DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	2244 B AND 2244 C AULII STREET
Project Address	2244 B and 2244C Aulii Street Honolulu, Hawaii 96817
Registration Number	6281 (conversion)
Effective Date of Report	June 19, 2007
Developer(s)	DEBORAH S. K. MAI'I and WILLIAM P. RALSTON III

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; and (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, including any omitted material facts, 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

There are county restrictions on the number of residential dwelling units, or other structures, which may be built upon the property. Therefore, unless the purchaser is purchasing an existing residential dwelling, there is no assurance that the purchaser will be able to build a residential dwelling unit on the property. There also is no assurance that the purchaser will be able to convert an existing non-residential structure to a residential use. The purchaser should consult with the appropriate county agencies to determine whether the purchaser may build a residential dwelling unit, or any other type of structure, upon the property.

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.

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 PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

TABLE OF CONTENTS

Page

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

Page

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; Affidavit recorded July 21, 1997 (Ohana)
EXHIBIT I: Summary of Sales Contract Provisions
EXHIBIT J: Summary of the Escrow Agreement
EXHIBIT K: Estimate of Initial Maintenance Fees

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 being concurrently delivered to you with 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	✓ Fee Simple		Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	✓ Yes		No
Fee Owner's Name if Developer is not the Fee Owner			
Fee Owner's Address	2244B Aulii Street Honolulu, Hawaii 96817		
Address of Project	2244B and 2244C Aulii Street Honolulu, Hawaii 96817		
Address of Project is expected to change because			
Tax Map Key (TMK)	(1) 1-8-035-054 and (1) 1-8-035-002 (road way lot)		
Tax Map Key is expected to change because	Each Unit will be assigned a new tax key		
Land Area	7,030 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	1
Number of New Building(s)	
Number of Converted Building(s)	2
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Principally of wood on concrete slab, glass and other allied materials

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
2244B	1	2/1	712 sq.ft.	307/443/52	deck & porces/	1514 sq. ft.
					storage/laundry	
2244C	1	3/2.5	1505 sq. ft.	443/88/80	workroom/deck/	2,116 sq. ft.
					laundry	
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:	1 for 2244B and 3 for 2244C
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):

☐	Swimming pool
☐	Laundry Area
☐	Storage Area
☐	Tennis Court
☐	Recreation Area
☐	Trash Chute/Enclosure(s)
☐	Exercise Room
☐	Security Gate
☐	Playground
☐	Other (describe):

1.9 Common Elements

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.
Described in Exhibit D .
Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

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.
Described in Exhibit E .
Described as follows:

1.11 Special Use Restrictions

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.	
☐	Pets:
☐	Number of Occupants:
✓	Other: See Exhibit F
☐	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of 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).
Exhibit G describes the encumbrances against title contained in the title report described below.
Date of the title report: March 19, 2007 (roadway lot) and March 2, 2007
Company that issued the title report: Old Republic Title and Escrow

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
✓	Residential	2	✓	Yes	No	R-10
	Commercial			Yes	No	
	Mix Residential/Commercial			Yes	No	
	Hotel			Yes	No	
	Timeshare			Yes	No	
	Ohana			Yes	No	
	Industrial			Yes	No	
	Agricultural			Yes	No	
	Recreational			Yes	No	
	Other(specify)			Yes	No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			✓	Yes	No	
Variances to zoning code have been granted.				Yes	✓ 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

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.

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.

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.

	Conforming	Non-Conforming	Illegal
Uses	✓		
Structures	✓		
Lot	✓		

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:

n/a

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.	☑ **Applicable** ☐ **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: Subject to normal wear and tear commensurate with its age, each of the buildings appear to be in fair to good structural condition consistent with their age; subject also to normal wear and tear, the electrical and plumbing systems are operable and in fair working order.	
Developer's statement of the expected useful life of each item reported above: Subject to normal wear and tear commensurate with its age, each of the buildings appear to be in relatively good structural condition consistent with their age.	
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 _H_ 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

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.**	☐ **Yes** ☑ **No**
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? ☐ Yes ☐ No If the answer is "No", provide explanation.	
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? ☐ Yes ☐ No If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.	
Other disclosures and information:	

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: DEBORAH S. K. MAI'I and WILLIAM P. RALSTON III Business Address: 2244 B Aulii Street, Honolulu, HI 96817 Business Phone Number: 808-988-6042 E-mail Address: cwralston@yahoo.com
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).	
2.2 Real Estate Broker	Name: None selected, see page 18 Business Address: Business Phone Number: E-mail Address:
2.3 Escrow Depository	Name: Old Republic Title and Escrow of Hawaii Business Address: 733 Bishop Street, Suite 2700 Honolulu, Hawaii 96813 Business Phone Number: 808-566-0100
2.4 General Contractor	Name: Business Address: Business Phone Number:
2.5 Condominium Managing Agent	Name: Self Manage by the Association Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: Jeffrey S. Grad Business Address: 841 Bishop Street, Suite 1800 Honolulu, Hawaii 96813 Business Phone Number: 808-521-4757

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
Bureau of Conveyances	February 26, 2007	2007 - 038587

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
Bureau of Conveyances	February 26, 2007	2007 - 038588

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	
Bureau of Conveyances Map Number	4405
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		☐	
Have Been Adopted and Date of Adoption		☐	
Developer does not plan to adopt House Rules		☑	

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

☐	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
☑	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: 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. Continued (See Page -11a-)

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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.
The Initial Condominium Managing Agent for this project is (check one):

☐	Not affiliated with the Developer
✓	None (self-managed by the Association)
☐	The Developer or an affiliate of the Developer
☐	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

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.
Exhibit K 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.

4.3 Utility Charges to be Included in the Maintenance Fee

If checked, the following utilities are included in the maintenance fee:	
☐	Electricity for the common elements
☐	Gas for the common elements
☐	Water
☐	Sewer
☐	TV cable
☐	Other (specify)

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
✓	Electricity for the Unit only
✓	Gas for the Unit only
✓	Water
✓	Sewer
✓	TV cable
☐	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:	
☑	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.
☑	Escrow Agreement dated: January 17, 2007 Name of Escrow Company: Old Republic Title and Escrow Exhibit J contains a summary of the pertinent provisions of the escrow agreement.
☐	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.

☐	The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B.
☐	Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____.
☐	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.

☐	There are no blanket liens affecting title to the individual units.
☑	There are blanket liens 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
Mortgage	if the developer defaults under the sales contracts and refund the
	Buyer's deposits less escrow cancellation fees, the buyer shall
	have no further interest in the Project.

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: "as is" condition
Appliances: no warranties

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

Status of Construction: Unit 2244 C completed in 1969 and Unit 2244 B completed in 1985
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

☑	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.

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):	
☐	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
☐	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):

Box A ☐	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. If Box A is checked, you should read and carefully consider the following notice, which is required by law: **Important Notice Regarding Your Deposits: 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.**
Box B ☐	The Developer has **not** 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. 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 **Important Notice Regarding Your Deposits** 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, **you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment**. (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. You should understand that, although the **Important Notice Regarding Your Deposits** 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.

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 re: Non Selection of Real Estate Broker.

As of the effective date of this Developer's Public Report, the developer has not executed a listing agreement for the sale of this condominium project with any duly licensed Hawaii real estate broker.

Thus, the Developer cannot offer to sell or sell any units in this registered condominium project through a real estate broker until: 1) the Developer executes a listing agreement for the sale of this condominium project, 2) amends this Developer's Public Report to reflect the new information, and 3) delivers this Public Report and amendment to the prospective purchaser. The conditions for binding sales contract are listed on pages 16-17 paragraph 5.8.1 of this Public Report.

Unit 2244B is an "Ohana"

Unit. A prospective buyer should be aware that Unit 2244B is an "ohana" unit as defined in the Land Use Ordinance of the City and County of Honolulu ("LUO") and is subject to the rules set forth in the LUO, as amended from time to time.

Under the current LUO, the size to which an Ohana Unit may be expanded is based on such Unit's proportionate share of the development rights applicable to the land on which the Project is located. If Unit 2244B were destroyed to the extent of more than 50% of its replacement value, then it could be rebuilt to the greater of (i) its size prior to such destruction or (ii) its proportionate share of the floor area allowable under the then current maximum building area development standard in the applicable zoning district in which the Project is located.

Further restrictions applicable to Unit 2244B are set forth in an Affidavit in favor of the City and County of Honolulu's Department of Planning and Permitting, recorded as Document No. 97-096074. That Affidavit (a copy of which is attached to Exhibit H of this Public Report) essentially prohibits conversion of such Unit so as to create another dwelling unit.

LEAD WARNING STATEMENT

Pursuant to federal law, 42, U.S.C 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paid hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

Page 18 continues to 18-a to follow

Page 18 continues

HAZARDOUS MATERIALS

The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.

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 and include either or all material facts, material or pertinent changes to any information contained in or omitted from 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.

DEBORAH S.K. MAI'I and WILLIAM P. RALSTON III
Printed Name of Developer

By: _____ June 4, 2007
Duly Authorized Signatory* Date

WILLIAM P. RALSTON III
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.**

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.

DEBORAH S. K. MAI'I and WILLIAM P. RALSTON III
Printed Name of Developer

By: Deborah S K Mai'i
Duly Authorized Signatory*

3\27\2007
Date

DEBORAH S. K. MAI'I
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 2244B . Unit 2244B was constructed in 1969. The Unit contains a total of two bedrooms and one bathroom, living room, kitchen/dining area, closets and storage areas, opened and covered decks and a carport area. The total net living area of the Unit is approximately 712 square feet. The approximate areas of the other portions of the units are: (i)decks and porches, 307 square feet; (ii) storage areas, 443 square feet; (iii) the laundry area, 52 square feet and (iv) the carport, 80 square feet.

(b) Unit 2244C. Unit 2244C was constructed in 1969 and upgraded in the mid-1980s. The Unit contains a total of three bedrooms and two and one-half bathrooms, living room, kitchen, dining area, closets and storage areas, a deck, laundry and workroom. The total net living area of the Unit is approximately 1505 square feet. The approximate areas of the other portions of the units are: (i) the workroom, 443 square feet; (ii) the deck, 88 square feet and (iii) the laundry room, 80 square feet.

NOTE: Attention is directed to the fact that Unit 2244B is a so-called "**Ohana**" unit as defined in the Land Use Ordinance of the City and County of Honolulu. Reference is made to Paragraph 9.2 of this Declaration for additional information.

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 shall be a fraction having as its numerator the land area of the Unit's appurtenant Dwelling Area and having as its denominator the total land area of all of the Dwelling Areas within the Project.

(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 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.

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.

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 2244B are as follows:

(a) The site on which Unit 2244B is located, consisting of the land area beneath and immediately adjacent to Unit 2244B, as shown and delineated on the Condominium Map as 4028 square feet (including the airspace above such site) is for the exclusive benefit of Unit 2244B (which may be referred to as "Dwelling Area 2244B"); and

(b) A mailbox designated by Declarant for the use of Unit 2244B.

5.3 The limited common elements so set aside and reserved for the exclusive use of Unit 2244C are as follows:

(a) The site on which Unit 2244C is located, consisting of the land beneath and immediately adjacent to Unit 2244C, as shown and delineated on the Condominium Map as 3002 square feet (including the airspace above such site) is for the exclusive benefit of Unit 2244C (which may be referred to as "Dwelling Area 2244C"); and

(b) A mailbox designated by Declarant for the use of Unit 2244C.

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 Ohana Unit (Unit 2244B). Unit 2244B is hereby designated as the "Ohana" unit within the Project. Its use is subject to the "ohana" rules under the Land Use Ordinance (LUO), as such may be amended from time to time. Such rules govern the repair, replacement and expansion of such Unit.

9.3 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.

9.4 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.

9.6 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. Title to all minerals, and metallic mines reserved to the State of Hawaii.

2. AFFIDAVIT recorded July 21, 1997 in the Bureau of Conveyances, State of Hawaii, as Document No. 97-096074.

3. Mortgage to secure an indebtedness payable under the terms thereof, with power of sale and assignment of rents . Mortgagor: DEBORAH KEPOLA SUSAN K. MAI'I, as Trustee of the NYNA MAHEALANI RALSTON IRREVOCABLE TRUST dated December 19, 1995, and WILLIAM PUTMAN RALSTON, III, as Trustee of the NYNA MAHEALANI RALSTON IRREVOCABLE TRUST dated December 19, 1995. Mortgagee : HAWAII STATE FEDERAL CREDIT UNION, a corporation or association which was formed and which exists under the laws of the United States of America. Dated April 7, 1998, recorded April 14, 1998 in the Bureau of Conveyances, State of Hawaii, as Document No. 98-049977.

4. MATTERS AS SHOWN ON CONDOMINIUM MAP NO. 4405, RECORDED IN THE BUREAU OF CONVEYANCES OF THE STATE OF HAWAII.

5. 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 JANUARY 11, 2007, RECORDED AS DOCUMENT NO. 2007 - 038587.

6. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF **2244B and 2244C AULII STREET** recorded as Document No. 2007 - 038588 .

7. 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.

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

As to the Roadway Lot Only:

1. Terms, provisions and conditions, contained in that certain RENAN W. K. MAHIKOA TRUST, an unrecorded Semi-Revocable Living Trust dated April 25, 1989 herein referred to and the effect of any failure to comply with such terms, provisions and conditions.

2. Terms, provisions and conditions, contained in that certain RENAN W. K. MAHIKOA GENERATION TRANSFER TRUST FOR RENAN W. K. MAHIKOA, JR., an unrecorded Irrevocable Trust dated October 14, 1993 herein referred to and the effect of any failure to comply with such terms, provisions and conditions.

3. Terms, provisions and conditions, contained in that certain REVOCABLE TRUST OF NYNA-ELAINE TANNEHILL, dated December 17, 1984 herein referred to and the effect of any failure to comply with such terms, provisions and conditions.

End of Exhibit "G"

EXHIBIT H

Verified Statement from a County Official

Letter from the City and County of Honolulu dated March 21, 2007;

Affidavit recorded July 21, 1997 as Document No. 97-096074;

End of Exhibit "H"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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

MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

Exhibit H

2006/ELOG-1847(EE)

March 21, 2007

Jeffrey S. Grad, Esq.
Attorney at Law
A Law Corporation
Suite 1800, Davies Pacific Center
841 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Grad:

Subject: Condominium Conversion Project
2244B and 2244C Aulii Street
Tax Map Key (TMK): 1-8-035: 054

This is in response to your letter dated July 25, 2005, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that a one-story guest quarters at 2244B Aulii Street and a two-story single-family detached dwelling at 2244C Aulii Street with at least five (5) all-weather-surface off-street parking spaces met all applicable code requirements when they were constructed in 1968 and 1969, respectively, on this 7,030-square-foot R-5 Residential District zoned lot.

Investigation also revealed the following:

1. On May 23, 1985, a subdivision (File No. 85/sub-33) was approved for the subdivision of Lot A into two lots: Lot A-1 (TMK: 1-8-035: 054) of 7,030 square-feet (flag lot) and Lot A-2 (TMK: 1-8-035: 055) of 5,209 square-feet. Presently, the two (2) detached dwellings are on Lot A-1.

2. On July 1, 1985, a building permit (No. 209669) was issued to convert the guest quarters at 2244B Aulii Street into a single-family ohana unit. There were no use

restrictions when the ohana permit was issued; however, a zoning adjustment is required under Chapter 21, Section 21-2.140(l) of the Land Use Ordinance, to rebuild the ohana dwelling if it is destroyed by any means to the extent of more than fifty percent (50%) of the unit's replacement value.

3. On July 21, 1997, an affidavit was issued with Building Permit No. 405732 for a one-story addition to the existing ohana unit, stating that "Upon completion, the recreation room and patio shall be used as an accessory to the existing principal single-family dwelling and shall not contain a kitchen nor be used as a lodging unit.

4. The owner(s) at TMK: 1-8-035: 054 has an undivided interest in TMK: 1-8-035: 002 (a roadway) for right-of-way access to Aulii Street.

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

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

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

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

Very truly yours,

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:ft

doc524497

RECORDATION REQUESTED BY:

AFTER RECORDATION RETURN TO:

NYNA RALSTON
2244 B ALULI ST
HON. HI 96817

RETURN BY: MAIL ( ) PICKUP ( )

R-544

STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED

JUL 21, 1997 11:15 AM

Doc No(s) 97-096074

/s/CARL T. WATANABE
ACTING
REGISTRAR OF CONVEYANCES

(Space above this line for Registrar's Use)

This affidavit is presented for recordation pursuant to the provisions of Chapter 18, ROH 1978.

AFFIDAVIT

The undersigned hereby certify that we are the owners of the hereinafter described real property located in the City and County of Honolulu, State of Hawaii:

TAX MAP KEY: 1-8-35:54

2244/B ALULI STREET

Being all of the land conveyed to us by deed dated 12/19/95, and recorded in the BUREAU OF CONVEYANCES (Regular System) of the State of Hawaii in Liber _____ on page _____ or BUREAU OF CONVEYANCES in Document/Instrument No. 96-0004252.

And/or filed in the Office of the Assistant Registrar of the LAND COURT of the State of Hawaii as Document No. _____ and noted on Transfer Certificate of Title No _____ and deed dated _____.

And, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit for a one (1) story addition to an existing ohana unit. Upon completion, the recreation room and patio shall be used as an accessory to the existing principal single family dwelling and shall not contain a kitchen nor be used as a lodging unit.

on said property, we do hereby covenant and agree:

1. that the layout or use of the building will not be converted at a future date to some other layout or use which is illegal;

2. that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the Director and Building Superintendent, City and County of Honolulu.

Dated this 11th day of July, 19 97.

Signature of Owner Nyna Ralston

NYNA RALSTON
(Type owner's name)

Subscribed and sworn to before me this 11th day of July, 1997.

LS. [signature]
Notary Public, First Judicial Circuit
State of Hawaii
My Commission Expires: March 19, 2001

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 covey the property in "as is" condition.

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"

ESTIMATE OF INITIAL MAINTENANCE FEES
Dated: March 27, 2007

1. (a) PROJECT: 2244B and 2244C AULII STREET
2244B and 2244C Aulii Street
Honolulu, Hawaii 96817

(b) DEVELOPER: DEBORAH SUSAN K. MAI'I and
WILLIAM PUTMAN RALSTON, III
2244B Aulii Street
Honolulu, Hawaii 96817
Telephone: (808) 988-6042

(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 514B-148, HRS, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

EXHIBIT "1"

ESTIMATED OPERATING EXPENSES

For Period February 1, 2007 to January 31, 2008

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 514B-143 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.

Deborah Susan K Mai'i

DEBORAH SUSAN K. MAI'I

William Putman Ralston

WILLIAM PUTMAN RALSTON, III

"Developer"