obtain General Liability Insurance may be met if similar insurance coverages are included within the insurance policies of each of the Unit Owners, and the Association and each other Unit Owner are named as additional insureds under each such policy.

17. DAMAGE, DESTRUCTION OR CONDEMNATION OF UNIT.

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17.1 Damage and Destruction. If an Unit (including any of the Limited Common Elements appurtenant thereto) shall be damaged or destroyed, the determination of whether or not to reconstruct or repair the same shall be made as follows:

(a) The Unit which shall be so damaged or destroyed shall be reconstructed or repaired by the Owner of such Unit, unless said Owner, with the approval of the holder of any mortgage affecting the Unit, decides within sixty (60) days after the insurance loss has been finally adjudicated against such reconstruction or repair, or if the Declaration is terminated by vote of all of the Unit Owners pursuant to the provisions of Section 514B-47 of the Act.

(b) Such reconstructing or repair shall be made promptly and diligently by the Owner of the Unit affected; provided that said Owner shall have a reasonable period for adjusting any insurance loss, preparations of building plans, hiring of contractors, architects, and other professionals and arranging of financing, and provided further that all such reconstruction and repair shall be made in accordance with the conditions and standards set forth in Section 19.1 of the Declaration, as if such conditions and standards applied to any construction work on the Unit.

(c) If the Owner of a damaged or destroyed Unit elects not to repair or reconstruct the Unit, the Owner shall be responsible at his own cost and expense to remove all remains of the Unit so damaged or destroyed and to restore the site thereof to good orderly condition.

(d) Any insurance proceeds payable with respect to the Unit damaged or destroyed shall be paid to the Owner of such Unit and the holder of any mortgage affecting the Unit, as their interests may appear.

17.2 Condemnation of Unit or Limited Common Elements. If a Unit (or the Limited Common Elements appurtenant thereto) or any portion thereof is taken under the power of eminent domain or sold under threat of that power, all compensation and damages payable or to be paid by reason of such taking shall be payable to and be the sole property of the Owner of such Unit.

18. DAMAGE, DESTRUCTION OR CONDEMNATION OF COMMON ELEMENTS.

18.1 Damage or Destruction of Common Elements. If any of the common elements (other than a Unit's appurtenant Limited Common Element) or portion thereof shall be damaged or destroyed, the following provisions shall apply:

(a) The Association shall promptly reconstruct and repair such improvements or what remains thereof unless the Declaration is terminated by vote of all of the Unit Owners pursuant to the provisions of Section 514B-47 of the Act, with the consent of the holders of the first mortgages covering all of the Units.

(b) Restoration of the Common Elements (excluding limited common elements) shall be completed diligently by the Association as its common expense.

(c) Unless restoration of the common elements (excluding limited common elements) is undertaken within a reasonable time after such casualty, the Association, at its common expense, shall remove all remains of improvements so damaged or destroyed and restore the site thereof to good orderly condition.

(d) Any insurance proceeds or condemnation proceeds payable with respect to the common elements (other than on account of an appurtenant Limited Common Element) and not utilized for rebuilding and restoration shall be paid or credited to the Unit Owners in proportion to their common interest.

18.2 Condemnation of Common Elements. If the common elements or portion thereof (other than on account of an

appurtenant Limited Common Element) are taken under the power of eminent domain or sold under threat of the power of eminent domain, all compensation and damages payable or to be paid by reason of such taking shall be payable to and be divided among all Unit Owners in proportion to their common interest.

19. ALTERATION OF PROJECT.

19.1 Changes to Units. Notwithstanding anything to the contrary contained in the Declaration, a Unit Owner, with the consent by the holder of any mortgage affecting the Owner's Unit (if required by such mortgage), shall have the right at his sole option at any time and from time to time without the consent of any other Unit Owner or other person or entity, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Unit or portions thereof or to make or build improvements upon the Dwelling Area appurtenant to his Unit (each of the foregoing is referred to as a "change" and collectively, they are referred to as "changes") subject to the following conditions:

(i) All changes shall conform with the then applicable City and County building codes, zoning laws and ordinances applicable to such changes;

(ii) All changes to a Unit shall be made within the Dwelling Area to which the Unit is appurtenant and no nearer than five feet from the boundary line separating the Dwelling Areas;

(iii) No change to a Unit will be made if the effect of such change would be to exceed the Unit's "proportionate share" of allowable development rights applicable to the Land (such to include without limitation, maximum building areas and number of dwelling units) as set forth in the LUO when the change is to be made; provided, that each Unit shall be allocated at least one dwelling unit. The "proportionate share" for each Unit for purpose hereof shall be the same as the common interest appurtenant to such Unit.

(iv) All such changes shall be at the expense of the Owner making the change and shall be expeditiously made and in a manner that will not unreasonably interfere (except on a

temporary basis) while such change is being made with the other Owner's use of his Unit or its appurtenant Dwelling Area.

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

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

(vii) If the consent to the change or joinder of the other Owner in obtaining a permit or utilities, for example, is required by the Act, a governmental entity or a utility, then each Owner shall give such consent or joinder promptly following the request of the Owner making such change, provided that all costs and expenses associated with the change shall be borne by the Unit Owner making such change.

(viii) Each and every conveyance, lease and mortgage or other lien made or created on any Unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph and any lease of a Dwelling Area shall reserve to each Owner the rights set forth in this paragraph.

19.2 Changes to Other Than Units. Except as to changes to a Unit or Project which are governed by Paragraph 19.1, all other changes to the Project different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association of Unit Owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to

vote of all the Unit Owners and accompanied by the written consent of the holders of all liens affecting any of the Units, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file such amendment in said Office, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

19.3 General Provisions applicable to Section 19. The following provisions shall apply to Section 19 unless the context and usage would clearly indicate to the contrary:

(a) The rights set forth in Paragraph 19.1 for the benefit of a Unit Owner (who may be referred to as "Benefitted Owner") may not be amended without the consent of such Benefitted Owner.

(b) In furtherance of the rights granted under Paragraph 19.1, Benefitted Owner shall have the right, without being required to obtain the consent or joinder of any person, including any other Unit Owner or any lien holder, or any other person who may have any interest in the Property or the Land (i) to execute and deliver (on behalf of the other Unit Owners and their respective mortgagees, if necessary) applications, petitions, agreements and other instruments which such Benefitted Owner deems necessary or desirable (including without limitation, documents to be filed or recorded with the Department of Planning and Permitting of the City and County of Honolulu, the Recording Office, other governmental agencies, public utility companies or private parties); (ii) to deliver documents and to take such actions in connection therewith as shall be in the sole and absolute discretion of Benefitted Owner, and his delivery of such instrument or the taking of such action shall be sufficient determination; and (iii) to amend the Declaration and the Condominium Map to reflect rights of Benefitted Owner set forth such Paragraph.

(c) If notwithstanding that a paragraph within this Section 19 does not require the consent or joinder of an Owner, lien holder or other person having any interest in the Project ("Third Party") to the action or change by the Benefitted Owner, but the Act, County Rules, State Laws, title companies, permitting entities or public utility companies nonetheless do require the consent or joinder by the Third Party, then upon the request of

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Benefitted Owner, each such Third Party hereby consents in advance to such action or change being made by the benefitted Owner and agrees to consent to and join in, as aforesaid, and to execute all instruments or documents necessary or desirable so that Benefitted Owner may effectuate his change or otherwise do as permitted under the respective paragraph within this Section 19.

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If the Third Party fails to provide such requested written joinder, consent, or take such action, as the case may be, such shall be accomplished by signature of the Benefitted Owner acting under an irrevocable power-of-attorney in favor of Benefitted Owner from each of the other Owners and Third Parties, the acquiring or acceptance of ownership in a Unit or of a lien covering a Unit or of any other interest in the Project being a grant of such power, and the grant being coupled with an interest, being irrevocable.

(d) The rights of a Benefitted Owner granted under each the Paragraph within Section 19 may be assigned, mortgaged or otherwise be transferred by such benefitted Owner only in connection with the assignment, mortgage or other transfer of the Unit owned by Benefitted Owner.

(e) Each and every conveyance, lease and mortgage or other lien made or created on any Unit (including its appurtenant limited common element) and all common interests and other appurtenances thereto shall be subject to the provisions of each of the Paragraphs within Section 19.

20. AMENDMENT OF DECLARATION.

20.1 Amendments Generally. Except as otherwise expressly provided herein or in the Act, the Declaration and the Condominium Map may be amended only by the affirmative vote or written consent of all of the Unit Owners, evidenced by an instrument in writing, signed and acknowledged by each of them, which amendment shall be effective upon recordation in the Recording Office.

Notwithstanding the lease, sale or conveyance of any of the Units, Declarant may amend the Declaration (and when applicable, any exhibits to the Declaration and the Condominium Map) to file an "as-built" verified statement required by Section 514B-34 of the Act (i) so long as such statement is merely a verified

statement of a registered architect or professional engineer certifying that the final plans thereto filed fully and accurately depict the layout, location, Unit numbers, and the dimensions of the Units as built, or (ii) so long as the plans filed therewith involve only minor changes to the layout, location, or dimensions of the Units as built or any change in the Unit number.

20.2 Amendments Required by Law, Lenders, Title Insurers, Etc. All Unit Owners and holder of liens on a Unit) shall be required, at the request of the Declarant to join in an amendment to the Declaration and the Bylaws (and the Condominium Map, if appropriate) for the purpose of meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Units, (iv) any institutional lender lending funds on the security of the Project or any of the Units, or (v) any other governmental or quasi-governmental agency including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U.S. Department of Housing and Urban Development or the Veterans Administration; provided, however, that no amendment which would change the common interest appurtenant to a Unit or substantially change the design, location or size of a Unit shall be made without the consent of all persons having an interest in such Unit, which consent shall not be unreasonably withheld or delayed. Each and every party acquiring an interest in the Project, by such acquisition, consents to the amendments described in this Paragraph 20.2 and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same, and appoints Declarant and its assigns as his or her attorney-in-fact with full power of substitution to execute and deliver such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the duration of such reserved rights, and shall not be affected by the disability of such party or parties.

20.3 Amendments under Section 19. Notwithstanding the foregoing, a Unit Owner shall have the right without the consent or joinder of any other person to amend the Declaration and the Condominium Map to reflect the changes made to his Unit in accordance with Paragraph 19.1 of the Declaration. Promptly upon completion of such changes, the Unit Owner shall duly record with the Recording Office an amendment to his Declaration and to the

Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as build by a registered architect or professional engineer. All existing Unit Owners and all future Unit Owners and their mortgagees, by accepting an interest in a Unit, shall be deemed to have given each Unit Owner a Power of Attorney to execute an amendment to the Declaration solely for the purpose of describing the changes to his respective Unit on the Declaration so that each Unit Owner shall hereafter have a Power of Attorney from all the other Unit Owners to execute such amendment to the Declaration. This Power of Attorney shall be deemed coupled with each Owner's interest in his Unit (including its appurtenant common interest) and shall be irrevocable.

20.4 Restatement. Any other provision of the Declaration notwithstanding, the Board, upon resolution duly adopted, shall have the authority as set forth in the Act to restate the Declaration from time to time to set forth any prior amendments hereto, or to amend the Declaration as required to conform with the provisions of the Act or any other statute, ordinance, rule or regulation enacted by any governmental authority.

21. INVALIDITY.

The invalidity of any provision of the Declaration shall not be deemed to impair or affect in any manner the validity, enforceability or effect of the remainder of the Declaration, and in such event, all of the other provisions of the Declaration shall continue in full force and effect as if such provision had never been included herein.

22. DEFINITIONS AND INTERPRETATION.

22.1 The terms used in the Declaration are intended to have the same meanings as those terms are defined in Section 514B-3 of the Act unless such term is otherwise defined in the Declaration or the context would clearly indicate a meaning to the contrary.

22.2 The headnotes or captions of each paragraph are for convenience only and shall not be construed as enlarging, restricting, modifying or otherwise affecting the meaning or context thereof.

23. BINDING EFFECT AND COUNTERPARTS.

23.1 All of the covenants, agreements and conditions herein contained shall extend to and be binding upon the successors, personal representatives and assigns of the respective parties hereto.

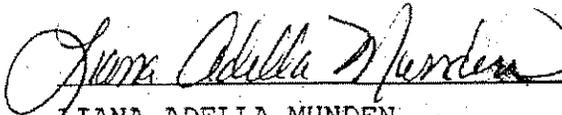
23.2 The parties hereto agree that this instrument may be executed in counterparts, each of which shall be deemed an original, and said counterparts shall together constitute one and the same agreement, binding all of the parties hereto, notwithstanding all of the parties are not signatory to the original or the same counterparts. For all purposes, including, without limitation, recordation, filing and delivery of this instrument, duplicate unexecuted and unacknowledged pages of the counterparts may be discarded and the remaining pages assembled as one document.

24. COMPLIANCE WITH ZONING AND BUILDING ORDINANCES AND CODES. Declarant states, subject to the penalties set forth in section 514B-69(b) of the Act that the condominium property regime is in compliance with all zoning and building ordinances and codes, and all other permitting requirements pursuant to section 514B-5 of the Act.

IN WITNESS WHEREOF, Declarant has executed this instrument on the day and year first above written.



MARC ALLEN MUNDEN

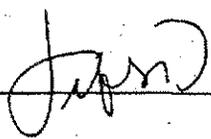


LIANA ADELLA MUNDEN

"Declarant"

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this 15th day of August, 2006, before me personally appeared MARC ALLEN MUNDEN and LIANA ADELLA MUNDEN, to me personally known, who, being by me duly sworn or affirmed, did say that they executed the foregoing instrument as their free act and deed.



Jeffrey S. Grad
Notary Public, above mentioned State

My Commission expires: 11/28/06

EXHIBIT "A"

The land referred to in this Report is situated in the State of Hawaii, and described as follows:

All that certain parcel of land situate at Wahiawa, District of Wahiawa, City and County of Honolulu, State of Hawaii, described as follows:

Lot A-6-B, area 20,705 square feet, more or less, as shown on Map 20, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 466 of Hawaiian Pineapple Company, Limited.

Being all the property conveyed to the Declarant herein by DEED filed March 30, 2005 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3246880, and shown on Transfer Certificate of Title No. 740,588.

SUBJECT, HOWEVER, to the following:

1. EASEMENT for sanitary sewer purposes as shown on Maps 10 and 20, as set forth by Land Court Order No. 22971, filed July 21, 1964.
2. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the GRANT OF EASEMENT granted to CITY AND COUNTY OF HONOLULU for An easement for sewer purposes dated May 1, 1964 filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 337244.
3. EASEMENT for drainage purposes as shown on Maps 18 and 20 as set forth by Land Court Order No. 35044, filed May 4, 1972.
4. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the GRANT OF EASEMENT granted to CITY AND COUNTY OF HONOLULU for an easement for drainage purposes dated April

11, 1972, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 580167.

5. Agreement for PARTY WALL executed by REUBEN Y.F. TYAU, husband of Jennie Y. Tyau and Between LESTER ICHIRO TANJI and JOY TOSHIE TANJI, husband and wife, on the terms, covenants and conditions contained therein, dated April 16, 1985, recorded April 18, 1985 in the Bureau of Conveyances, State of Hawaii, in Book 18575, Page 673. (NOT NOTED ON TRANSFER CERTIFICATE OF TITLE REFERRED TO HEREIN)

6. Agreement for ENCROACHMENT executed by RODOLFO ALEJO CABTSURA and MARGARITA RAMIT CABISURA, husband and wife, (hereinafter referred collectively to as "OWNER A") and between WARREN H.Y. TYAU and JENNIE Y. TYAU, as Trustees of the Reuben Y.F. Tyau Trust, dated December 11, 1989, (hereinafter referred collectively to as "OWNER B") On the terms, covenants and conditions contained therein, dated January 20, 2005 recorded March 30, 2005 in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-061213, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3246879 Re: Chainlink fence.

7. DECLARATION FOR HOLDING TANK FACILITY executed by MARC ALLEN MUNDEN and LIANA ADELLA MUNDEN on the terms, covenants and conditions contained therein, dated January 10, 2006 recorded January 25, 2006 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3382794.

END OF EXHIBIT "A"

EXHIBIT "M"



L-608 STATE OF HAWAII
OFFICE OF ASSISTANT REGISTRAR
RECORDED

AUG 22, 2008 10:00 AM

Doc No(s) 3470613
on Cert(s) 740,588



/s/ CARL T. WATANABE
ASSISTANT REGISTRAR

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LAND COURT SYSTEM

REGULAR SYSTEM

AFTER RECORDATION, RETURN BY MAIL[XX] PICKUP[] G:\CPR\CLIENT\Munden.
wahiawa\Bylaws New July 2006.wpd
Mr. Marc Munden
59-748 Amaumau Place
Haleiwa, Hawaii 96712

6807000072
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This Document contains 20 pages.

Tax Map Key No.: (1) 7-5-003-077

BYLAWS OF THE ASSOCIATION OF UNIT OWNERS

OF

1672 and 1672 A CALIFORNIA AVE.

WHEREAS, MARC ALLEN MUNDEN and LIANA ADELLA MUNDEN, husband and wife, whose residence and post office address is 59-748 Amaumau Place, Haleiwa, Hawaii 96712 (hereinafter collectively referred to as the "Declarant") own in fee simple a parcel of real property situate at Wahiawa, District of Wahiawa, City and County of Honolulu, State of Hawaii, more particularly described in Exhibit "A" attached hereto and made a part hereof (the "Land" or "Property"); and

WHEREAS, Declarant has improved or will improve the Land by constructing thereon certain improvements in accordance with plans and specifications therefor ("Condominium Map") filed concurrently herewith at the Recording Office,

NOW, THEREFORE, Declarant hereby declares that the Land is and shall be held, conveyed, mortgaged, encumbered, leased, rented, used, occupied and improved subject to the Declaration of Condominium Property Regime of even date herewith ("Declaration") recorded in the Recording Office and to the following Bylaws of the Association of Unit Owners of **1672 and 1672 A CALIFORNIA AVE.**, as the same may be lawfully amended from time to time (the "Bylaws"), all of which are declared to be in furtherance of the plan set forth in the Declaration and are established for the purpose of enhancing and perfecting the value, desirability, and attractiveness of the Project.

ARTICLE I

APPLICABILITY OF CONDOMINIUM PROPERTY ACT, HRS; DEFINITIONS

Section 1.1 Applicability of Chapter 514B, HRS. The Land has been submitted to the provisions of the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended, (hereafter "Act"), thereby forming the condominium project known as "**1672 and 1672 A CALIFORNIA AVE.**" (hereafter "Project").

Pursuant to Section 514B-101(b) of the Act, it is stated that except as expressly set forth in the Bylaws, Part 6 of Chapter 514B shall not apply to the Project.

Section 1.2 Definitions. The terms used in these Bylaws shall have the same meanings given to them in the Declaration, unless the context or meaning would clearly indicate to the contrary.

ARTICLE II
ASSOCIATION OF OWNERS

Section 2.1 Qualifications for Membership. All Unit Owners of the Project shall constitute the Association. The Owner of any Unit upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as his ownership of such Unit ceases for any reason, at which time his membership in the Association shall automatically cease.

Notwithstanding anything to the contrary provided herein, the Declarant shall be entitled to vote and act on all matters involving appointment and removal of the officers and members of the Board until such time as the earlier of (i) two years after Declarant has ceased to offer units for sale in the ordinary course of business; or (ii) sixty(60) days after conveyance of seventy five percent of the common inteerts appurtenant to units that may be created to unit owners other than the Declarant (or its affiliate.) Thereafter, the Declarant, as the owner of any unsold Units, shall be entitled to vote the interest of each such Unit.

Section 2.2 First Meeting and Annual Meetings. The first meeting of the Association shall be held not later than one hundred eighty (180) days after recordation of the first Unit conveyance, provided forty percent (40%) or more of the Project has been sold by the Declarant and recorded. If forty percent (40%) of the Project is not sold and recorded at the end of one year, an annual meeting shall be called, provided ten percent (10%) of the owners so request.

An annual meeting of the Association shall be held in each calendar year at a time, date and place within the State of Hawaii as determined by the Board, provided that, subject to law, all of the owners may elect to waive the holding of an annual meeting.

Section 2.3 Special Meetings. Special meetings may be held at any time upon the call of owners of Units to which are appurtenant, in the aggregate, twenty-five (25%) of the common interest. Upon receipt of such call, the Secretary shall send out notices of the meeting to all owners.

Section 2.4 Notice of Meetings. A written notice of every meeting of the Association stating whether it is an annual or special meeting, the authority for the call of the meeting, the place, day and hour thereof, the items on the agenda of such

meeting, and containing a standard proxy form authorized by the Association shall be given by the Secretary or the person or persons calling the meeting at least five(5)days before the date set for such meeting. Such notice shall be given to each owner by leaving the same with him personally, leaving the same at the residence or usual place of business of such owner, or by mailing it, postage prepaid addressed to such owner at this address as it appears on the records of the Association. If the notice is given pursuant to the provisions of this section, the failure of any owner to receive actual notice of the meeting shall in no way invalidate the meeting or any proceedings. All meetings of the Association shall be held at the address of the Project or elsewhere within the State of Hawaii as determined by the Board.

Section 2.5 Waiver of Notice. The presence of a quorum of owners, in person or by proxy, at any meeting shall render the same a valid meeting, unless any owner shall, at the opening of such meeting, object to the holding of the same for noncompliance with the provision of Section 2.4 of this Article II. Any meeting so held without objection shall notwithstanding the fact that no notice of meeting was given, or that the notice given was improper, be valid for all purposes, and at such meeting any general business may be transacted and any action may be taken.

Section 2.6 Quorum. At any meeting of the Association, the owners of Units in the Project to which are appurtenant in the aggregate all of the common interests, present in person or by proxy, shall constitute a quorum, and the concurring vote of all of the owners shall be valid and binding upon the Association, except as otherwise provided by law or these Bylaws.

Section 2.7 Voting. The percentage of the total vote to which the owner of any Unit is entitled shall be the percentage of common interest assigned to such Unit in accordance with the Declaration. Any specified percentage of the owners means the owners of interests to which are appurtenant such percentage of the common interests as are established in accordance with the Declaration. If only one of several owners of a unit is present at a meeting of the association, that owner may cast the vote allocated to such Unit. If more than one of the owners of a Unit is present, the vote allocated to the Unit may be voted in accordance with a majority in interest of the Owners.

Section 2.8 Voting Proxies and Pledges. The authority given by an owner to another person to represent such owner at meetings of the Association shall be in writing, signed by such owner or if a Unit is jointly owned then by all joint owners, or

if such owner is a corporation, by the proper officers thereof, and shall be filed with the Secretary.

Section 2.9 Adjournment. Any meeting of the Association may be adjourned from time to time to such place and time as may be determined by majority vote of the owners present, whether a quorum be present or not, without notice other than the announcement of the meeting. At any such adjourned meeting at which a quorum shall be present, any business may be transacted which might have been transacted by a quorum at the meeting as originally called.

Section 2.10 Audit. The Association shall not require a yearly audit of the Association financial accounts or any verification of the Association's cash balance by a public accountant. Such yearly audit and/or verification of the cash balance is waived and not required.

Section 2.11 Consent to Association Meetings or Action. Any action which may be taken at a meeting of the Association may be taken without a meeting if authorized by a writing signed by all of the Unit Owners who would be entitled to vote at a meeting for such purpose, and filed with the Secretary of the Association.

ARTICLE III

BOARD OF DIRECTORS

Section 3.1 Number and Qualification. The affairs of the Association shall be governed by a Board comprised of the same number of persons as there are Units in the Project. The members of the Board shall be owners, co-owners, vendees under an agreement of sale, or an officer of any corporate owner of an Unit; provided, that there shall be no more than one representative from any one Unit on the Board.

Section 3.2 Powers and Duties. The Board shall be responsible for the operation, upkeep, repair, maintenance and administration of the common elements (which for purpose of this Article III, shall exclude those limited common elements that are set aside for and are to be maintained exclusively for a single apartment unit.)

The Board shall have the powers and duties necessary to perform its responsibilities, and may do all such acts except as

by Act, by the Declaration, or by these Bylaws may not be delegated to the Board by the owners.

Such powers and duties of the Board shall include, but not be limited to, the following:

(a) Operation, care, upkeep, and maintenance of the common elements (other than limited common elements that are set aside for and are to be maintained exclusively for a single apartment unit);

(b) Assessment and collection of monthly (or other periodic) maintenance fees and special assessments from the owners in accordance Sections 514B-144, 514B-145 and 514B-146 of the Act;

(c) Employment and dismissal of the personnel necessary for the maintenance, repair, replacement, and operation of the common elements;

(d) Keeping of detailed, accurate records of the receipts and expenditures affecting the common elements specifying and itemizing the maintenance and repair expenses of the common elements and any other expenses incurred, and authorizing preparation of the accountant's annual financial statements.

(e) Obtaining of insurance for the Project pursuant to the provisions of the Declaration and the Act;

(f) Making of repairs, additions, and improvements to or alterations of common elements of the Project and repairs to and restoration of common elements of the Project, after damage or destruction by fire or other casualty, or as a result of condemnation or eminent domain proceedings;

(g) Taking any other action in the interest and for the benefit of the Project and the Association which from time to time may be necessary or reasonable.

Section 3.3. Additions, Alterations, or Improvements By the Board. No additions, alterations, or improvements to the common elements (exclusive of limited common elements) of the Project costing in excess of TEN THOUSAND AND NO/100 DOLLARS (\$10,000.00) may be made by the Board without approval of all of the owners of the Units in the Project. The cost of such improvements, if permitted, shall constitute part of the common expenses. The Association or the Board shall not borrow funds, except with the prior approval of all of the owners of the Units in the Project.

Section 3.4 Delegation of Duties. The Board may employ for the Association a managing agent or other employee or agent, at a compensation established by the Board, to perform such duties and services as the Board shall authorize including, but not limited to the duties listed in Section 3.2 of this Article.

Section 3.5 Election and Term of Office. Election of directors shall be at each annual meeting of the Association unless waived, or at any special meeting of the Association called for that purpose. The directors except as otherwise provided in these Bylaws shall hold office for a period of two (2) years or until their respective successors shall have been elected and qualified.

Section 3.6 Vacancies. Vacancies on the Board caused by any reason shall be filled by vote of the majority of the remaining directors, even though they may constitute less than a quorum, and each person so elected shall be a director until a successor is elected at the next annual meeting of the Association.

Section 3.7 Removal. The entire Board or any individual director may be removed from office by a vote of all of the Owners at any regular or special meeting called for such purpose. If any or all directors shall be so removed, new directors may be elected at the same meeting for the remainder of the term of the director or directors so removed.

Section 3.8 Director's Compensation and Reimbursement of Expenses. No compensation shall be paid to directors for their services as directors. The directors shall not expend Association funds for their travel, director's fees and per diem expenses, unless owners are informed and a majority approve these expenses.

Section 3.9 Organization Meeting. The first meeting of a newly elected Board shall be held within one week of election at such place as shall be fixed by the directors at the meeting at which such directors were elected. No notice shall be necessary to the newly elected directors in order legally to constitute such meeting, provided that a majority of the whole Board must be present.

Section 3.10 Regular Meetings. The Board shall meet at least once per year. Regular meetings of the Board may be held at such time and place as shall be determined from time to time by the majority of the directors. Notice of regular meetings of the Board shall be given to each director, personally or by mail

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addressed to his residence, or by telephone, at least five(5) days prior to the day named for such meeting.

Section 3.11 Special Meetings. Special meetings of the Board may be held upon the call of the President of the Association, any director, or by petition of any one Unit owner, on fourteen (14) days' notice to each director, given personally or by mail addressed to his residence or by telephone, which notice shall state the time, place, or purposes of the meeting.

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Section 3.12 Waiver of Notice. Before or at any meeting of the Board, any director may, in writing, waive notice of such meeting and such waiver shall be deemed equivalent to the giving of such notice. Attendance by a director at any meeting of the Board, unless he objects to the calling of the same, shall be a waiver of notice by him of the date, time and place thereof. If all the directors are present at any meeting of the Board, no notice shall be required and any business may be transacted at such meeting.

Section 3.13 Board of Directors' Quorum. At all meetings of the Board, a majority of the directors shall constitute a quorum for the transaction of business, and the acts of the majority of the directors present at a meeting at which a quorum is present shall be the acts of the Board. If, at any meeting of the Board, there is less than a quorum present, the majority of those present may adjourn the meeting from time to time. At any such adjourned meeting any business which might have been transacted at the meeting as originally called may be transacted without further notice.

Section 3.14 Bonds. Except as otherwise may be required by the Act, the Board may, but shall not be obligated, to require that all officers and employees handling or responsible for Association funds shall furnish a bond. The premiums on such bond shall be paid by the Association.

Section 3.15 Proxy Voting. A director shall not cast any proxy vote at any Board meeting.

Section 3.16 Conduct of Meetings. All meetings of the Board, except for executive sessions, shall be open to all owners.

Section 3.17 Conflict of Interest. A director who has a conflict of interest on any issue before the Board shall disclose the nature of the conflict of interest prior to a vote on that issue at the Board meeting. The meeting minutes shall record the

conflict that a disclosure was made. A director shall not vote on any matter in which the director has a conflict of interest.

Section 3.18 Copies of Project Documents. The Association, at its expense, shall provide all Board members with a current copy of the Declaration, Bylaws, and annually a copy of the Act with amendments.

Section 3.19 Access to Units. The owners shall have the irrevocable right, to be exercised by the Board, to have access to each Unit from time to time during reasonable hours as may be necessary for the operation of the Project or for making emergency repairs in a Unit so as to prevent damage do the common elements or to any other Unit.

Section 3.21 Consent to Directors' Meeting or Directors' Actions. The transactions of any meeting of the Board, however called and noticed and wherever held, shall be valid as though had at a meeting duly held after regular call and notice if a quorum be present and if either before or after the intended effective date of the action, all of the directors not present sign a written waiver of notice, or a consent to the holding of such meeting, or an approval of the minutes thereof. All such waivers, consents or approvals shall be filed with the Association's records or made a part of the minutes of the meeting. Any action which may be taken at a meeting of the directors may be taken without a meeting if authorized by a writing signed by all of the directors and filed with the Secretary.

Section 3.22 Meeting by Conference Telephone. Members of the Board may participate in a meeting of such Board by means of conference telephone or similar communications equipment whereby all persons participating in the meeting can hear each other, and participation in a meeting in such manner shall constitute presence in person at such meeting.

ARTICLE IV

OFFICERS

Section 4.1 Designation of Principal Officers. The principal officers of the Association shall be a President, a Secretary and a Treasurer, elected by the Board and with respect to the office of President, from the Board. All officers shall be owners. The Directors may appoint an assistant treasurer, an assistant secretary, and such other officers as they in their

judgment deem necessary. One person may hold more than one office of the Association.

Section 4.2 Election of Officers. The officers of the Association shall be elected annually by the Board at the organization meeting of each new Board and shall hold office at the pleasure of the Board.

Section 4.3 Removal and Vacancy. Upon an affirmative vote of a majority of the members of the Board, any officer may be removed with or without cause. Any vacancy, whether resulting from removal or otherwise, may be filled by the Board acting at any regular meeting of the Board or at any special meeting of the Board called for such purpose.

Section 4.4 President. The President shall be the chief executive officer of the Association and a member of the Board. He shall preside at all meetings of the Association and of the Board. He shall have all of the general powers and duties which are usually vested in the office of President of an association, including but not limited to the power to appoint committees from the owners from time to time as he may in his discretion decide is appropriate to assist in the conduct of the affairs of the Association.

Section 4.5 Treasurer. The Treasurer shall keep the financial records and books of account and shall supervise the managing agent's or manager's custody of all funds of the Association, maintenance of accounts and records thereof and preparation of final reports thereof.

Section 4.6 Secretary. The Secretary shall attend and keep the minutes of all meetings of the Board and of the Association, shall deliver all notices as provided by these Bylaws, and shall have such other powers and duties as may be incidental to the office of Secretary as given him by these Bylaws or assigned to him from time to time by the Directors. If the Secretary is not present at any meeting, the presiding officer shall appoint a temporary secretary who shall keep the minutes of such meeting and record them in the books provided for that purpose.

Section 4.7 Officer's Compensation and Reimbursement of Expenses. No compensation shall be paid to any of the officers for their services as an officer. The officers shall not expend Association funds for their travel, fees and per diem unless owners are informed and a majority approve these expenses.

Section 4.8 Designation of Officers to Sign Amendments. The president, secretary or treasurer of the Association shall have the power to prepare, execute, certify and record amendments to the Declaration on behalf of the Association.

ARTICLE V

ASSOCIATION FUNDS, MINUTES AND RECORDS

Section 5.1 Handling of Association Funds. The funds in the general operating account of the Association shall not be commingled with funds of other activities, such as lease rent collections.

All Funds collected by the Association shall be:
(a) deposited in a financial institution located in the State of Hawaii whose deposits are insured by an agency of the United States government; (b) held by a corporation authorized to do business under Chapter 406, Hawaii Revised Statutes; or (c) invested in the obligations of the United States Treasury.

All funds collected by the Association shall be disbursed by employees or officers of the Association under the supervision of the Board.

Section 5.2 Minutes and Records. The minutes of the Board and of the Association meetings as well as the Association's financial statements shall be available for examination by owners at convenient hours at a place designated by the Board.

The Board shall keep detailed, accurate records in chronological order, of the receipts and expenditures affecting the common elements, specifying and itemizing the maintenance and repair expenses of the common element and any other expenses incurred. The Board shall also keep monthly statements indicating the total current delinquent dollar amount of any unpaid assessments for common expenses.

All records and vouchers authorizing payments and statements shall be kept and maintained at the address of the Project or elsewhere within the State as determined by the Board.

Section 5.3 Examination of Books and Records. The owners and each mortgagee shall be permitted to examine the books and records of the Association during reasonable hours on business

days, and each mortgagee shall have the right to require the submission of annual reports and other financial data.

Section 5.4 Owners' List. The Board shall keep an accurate and current list of owners and their current addresses and the names and addresses of the vendees under an agreement of sale.

ARTICLE VI

OBLIGATIONS OF THE OWNERS

Section 6.1 Budgets, Determination of Common Expenses and Fixing of Common Charges. The Board shall from time to time, and at least annually, prepare a budget for the Project to determine the amount of the common charges payable by the owners (or their lessee, if applicable) to meet the common expenses of the Project and allocate and assess such common charges among the owners according to their respective common interests.

Common expenses shall include, among other things, the cost of all insurance premiums on all policies of insurance required to be or which have been obtained by the Board pursuant to the Declaration, and reasonable attorneys' fees and costs related to enforcement of collection for common expenses, over and above the interest provided herein below. The Board shall advise all owners, promptly, in writing, of the amount of common charges payable by each of them, respectively as determined by the Board.

Section 6.2 Collection of Common Expenses. Common expenses shall be due and payable on a monthly or other periodic basis as determined by the Board, and such payments shall be made in advance. An owner shall pay a late charge of five percent (5%) of any periodic installment not received within ten days after the due date and delinquent payments shall bear interest at the rate of twelve percent (12%) per annum until paid. No Unit owner may exempt himself from liability for paying such common charges by waiver of the use or enjoyment of the common elements or by abandoning his Unit.

Section 6.3 Liens for Unpaid Common Expenses: All such assessed sums against a Unit that remain unpaid may be collected by any lawful means, including in accordance with Section 514B-145 of the Act. All such assessed sums against a Unit that remain unpaid shall constitute a lien on the interest of the delinquent owner and may be foreclosed upon in accordance with Section 514B-

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146 of the Act. In any suit to foreclose a lien against any owner of any Unit, the Association may be represented through its managing agent or by the Board in a like manner as any mortgagee of real property. The managing agent or the Board acting on behalf of the Unit owners, shall have the power to bid for and acquire any such Unit at the foreclosure sale. The delinquent owner shall be required to pay the Association all its costs and reasonable attorneys' fees without foreclosing or waiving the lien securing the same.

Section 6.4 Maintenance, Repair and Use.

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(a) Maintenance and Repair of Units and Limited Common Elements. Each Unit Owner and occupant shall at all times keep his Unit and the limited common elements appurtenant thereto in good order, condition, and repair and do such repainting and redecorating as may be necessary to maintain the good appearance and condition of his Unit and limited common elements appurtenant thereto.

(b) Compliance with Law. Each Unit Owner and occupant shall at all times and observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.

(c) Certain Work Prohibited. Subject to the Declaration, no Unit Owner shall do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement for the benefit of another Unit Owner, overload or impair the floors, walls or roofs of any shared or common structure, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

(d) Noise. No Unit Owner shall make or permit to be made any noise by himself or his tenants, guests, or invitees, which will unreasonably annoy or interfere with the rights, comfort or convenience of another Unit Owner or occupant of such Unit.

(e) Refuse and Trash. No refuse, garbage or trash of any kind shall be thrown, placed or kept on any common elements of the Project outside of the area(s) provided for such purpose.

(f) No Interference with Common Access. No Unit Owner or occupant shall place, store or maintain on common walkways, common roadways or other common access areas any vehicles,

furniture, or or other personal property that would obstruct transit through such walkways, roadways or other access areas.

Section 6.5 Title. Every owner shall promptly cause to be duly recorded in the Recording Office, the deed, assignment or other conveyances, to him of his Unit or other evidence of his title thereto. Such evidence of title must also be filed with the Board who shall maintain such information in the record of ownership of the Association.

ARTICLE VII

LIABILITY OF DIRECTORS AND OFFICERS

Section 7.1 Exculpation. No director or officer shall be liable for acts or defaults of any other director, officer, or other owner or for any loss sustained by the Association, except for willful misconduct or willful negligence.

Section 7.2 Indemnification. Every director, officer, and owner of the Association shall be indemnified by the Association against all reasonable costs, expenses, and liabilities, including attorneys' fees actually and necessarily incurred by or imposed upon him in connection with any claim, action, suit, proceeding, investigation, or inquiry of whatever nature which he may be involved as a party or otherwise by reasons of his having been a director, officer, or owner, whether or not he continues to be such director, officer, or owner at the time such costs, expenses, or liabilities are incurred or imposed, except in relation to matters as to which he shall be finally adjudged, in such action, suit, proceeding, investigation, or inquiry, to be liable for willful misconduct or willful negligence toward the Association in the performance of his duties, or in the absence of such final adjudication, any determination of such liability by the opinion of legal counsel selected by the Association. The foregoing right to indemnification shall be in addition to and not in limitation of all other rights to which such person may be entitled as a matter of law and shall inure to the benefit of the legal representative of such person.

ARTICLE VIII

COMPLIANCE

Section 8.1 Binding Nature of Bylaws. The provisions of the Bylaws are applicable to the Project and to the use and occupancy of the Units thereof. All present and future owners, mortgagees, lessees, and occupants of Units or other interests in the Property and their employees, and any other persons who may use the facilities of the Project in any manner are subject to the provisions of the Bylaws.

The acceptance of a deed, the entering into of a lease of an Unit, the act of occupancy of an Unit, holding any interest in the Project or the use of any of the facilities of the Project shall constitute an agreement that the Bylaws, and the provisions of the Declaration, as each may be amended from time to time, are accepted, ratified, and will be complied with.

Section 8.2 Compliance. Each owner shall comply with all provisions of the Act, the Declaration and the Bylaws, as any of the same may be amended from time to time. In addition to the remedies provided in the Act, the Association, acting through the Board shall be entitled to the following relief:

(a) Additional Expense. Each owner shall be liable for the expense of all upkeep by the Association rendered necessary by his act, neglect or carelessness or the act, neglect or carelessness of any of his employees, agents, licensees, invitees, tenants, or guests.

(b) Costs and Attorney's Fees. In any proceeding arising out of any alleged default by an owner, the prevailing party shall be entitled to recover the costs of such proceeding and such reasonable attorneys' fees as may be determined by the court.

(c) No Waiver of Rights. The failure of the Association, the Board, or any owner(s) to enforce any provision of the Act, the Declaration or the Bylaws shall not constitute a waiver of the right of the Association, the Board, or any owner to enforce such provision in the future. All rights, remedies and privileges granted to the Association, the Board, or any owner(s) pursuant to any provision of the Act or the Bylaws shall be deemed to be cumulative, and the exercise of any one or more thereof shall not be deemed to constitute an election of remedies, nor shall it preclude the person(s) exercising the same from exercising such other rights, remedies, and privileges as may be granted to such person(s) by the Declaration, Bylaws, or by law.

(d) Legal Proceedings. Violation of any provision of the Act, the Declaration or Bylaws shall be grounds for relief, including (without limitation) an action or suit: (i) to recover any sums due, (ii) for damages, (iii) for injunctive relief, (iv) any other relief provided for by the Act, the Declaration or the Bylaws, (v) for any other remedy available at law or in equity, and (vi) for any combination of any of the foregoing, all of which relief may be sought by the Association, the Board and in any appropriate case, by any aggrieved owner(s), and shall not constitute an election of remedies.

(e) Fines. The Board may levy reasonable fines against any owner for any violation of the Act, the Declaration or the Bylaws, not to exceed such owner's annual assessment for each separate violation. No fine may be levied unless and until the owner is given written notice of such violation and the opportunity of a hearing before the Board; provided, however, that each day after such notice is given shall constitute a separate violation(s); provided further, that imposition of a fine shall be suspended until such hearing is held.

ARTICLE IX

AMENDMENT; CONFLICTS; EXEMPTIONS

Section 9.1 Amendment. The Bylaws may be amended in any respect not inconsistent with provisions of law or the Declaration by the vote or written consent of all of the Unit owners.

Section 9.2 Conflicts. The Bylaws are set forth to comply with the requirements of the Act (other than Part VI, which is not applicable.) In case the Bylaws conflict with the Act or the Declaration, the provisions of the Act or the Declaration, as the case may be, shall control.

Section 9.3 Exemptions for Persons With Disabilities. Notwithstanding anything to the contrary contained in the Bylaws or the Declaration, Owners with disabilities shall be permitted to make reasonable modifications to their Units and/or common elements, at their expense (including the cost of obtaining any bonds required by the Declaration, the Bylaws or the Act), if such modifications are necessary to enable them to use and enjoy their Units and/or the common elements, as the case may be, provided that any Owner with a disability desiring to make such modifications shall make such request, in writing, to the Board. That request shall set forth, with specificity and in detail, the

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nature of the request and the reason that the requesting party needs to make such modifications. The Board shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof, or within forty-five (45) days of the Board's receipt of additional information reasonably required by the Board in order to consider such request, whichever shall last occur. Nothing contained in this Section 9.3 shall exempt an Owner from making all amendments to the Bylaws, the Declaration or the Condominium Map necessitated by any changes permitted under this Section.

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IN WITNESS WHEREOF, the Declarant has executed these presents this 15th day of August, 2006 adopting the Bylaws pursuant to the Act as the Bylaws of the Association of Unit Owners of 1672 and 1672 A CALIFORNIA AVE.

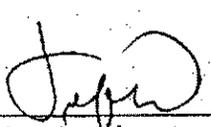

MARC ALLEN MUNDEN

D.
C.


LIANA ADELLA MUNDEN

STATE OF HAWAII)
) SS.
CITY AND COUNTY OF HONOLULU)

On this 15th day of August, 2006, before me personally appeared MARC ALLEN MUNDEN and LIANA ADELLA MUNDEN, to me personally known, who, being by me duly sworn or affirmed, did say that they executed the foregoing instrument as their free act and deed.



Jeffrey S. Grad
Notary Public, above mentioned State

My Commission expires: 11/28/06

EXHIBIT "A"

The land referred to in this Report is situated in the State of Hawaii, and described as follows:

All that certain parcel of land situate at Wahiawa, District of Wahiawa, City and County of Honolulu, State of Hawaii, described as follows:

Lot A-6-B, area 20,705 square feet, more or less, as shown on Map 20, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 466 of Hawaiian Pineapple Company, Limited.

Being all the property conveyed to the Developer herein by DEED recorded March 30, 2005 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3246880, and shown on Transfer Certificate of Title No. **740,588**.

SUBJECT, HOWEVER, to the following:

1. EASEMENT for sanitary sewer purposes as shown on Maps 10 and 20, as set forth by Land Court Order No. 22971, filed July 21, 1964.
2. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the GRANT OF EASEMENT granted to CITY AND COUNTY OF HONOLULU for An easement for sewer purposes dated May 1, 1964 filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 337244.
3. EASEMENT for drainage purposes as shown on Maps 18 and 20 as set forth by Land Court Order No. 35044, filed May 4, 1972.
4. An easement affecting that portion of said land and for the purposes stated herein and incidental purposes as provided in the GRANT OF EASEMENT granted to CITY AND COUNTY OF HONOLULU for an easement for drainage purposes dated April 11, 1972, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 580167.
5. Agreement for PARTY WALL executed by REUBEN Y.F. TYAU, husband of Jennie Y. Tyau and Between LESTER ICHIRO TANJI and JOY TOSHIE TANJI, husband and wife, on the terms, covenants and conditions contained therein, dated April 16, 1985, recorded April 18, 1985 in the Bureau of Conveyances,

State of Hawaii, in Book 18575, Page 673. (NOT NOTED ON
TRANSFER CERTIFICATE OF TITLE REFERRED TO HEREIN)

6. Agreement for ENCROACHMENT executed by RODOLFO ALEJO CABTSURA and MARGARITA RAMIT CABISURA, husband and wife, (hereinafter referred collectively to as "OWNER A") and between WARREN H.Y. TYAU and JENNIE Y. TYAU, as Trustees of the Reuben Y.F. Tyau Trust, dated December 11, 1989, (hereinafter referred collectively to as "OWNER B") On the terms, covenants and conditions contained therein, dated January 20, 2005 recorded March 30, 2005 in the Bureau of Conveyances, State of Hawaii, as Document No. 2005-061213, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3246879 Re: Chainlink fence.
7. DECLARATION FOR HOLDING TANK FACILITY executed by MARC ALLEN MUNDEN and LIANA ADELLA MUNDEN on the terms, covenants and conditions contained therein, dated January 10, 2006 recorded January 25, 2006 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3382794.

END OF EXHIBIT "A"

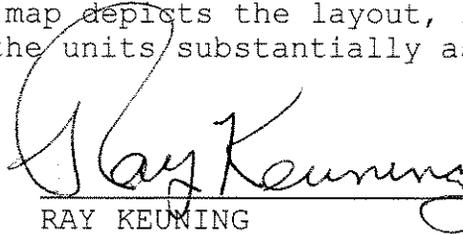
EXHIBIT "N"

VERIFIED STATEMENT OF LICENSED ENGINEER

I, RAY KEUNING, licensed engineer, hereby certify that:

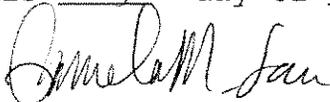
(a) the condominium property regime map (to which this verified statement is attached) is consistent with the plans of the condominium's building or buildings filed or to be filed with the government official having jurisdiction over the issuance of permits for the construction of buildings in the county in which the condominium property regime is located; and

(b) to the best of the architect's knowledge, the condominium property regime map depicts the layout, location, dimensions, and numbers of the units substantially as built.



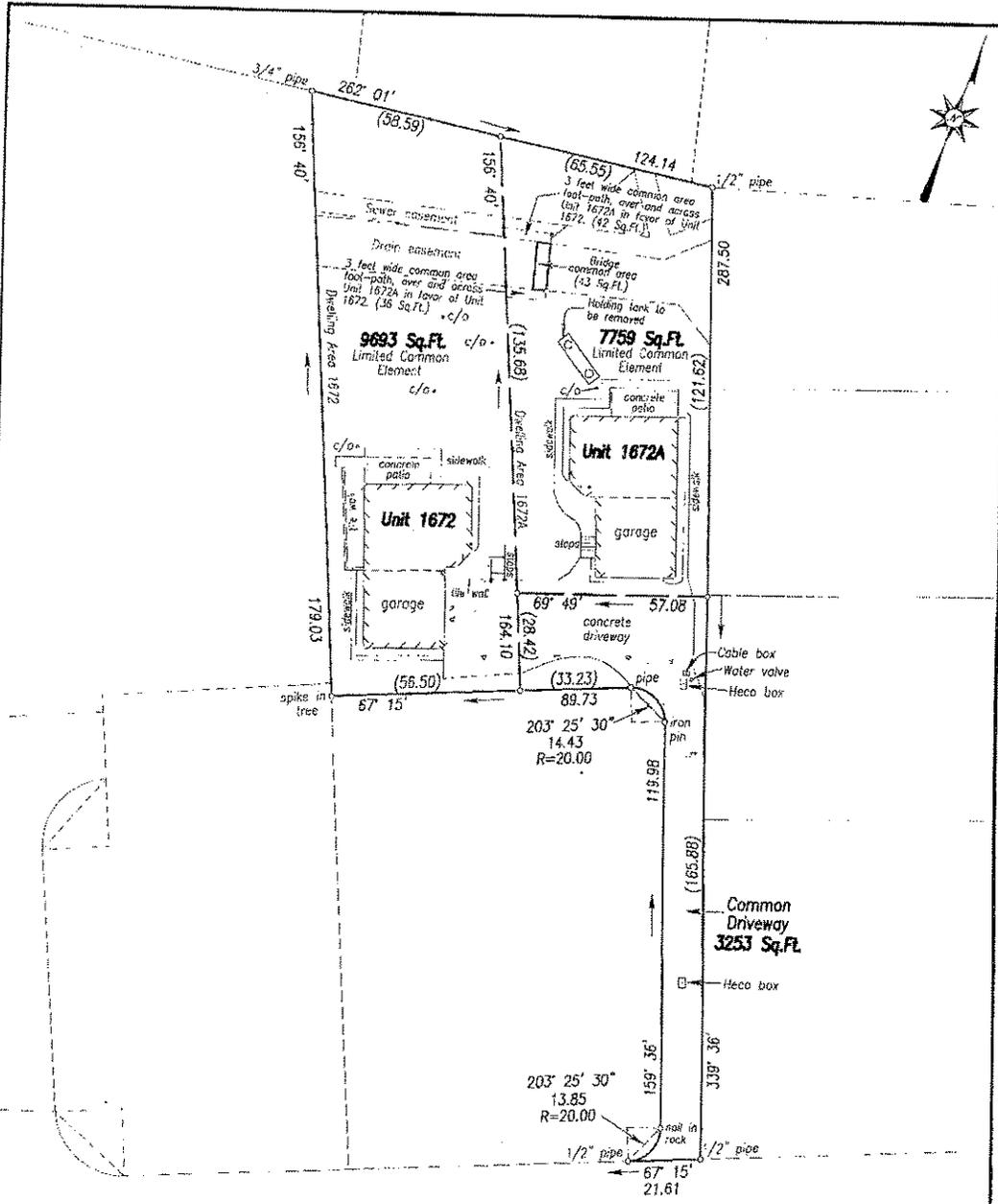
RAY KEUNING
Licensed Engineer
No. S-1803

Subscribed and sworn to before me,
this 5th day of August, 2006



Pamela M. Lau (Print Name)
Notary Public, State of Hawaii

My commission expires: Feb 5, 2010



Notes: The dashed lines do not indicate boundaries of legally subdivided lots, they indicate boundaries of limited and common elements of the condominium project.

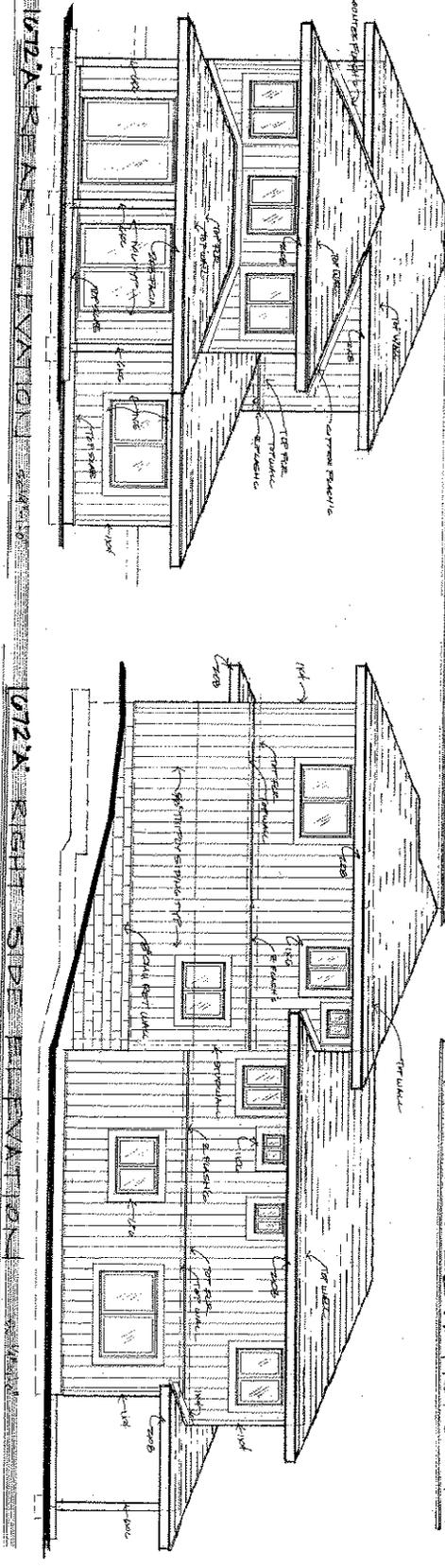
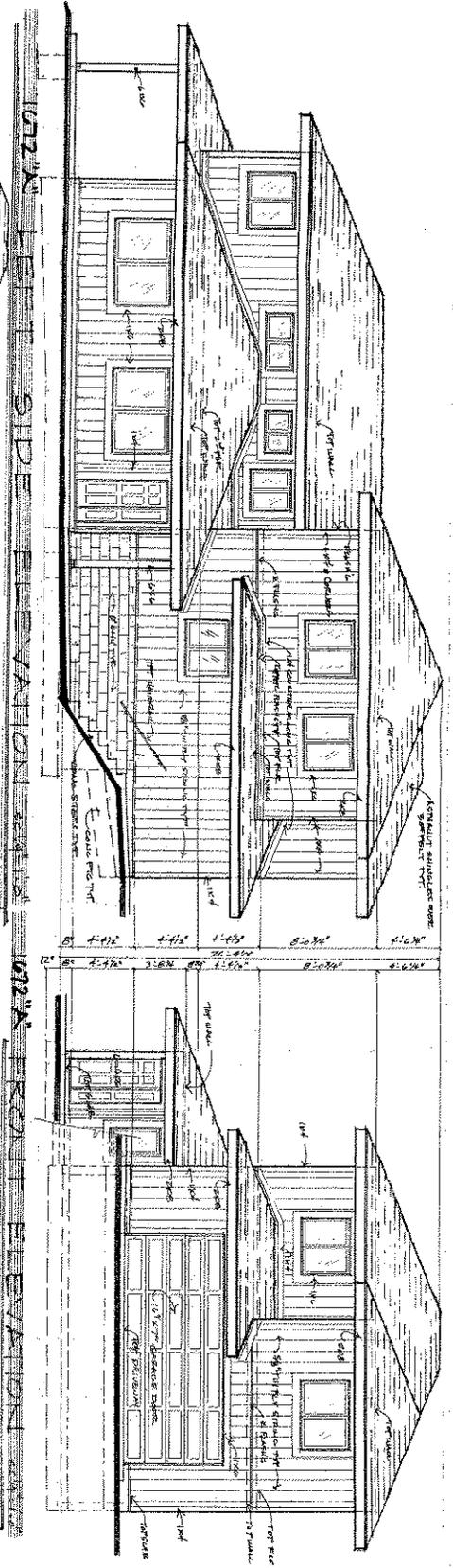
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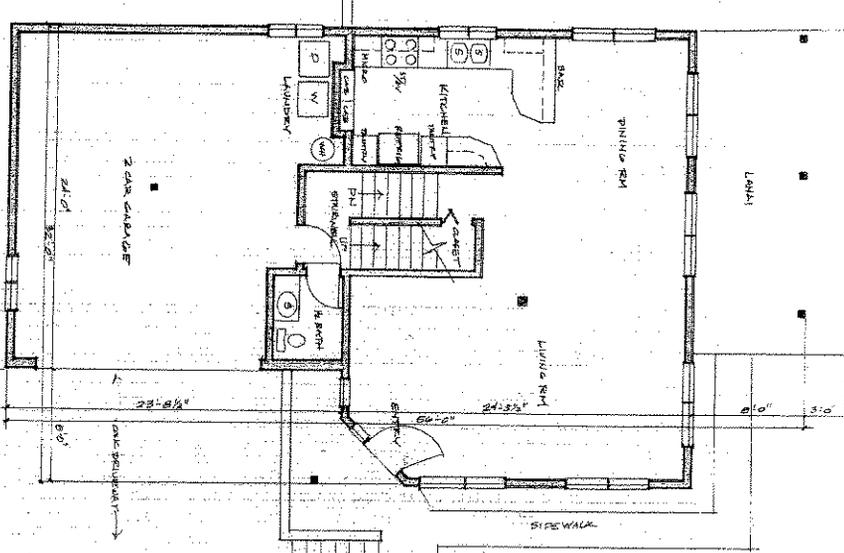
CALIFORNIA AVENUE

**CONDOMINIUM MAP OF
"1672 AND 1672A CALIFORNIA AVENUE"**
 Lot A-6-B of
 Land Court Application 466
 At Wahiawa, Wailua, Oahu, Hawaii
 TMK: (1) 7-5-003: 077
 Owner: Marc Munden
 Scale: 1 in. = 40 ft.
 July 18, 2006

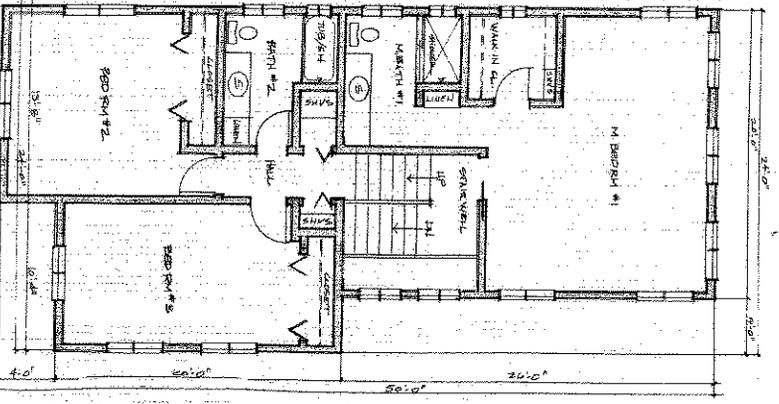


THIS WORK WAS PREPARED BY ME
 OR UNDER MY DIRECT SUPERVISION.
Robert K. Sing
 ROBERT K. SING, L.P.L.S.
 CERTIFICATE NO. B-4313

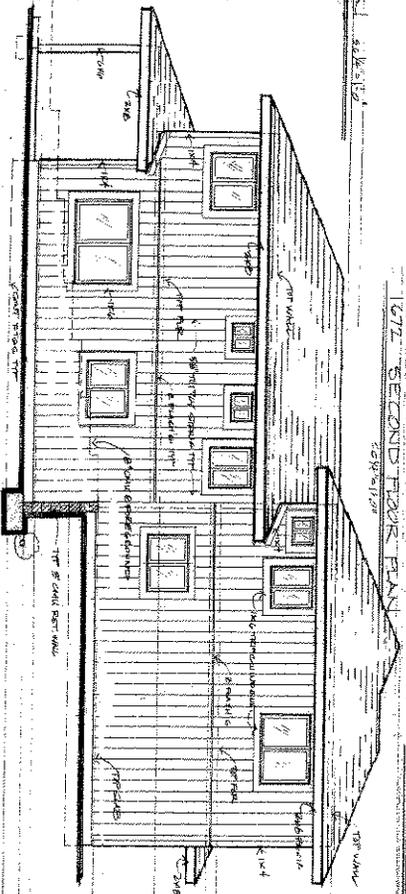




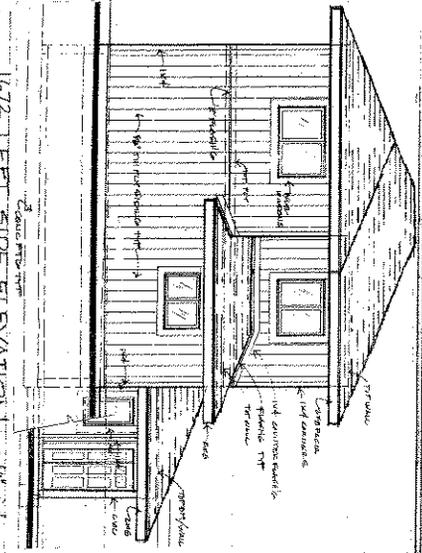
1072 FIRST FLOOR PLAN 30'0" x 40'0"



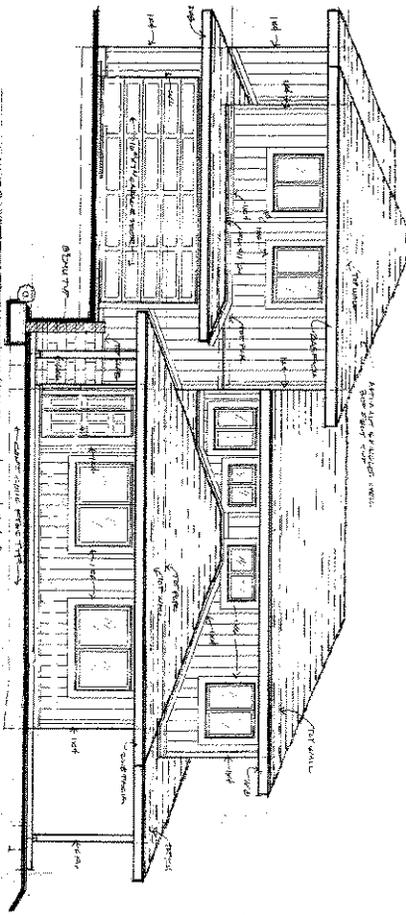
1072 SECOND FLOOR PLAN 30'0" x 40'0"



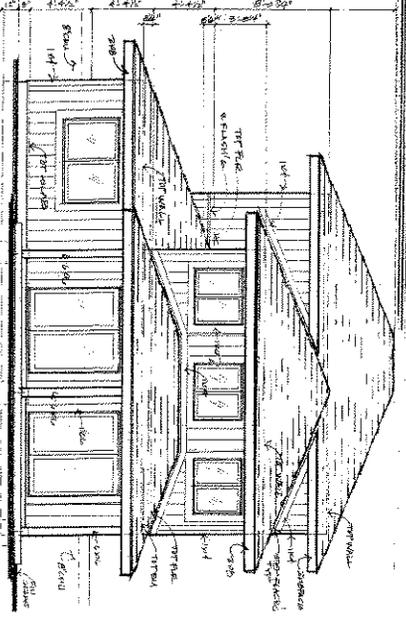
1072 REAR ELEVATION 30'0" x 40'0"



1072 LEFT SIDE ELEVATION 24'0" x 10'0"



1072 FRONT ELEVATION 30'0" x 40'0"



1072 RIGHT SIDE ELEVATION 24'0" x 10'0"