

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

CONDOMINIUM PROJECT NAME	3476 KALIHI STREET CONDOMINIUM PROJECT
Project Address	3476 Kalihi Street, Honolulu, Hawaii 96819
Registration Number	6369 (Conversion)
Effective Date of Report	<b>October 25, 2007</b>
Developer(s)	Chris W. Y. Li Michael W. Donahue

**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.

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*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 ATTENTION

This is a CONDOMINIUM PROJECT, **not** a subdivision. 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.

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 City and County codes, ordinances, and subdivision requirements have necessarily been complied with.

Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

Prospective purchasers are advised that because of the disparity in the size of the two apartments that comprise the Project, the Declaration of Condominium Property Regime provides that 30% of the common interest is allocated to Apartment 3476-A and 70% of the common interest is allocated to Apartment 3476-B. The Project's By-Laws provide that the presence of a majority of owners will constitute a quorum for any meeting of the Association, which means that the owners of both Apartments will have to be present at a meeting to constitute a quorum. The By-Laws further provide that a vote by a majority of the common interests will control, which means that the owners of Apartment 3476-B will be able to amend the Declaration and By-Laws without the concurrence of the owners of Apartment 3476-A, but the owners of Apartment 3476-A will not be able to do so without the agreement of the owners of Apartment 3476-B. See Exhibit "M" attached hereto for an explanation of how the common interest was computed and allocated between the two Apartments.

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

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

## TABLE OF CONTENTS

	<u>Page</u>
5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance .....	14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance .....	14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing .....	14
5.7 Rights Under the Sales Contract .....	16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract .....	16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract .....	16
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed.....	17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change .	17
6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.....	18
EXHIBIT A: Amended Condominium Map	
EXHIBIT B: Parking Stall Assignment and Description	
EXHIBIT C: Schedule of Apartments and Common Interest	
EXHIBIT D: Common Elements	
EXHIBIT E: Limited Common Elements	
EXHIBIT F: Encumbrances Against Title	
EXHIBIT G: Verified Statement from County Official; Affidavit of Chris W. Y. Li	
EXHIBIT H: Developer's Declaration Re: Compliance With County Codes	
EXHIBIT I: Maintenance Fees	
EXHIBIT J: Specimen Deposit Receipt Offer and Acceptance	
EXHIBIT K: Summary of Portions of Escrow Agreement	
EXHIBIT L: Effect of Foreclosure on Purchaser's Interest and Deposit	
EXHIBIT M: Letter Re: Method of Computing Percentage of Common Interest	

## **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	<input checked="" type="checkbox"/> Fee Simple	<input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner		
Address of Project	3476 Kalihi Street, Honolulu, Hawaii 96819	
Address of Project is expected to change because	n/a	
Tax Map Key (TMK)	(1) 1-4-19-23	
Tax Map Key is expected to change because	n/a	
Land Area	35,066 square feet	
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	n/a	

**1.2 Buildings and Other Improvements**

Number of Buildings	2
Floors Per Building	1 floor (Apt. 3476-A); 2 floors (Apt. 3476-B)
Number of New Building(s)	0
Number of Converted Building(s)	2
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	wood

**1.3 Unit Types and Sizes of Units**

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
3476-A	1	3/2	1,155 sq. ft.		600 sq. ft. garage	1,755 sq. ft.
3476-B	1	7/5.5	5,626 sq. ft.			5,626 sq. ft.
See Exhibit A .						

2	<b>Total Number of Units</b>
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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:	10
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	4 to Apt. 3476-A; 6 to Apt. 3476-B
Attach Exhibit <u>B</u> 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. n/a	

**1.5 Boundaries of the Units**

Boundaries of the unit:  
The boundaries of the units are as depicted in the Amended Condominium Map which is attached hereto as Exhibit "A".

**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):  
Only as permitted by the Land Use Ordinance of the City and County of Honolulu. Upon each permanent improvement, an amendment to the Declaration of Condominium Property Regime and Condominium Map will be required in order to disclose actual improvements as a matter of public record.

**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:  
Described in Exhibit C.  
As follows:

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

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

**1.9 Common Elements**

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:  
 that portion of land set aside for the use of each owner of an apartment as set forth in the Condominium Map attached hereto as Exhibit "A" and described in Exhibit "C" attached hereto. NOTE: land areas referenced herein are not legally subdivided lots.

Common Element	Number
Elevators	
Stairways	
Trash Chutes	

**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.

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input type="checkbox"/>	Other:
<input checked="" type="checkbox"/>	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 F describes the encumbrances against title contained in the title report described below.

Date of the title report: May 9, 2007

Company that issued the title report: Title Guaranty of Hawaii, Inc.

**1.13 Uses Permitted by Zoning and Zoning Compliance Matters**

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
<input checked="" type="checkbox"/>	Residential	2	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	R-10
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Other(specify)		<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Variances to zoning code have been granted.			<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No		
Describe any variances that have been granted to zoning code.			in 1951, a variance (File No. 1951/Z-51) was granted to allow the construction of a 2nd dwelling		

**1.14 Other Zoning Compliance Matters**

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

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

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

**1.15 Conversions**

<p><b>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</b></p>	<p><input checked="" type="checkbox"/> <b>Applicable</b>  <input type="checkbox"/> <b>Not Applicable</b></p>
<p>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:  Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of the condominium apartments are presently sound and appear to be in satisfactory working condition.</p>	
<p>Developer's statement of the expected useful life of each item reported above:  Developer makes no representations regarding the expected useful life of each item reported above.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:  none</p>	
<p>Estimated cost of curing any violations described above:  n/a</p>	

<p><b>Verified Statement from a County Official</b></p>
<p>Regarding any converted structures in the project, attached as Exhibit <u>G</u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(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:</p> <ul style="list-style-type: none"> <li>(i) Any variances or other permits that have been granted to achieve compliance;</li> <li>(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</li> <li>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;</li> </ul> <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p> <p>Attached hereto as Exhibit "H" is the Developer's Declaration Re: Compliance With County Codes.</p>

**1.16 Project In Agricultural District**

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

**1.17 Project with Assisted Living Facility**

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

## 2. PERSONS CONNECTED WITH THE PROJECT

<p><b>2.1 Developer(s)</b></p>	<p>Name: Chris W. Y. Li and Michael W. Donahue</p> <p>Business Address: 885 Moaniala Street Honolulu, Hawaii 96821</p> <p>Business Phone Number: (808) 386-2513 E-mail Address: wingyChris@hotmail.com</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	<p>n/a</p>
<p><b>2.2 Real Estate Broker</b></p>	<p>Name: James Kometani, Inc. Business Address: 1259 S. Beretania St., Suite 5 Honolulu, Hawaii 96814</p> <p>Business Phone Number: (808) 591-8166 E-mail Address:</p>
<p><b>2.3 Escrow Depository</b></p>	<p>Name: Title Guaranty of Hawaii, Inc. Business Address: 235 Queen Street, First Floor, Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 521-0211</p>
<p><b>2.4 General Contractor</b></p>	<p>Name: n/a Business Address:</p> <p>Business Phone Number:</p>
<p><b>2.5 Condominium Managing Agent</b></p>	<p>Name: n/a - Project self-managed by the Association Business Address:</p> <p>Business Phone Number:</p>
<p><b>2.6 Attorney for Developer</b></p>	<p>Name: Kimo C. Leong Business Address: 737 Bishop Street, Suite 2060 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 528-2222 ext. 24</p>

### 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

#### 3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	April 16, 2007	3598039

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
none		

#### 3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	April 16, 2007	3598040

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
none		

#### 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	1887
Bureau of Conveyances Map Number	

Dates of Recordation of Amendments to the Condominium Map:  
The Condominium Map was amended by Amendment dated September 5, 2007 and filed in the Office of the Assistant Registrar of the Land Court as Document No. 3663233.

**3.4 House Rules**

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

The House Rules for this project:

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

**3.5 Changes to the Condominium Documents**

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

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

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

<input checked="" type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input type="checkbox"/>	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:

#### 4. CONDOMINIUM MANAGEMENT

##### 4.1 Management of the Common Elements

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

##### 4.2 Estimate of the Initial Maintenance Fees

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

##### 4.3 Utility Charges to be Included in the Maintenance Fee

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

##### 4.4 Utilities to be Separately Billed to Unit Owner

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

## 5. SALES DOCUMENTS

### 5.1 Sales Documents Filed with the Real Estate Commission

Sales Documents on file with the Commission include, but are not limited to, the following:	
<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit J contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: June 4, 2007 Name of Escrow Company: Title Guaranty of Hawaii, Inc. Exhibit K contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other

### 5.2 Sales to Owner-Occupants

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

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

### 5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

<input type="checkbox"/>	There are <u>no blanket liens</u> affecting title to the individual units.
<input checked="" type="checkbox"/>	There are <u>blanket liens</u> that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
mortgage	see Exhibit "L" attached hereto

### 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: none
Appliances: none

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

<p>Status of Construction:          Apartment 3476-A completed in 2001. Apartment 3476-B completed in 1959 and renovation completed in 2006.</p>
<p>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.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

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

**5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance**

<input checked="" type="checkbox"/>	<p>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.</p> <p>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.</p>
-------------------------------------	--

**5.6.2 Purchaser Deposits Will Be Disbursed Before Closing**

<p>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):</p>	
<input type="checkbox"/>	<p>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</p>
<input type="checkbox"/>	<p>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.</p>

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

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

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

n/a

## 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.	<b>Developer's Public Report</b>
2.	<b>Declaration of Condominium Property Regime (and any amendments)</b>
3.	<b>Bylaws of the Association of Unit Owners (and any amendments)</b>
4.	<b>Condominium Map (and any amendments)</b>
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](http://www.capitol.hawaii.gov)

Website to access rules: [www.hawaii.gov/dcca/har](http://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 30<sup>th</sup> 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

**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 paint hazards. A risk assessment or inspection for possible lead-based paint hazard is recommended prior to purchase". The Developer discloses that he does not have an assessment or inspections relating to lead-based paint.

**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, pollutant, 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 apartment 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.

**PARKING STALL RE-ASSIGNMENT:** Prospective purchasers are advised that Apartment 3476-A contains a 2-car garage and that it also has 2 open parking stalls assigned to it, however, those open stalls could be re-assigned by a majority vote of the Association of Apartment Owners.

**RESTRICTIVE COVENANT:** The property that comprises the Project is subject to a restrictive covenant (see Encumbrance No. 5 in Exhibit "F" attached hereto) that allows Apartment 3476-B to be used for one-family detached dwelling use only and no portion of that Apartment may be converted into a separate dwelling or lodging unit.

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.

Chris W. Y. Li and Michael W. Donahue

Printed Name of Developer

By:  6/4/07  
Duly Authorized Signatory\* Date

Chris W. Y. Li and Michael W. Donahue

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.**

Doc 3663233  
CTN 675,517  
OCT 02, 2007 11:00 AM

LAND COURT

REGULAR SYSTEM

Return by mail ( ) pickup (XX) to: 07k166  
AKAMAI FOR:  
Law Offices of Taylor, Leong & Chee  
737 Bishop Street, Suite 2060  
Honolulu, Hawaii 96813  
Telephone No. 528-2222

DEVELOPER NAME  
AND ADDRESS:

CHRIS WING YAN LI also known as  
CHRIS W. Y. LI and MICHAEL WILLIAM  
DONAHUE also known as MICHAEL W.  
DONAHUE; 885 Moaniala Street,  
Honolulu, Hawaii 96821

NAME OF DOCUMENT: AMENDED CONDOMINIUM MAP NO. 1887  
(3476 KALIHI STREET CONDOMINIUM  
PROJECT)

TAX MAP KEY NO.: 1-4-19-23  
Island/Unit No. Oahu/Apartment Nos. 3476-A and  
3476-B

(This document consists of 13 pages)

EXHIBIT A

07k395

AMENDED CONDOMINIUM MAP NO. 1887  
(3476 KALIHI STREET CONDOMINIUM PROJECT)

KNOW ALL PERSONS BY THESE PRESENTS:

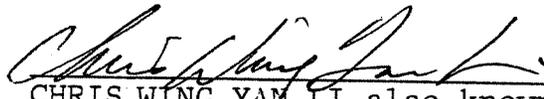
That the undersigned, being the President and Secretary of the Association of Apartment Owners of the 3476 Kalihi Street Condominium Project ("Project"), a condominium project situate on land described in that certain Declaration of Condominium Property Regime filed in the Office of the Assistant Registrar of the Land Court of the State of Hawai`i as Document No. 3598039 and noted on Transfer Certificate of Title No. 675,517, hereby consent to the first amendment of Condominium Map No. 1887, which is the Map depicting said condominium project, as follows:

1. To SUBSTITUTE the architect's verification, revised and enlarged site plan, and the enlarged floor plans and elevations attached hereto in place of the verification, site plan, floor plans and elevations originally attached to the Condominium Map, for the sake of clarity and legibility.

The undersigned verify that all of the apartment owners have consented to such amendment, as is shown in the Consent which is attached hereto as Exhibit "A".

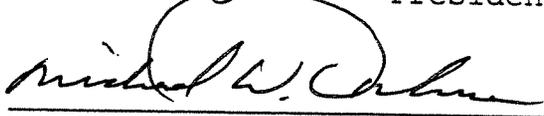
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DATED: Honolulu, Hawaii, SEP - 5 2007.



CHRIS WING YAM LI also known as  
CHRIS W.Y. LI President

*Handwritten initials*  
NP.



MICHAEL WILLIAM DONAHUE also known as  
MICHAEL W. DONAHUE Secretary

*Handwritten initials*  
NP.

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

On this 5 day of SEPTEMBER, 2007, before me personally appeared CHRIS WING YAN YI also known as CHRIS W. Y. LI, who, being by me duly sworn, did say that he is the President of the Association of Apartment Owners of the 3476 Kalihi Street Condominium Project, and that said instrument was signed on behalf of said Association by authority of its Board of Directors, and the said officer acknowledged said instrument to be the free act and deed of said Association.

LS.



Print name: **MICHELLE K. PORTLOCK**  
Notary Public, State of Hawaii  
My commission expires: **November 6, 2010**

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

On this 5 day of SEPTEMBER, 2007, before me personally appeared MICHAEL WILLIAM DONAHUE also known as MICHAEL W. DONAHUE, who, being by me duly sworn, did say that he is the Secretary of the Association of Apartment Owners of the 3476 Kalihi Street Condominium Project, and that said instrument was signed on behalf of said Association by authority of its Board of Directors, and the said officer acknowledged said instrument to be the free act and deed of said Association.

LS-



Print name: **MICHELLE K. PORTLOCK**  
Notary Public, State of Hawaii  
My commission expires: **November 6, 2010**

07k396

3476 KALIHI STREET  
CONDOMINIUM PROJECT CONSENT TO AMENDMENT  
OF DECLARATION, BY-LAWS AND CONDOMINIUM MAP

The undersigned, being all of the apartment owners of the 3476 Kalihi Street Condominium Project ("Project"), hereby consent to the first amendment of Condominium Map No. 1887 ("Map") as follows:

WHEREAS, the site plan attached to the original Condominium Map contained an error in that a portion of the improvements which comprise Apartment 3476-B is labeled as a garage, when in fact that area of the Apartment is not a garage; and

WHEREAS, the site plan, floor plans and elevations attached to the original Condominium Map were reduced to the paper size of 8.5 inches by 11 inches;

NOW, THEREFORE, the undersigned parties consent to an amendment of the Map in the following manner:

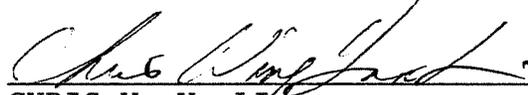
1. That the Map be amended to substitute: (a) a revised site plan which is enlarged and which deletes the word "garage" from the depiction of Apartment 3476-B in place of the original site plan; (b) revised floor plans and elevations which are enlarged in place of the original floor plans and elevations; and (c) architect's verification in place of the original architect's verification, for the sake of clarity and legibility.

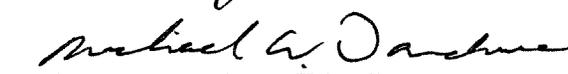
[the remainder of this page is intentionally left blank]

EXHIBIT A

SEP - 5 2007

DATED: Honolulu, Hawaii, \_\_\_\_\_ .

  
\_\_\_\_\_  
CHRIS W. Y. LI

  
\_\_\_\_\_  
MICHAEL W. DONAHUE

VERIFIED STATEMENT OF  
REGISTERED PROFESSIONAL ARCHITECT

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

DONALD R. BOTSAL, being first duly sworn on oath, certifies as follows:

1. That this statement is made pursuant to the requirements of §514B-34 of the Hawaii Revised Statutes.

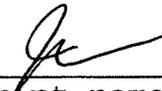
2. That I am a registered professional architect in the State of Hawaii and my license number is AR-6055.

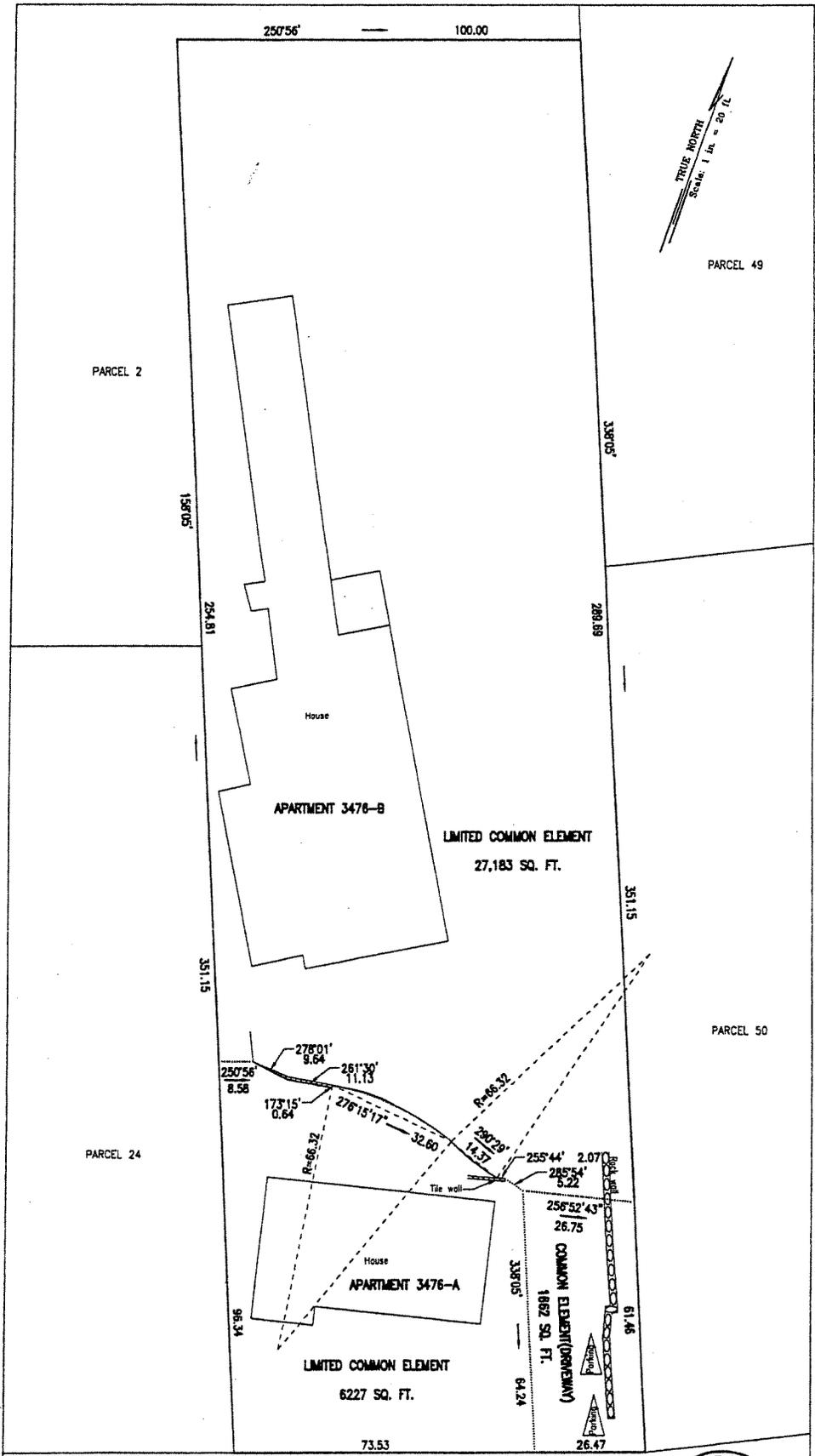
3. That to the best of my knowledge, information and belief, the attached Amended Condominium Map No. 1887, which is comprised of a site plan, floor plans and elevations of the 3476 Kalihi Street Condominium Project located at 3476 Kalihi Street, Honolulu, Hawaii (Tax Map Key No. (1) 1-4-19-23) fully and accurately depicts the layout, location, apartment numbers and dimensions of the apartments, as well as the land and yard area assigned to the apartments of said condominium project as built.



\_\_\_\_\_  
DONALD R. BOTSAL  
Registered Professional Architect  
License No. AR-6055

Subscribed and sworn to before me this  
5<sup>th</sup> day of September, 2007.

  
\_\_\_\_\_  
Print name: Janet S. In  
Notary Public, State of Hawaii  
My commission expires: 7/29/2011



CONDOMINIUM MAP  
 "3476 Kalihī Street Condominium Project"  
 Kalihī Valley, Honolulu, Oahu, Hawaii  
 Date: April 4, 2007  
 Tax Map Key: 1-4-19: 23



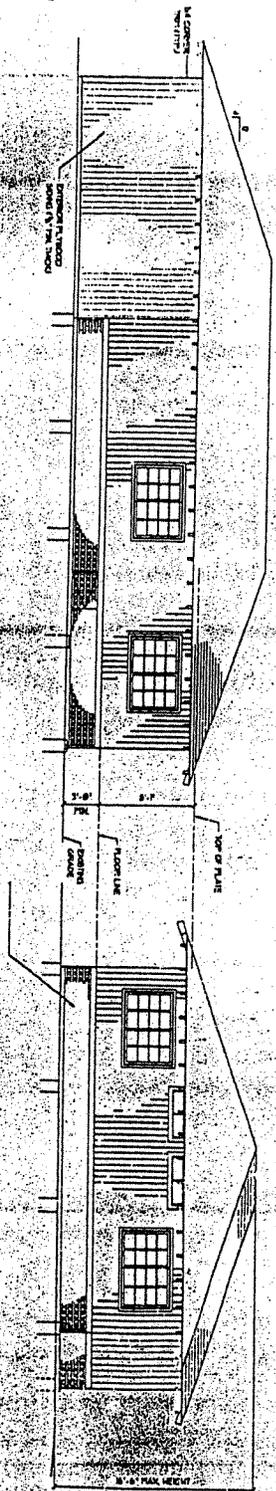
This work was prepared by me or under my supervision

WESLEY T. TENGAN  
 LICENSED PROFESSIONAL LAND SURVEYOR  
 Certificate Number 6958

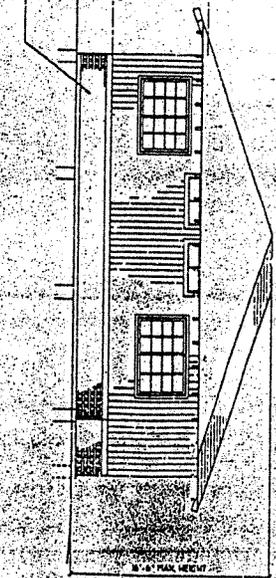
Note: This is a condominium map, not a subdivision map. The dotted lines shown on the plot plan are for illustration purposes only, and merely serve to delineate the boundaries of the limited common element land areas belonging to each respective condominium unit. These land areas are not legally subdivided lots.



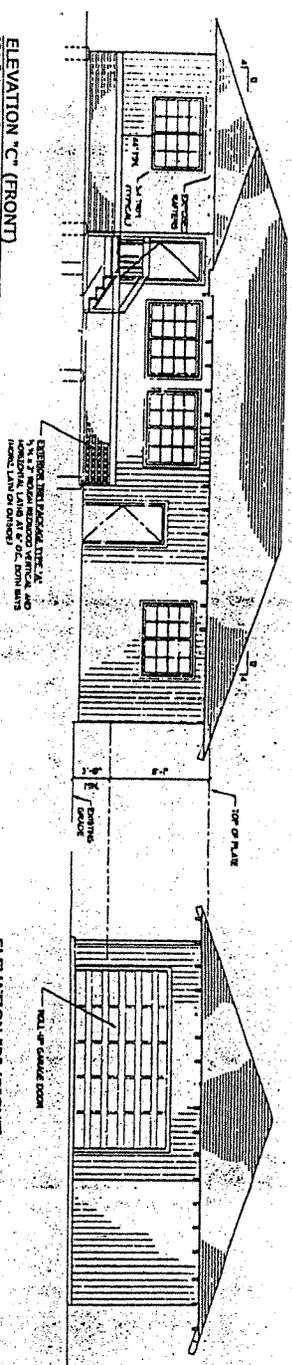
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SCALE: 1/8" = 1'-0"



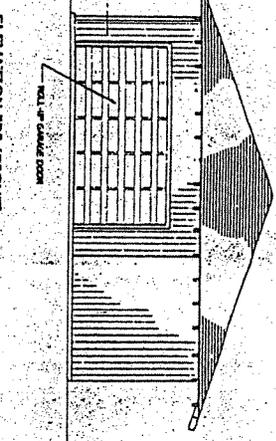
ELEVATION "D" (LEFT)  
SCALE: 1/8" = 1'-0"



ELEVATION "C" (FRONT)  
SCALE: 1/8" = 1'-0"



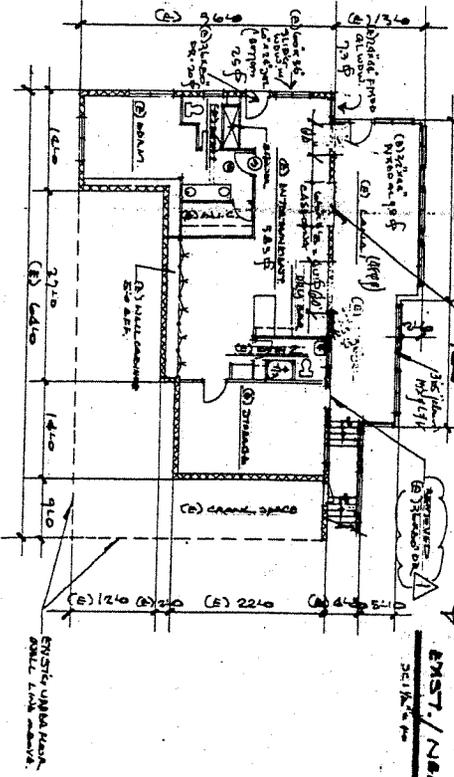
ELEVATION "B" (RIGHT)  
SCALE: 1/8" = 1'-0"



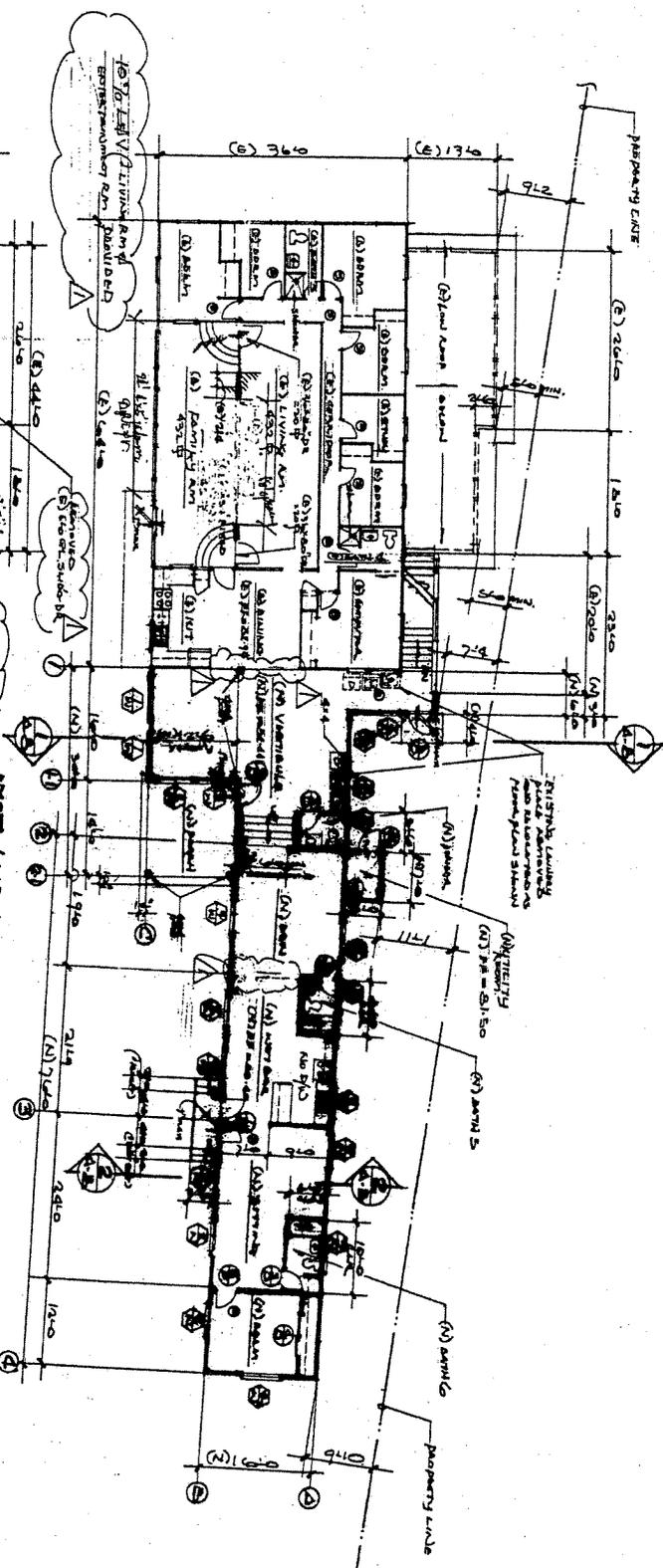
	PROJECT: 3476 KALIHU STREET HONOLULU, HAWAII TAX MAP KEY: 1-4-019-023	DATE: 5/14/14 REVISION:	THIS WORK WAS PREPARED BY ME OR UNDER MY SUPERVISION AND QUALIFICATION OF THIS PROJECT WILL BE UNDER MY SUPERVISION.  David L. Smith 5/14/14
	SHEET TITLE: EXTERIOR ELEVATION	DATE:	

3476 KALIHU STREET  
 CONDOMINIUM PROJECT  
 APARTMENT 3476-A

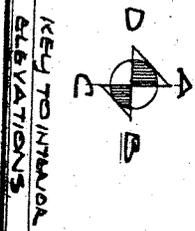
**EXIST. LOWER FLOOR PLAN**



**EXIST./NEW ADDITION UPPER FLOOR PLAN**



- LEGEND**
- (E) Existing structure to be demolished.
  - (N) New structure to be added.
  - (S) New structural steel.
  - (C) Existing concrete structure.
  - (D) Existing structural steel.
  - (M) Existing masonry structure.
  - (W) Existing wood structure.
  - (G) Existing glass structure.
  - (I) Existing iron structure.
  - (O) Existing other structure.

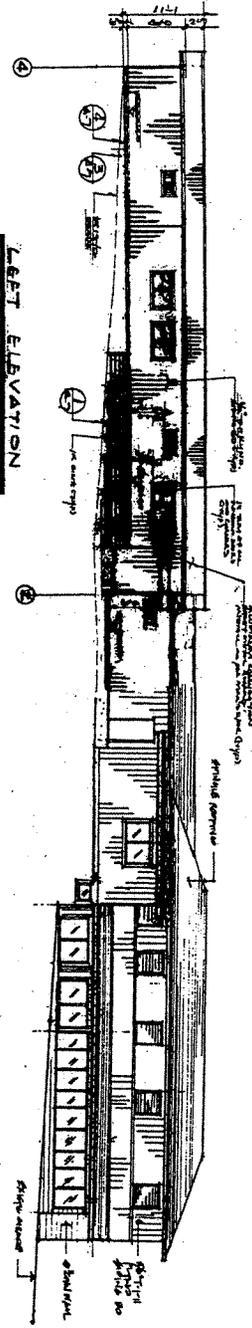


**APPROVED**  
DPP

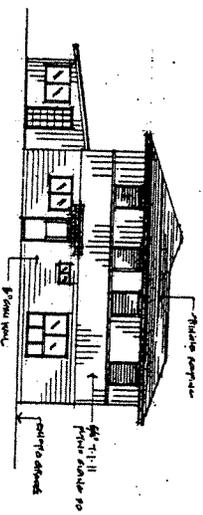
NO. 1	NEW ADDITION DRAWING	FOR
NO. 2	APPROVED	
NO. 3	APPROVED	
NO. 4	APPROVED	
NO. 5	APPROVED	
NO. 6	APPROVED	
NO. 7	APPROVED	
NO. 8	APPROVED	
NO. 9	APPROVED	
NO. 10	APPROVED	

THIS DRAWING WAS PREPARED BY ME OR UNDER MY SUPERVISION AND CONSTRUCTION OF THIS PROJECT WILL BE UNDER MY OBSERVATION.

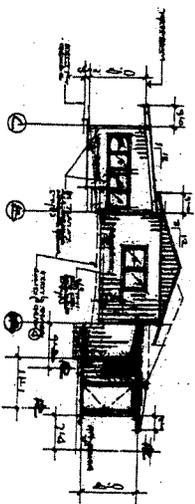




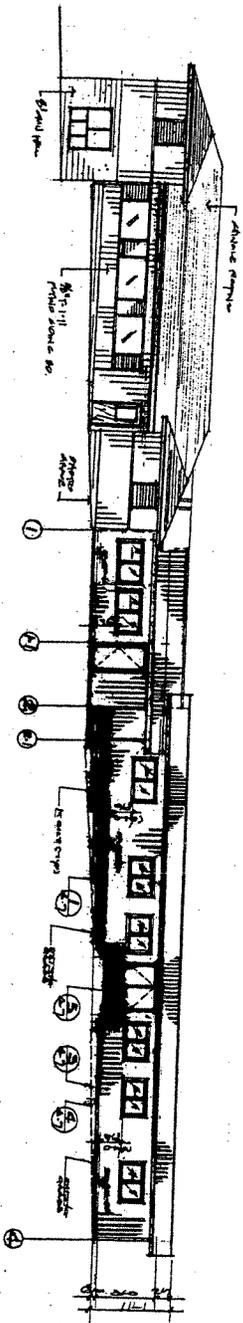
LEFT ELEVATION



FRONT ELEVATION



REAR ELEVATION



RIGHT ELEVATION

3476 KALIHI STREET  
 CONDOMINIUM PROJECT  
 APARTMENT 3476-B

APPROVED  
 DPP

NEW ADDITION DWELLING FOR
OWNER LI / MICHAEL DEBARIUS
SECTION B KALIHI STREET
PERMIT NO. 150-19123
DATE 1-6-19123

THIS DRAWING WAS PREPARED BY ME  
 OR UNDER MY SUPERVISION AND  
 CONSTRUCTION OF THIS PROJECT  
 WILL BE UNDER MY OBSERVATION

*[Signature]*



NO.	DATE	REVISIONS

EXHIBIT B

PARKING STALL ASSIGNMENT AND DESCRIPTION

The Project contains a total of eight (8) uncovered parking stalls. The stalls are unmarked to allow for flexibility in parking vehicles.

Two (2) of the stalls are located on the driveway which is designated as a common element, as shown on the Condominium Map which is attached hereto as Exhibit "A". These 2 open stalls are presently assigned for the exclusive use of the owners of Apartment 3476-A, as is shown on the attached Assignment of Parking Stalls dated May 22, 2007. Apartment 3476-A also contains an attached two (2) car garage of approximately 600 square feet.

Six (6) of the stalls are located on the paved portion of the limited common element appurtenant to Apartment 3476-B. These stalls are for the exclusive use of the owners of Apartment 3476-B.

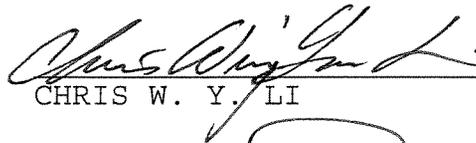
ASSIGNMENT OF PARKING STALLS

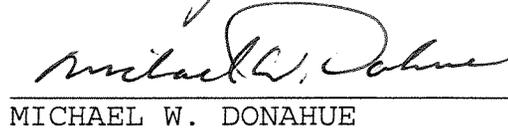
WHEREAS, the 3476 Kalihi Street Condominium Project (hereinafter referred to as the "Project"), contains a driveway which is designated as a common element, as shown on Condominium Map No. 1887. Said driveway contains two (2) open parking stalls, which stalls are depicted on said Condominium Map;

NOW, THEREFORE, the undersigned, who are the Owners/Developers of the Project, hereby assign the two (2) open parking stalls which are located on the driveway the exclusive use of the owners of Apartment 3476-A.

After the sale of either or both of the apartments by the Developer, the Association of Apartment Owners may change the assignment of parking stalls by appropriate action.

DATED: Honolulu, Hawaii, May 22, 2007.

  
CHRIS W. Y. LI

  
MICHAEL W. DONAHUE

END OF EXHIBIT B

EXHIBIT C

SCHEDULE OF APARTMENTS AND COMMON INTERESTS  
 FOR THE 3476 KALIHI STREET CONDOMINIUM PROJECT

QTY	APT. NO.	AREA OF LIMITED COMMON ELEMENT (SQ. FT.)	NO. OF BR/BATH	APPX NET LIVING AREA (SQ. FT.)	% OF COMMON INT.
1	3476-A	6,227	3/2	1,155	30%
1	3476-B	27,183	7/5.5	5,626	70%

Both apartments are wood-frame residential dwellings. The common interest appurtenant to each apartment shall be permanent.

EXHIBIT D

COMMON ELEMENTS

One freehold estate is hereby designated of all the remaining portions of the 3476 Kalihi Street Condominium Project, herein referred to as "common elements", including specifically, but not limited to:

- (1) The land in fee simple;
- (2) The common driveway as so designated on the Condominium Map;
- (3) All ducts, electrical equipment, wiring and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;
- (4) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof, except as provided in the Condominium Property Act. Any such partition or division shall be subject to the prior consent thereto by the holder(s) of all mortgage(s) of any apartment which are filed of record.

EXHIBIT E

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are hereby designated and set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

The immediate land and yard area upon and around each apartment as located, the boundaries of which are as so shown and designated on the Condominium Map.

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes, if any, that may be due and owing.

Tax Key: (1) 1-4-019-023      Area Assessed: 35,066 sq. ft.

2. Structure position discrepancies as shown on the survey map prepared by Wesley T. Tengan, Land Surveyor, with Wesley T. Tengan, dated September 19, 2003.

-Note:- Title Company will, in its ALTA Loan Policy to insured lenders, issue its endorsement covering this item.

3. MORTGAGE

LOAN/ACCOUNT NO. 9205007085

MORTGAGOR : CHRIS WING YAN LI, unmarried

MORTGAGEE : MORTGAGE ELECTRONIC REGISTRATION SYSTEM, INC.,  
solely as a nominee for FIRST MAGNUS FINANCIAL  
CORPORATION, an Arizona corporation

DATED : October 20, 2003

FILED : Land Court Document No. 3014733

AMOUNT : \$521,000.00

4. The terms and provisions contained in the following:

INSTRUMENT : PARTY WALL AGREEMENT

DATED : October 24, 2003

FILED : Land Court Document No. 3022215

PARTIES : PATRICK WILLIAM WEEKS and MARNIE NORTON WEEKS,  
husband and wife, PATRACINIO ASUNCION DOMINGO and  
EDNA ASUNCION DOMINGO, husband and wife, RODIL  
MASAYOSHI SARAGOZA and JESSICA BETH SARAGOZA,  
husband and wife, ANDREW JOHN SOUZA and ROXANN  
SOUZA, husband and wife, DARYL MICHAEL SABOURIN,  
unmarried, and JAMES EDWARD BRACKIN and BRANDIE  
JOYCE BRACKIN, husband and wife, "First Party", and  
CHRIS WING YAN LI, unmarried, "Second Party"

5. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF RESTRICTIVE COVENANT

DATED : August 30, 2004

FILED : Land Court Document No. 3161675

6. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR  
"3476 KALIHI STREET CONDOMINIUM PROJECT"  
CONDOMINIUM PROJECT

DATED : April 16, 2007

FILED : Land Court Document No. 3598039

MAP : 1887 and any amendments thereto

7. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : --- (acknowledged April 16, 2007)

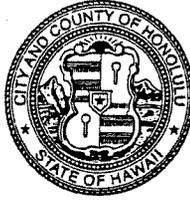
FILED : Land Court Document No. 3598040

END OF EXHIBIT F

DEPARTMENT OF PLANNING AND PERMIT. 3  
**CITY AND COUNTY OF HONOLULU**

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

MUFI HANNEMANN  
MAYOR



HENRY ENG, FAICP  
DIRECTOR

DAVID K. TANOUE  
DEPUTY DIRECTOR

2006/ELOG-1986(EE)

December 13, 2006

Kimo C. Leong, Esq.  
Law Offices of Taylor, Leong & Chee  
737 Bishop Street, Suite 2060  
Honolulu, Hawaii 96813

Dear Mr. Leong:

Subject: Condominium Conversion Project  
3476 Kalihi Street  
Tax Map Key (TMK): 1-4-019: 023

This is in response to your letter dated August 8, 2006, requesting verification that the structures on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story single-family detached dwelling at 3476B Kalihi Street and the one-story single-family detached dwelling at 3476A Kalihi Street with at least eight (8) all-weather-surface off-street parking spaces and driveways met all applicable code requirements when they were constructed in 1959 and 2001, respectively, on this 35,065 square-foot R-10 Residential District zoned lot.

Investigation also revealed the following:

1. On September 13, 1951, a zoning variance (File No. 1951/Z-51) was approved to construct a second dwelling.
2. On January 10, 1980, a subdivision (File No. 79/SUB-310) was approved to consolidate and resubdivide Lots 1-A-7-B and 48-A as shown on Maps 23 and 68, respectively, of Land Court Application 834 into two (2) lots for the purpose of readjustment of boundaries: Lot A of 2.500 acres and Lot B of 0.805 acre. Presently, the two (2) single-family detached dwellings are on Lot B (TMK: 1-4-019: 023).

EXHIBIT G

APR - 2 2007

Kimo C. Leong, Esq.  
Law Offices of Taylor, Leong & Chee  
December 13, 2006  
Page 2

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

doc502318

07k260

AFFIDAVIT OF CHRIS W. Y. LI

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

CHRIS W. Y. LI, being first duly sworn on oath, deposes and says:

1. That I am an Owner/Developer of the 3476 Kalihi Street Condominium Project ("Project") and I make this affidavit based upon personal knowledge.

2. That my attorney has advised me of the provisions of §514B-84(a)(2) of the Hawaii Revised Statutes.

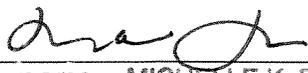
3. That attached hereto as Exhibit "G" is a true and correct copy of a letter dated December 13, 2006 from the Director of the Department of Planning and Permitting of the City and County of Honolulu.

4. That I hereby affirm that since December 13, 2006, there have been no changes in, renovations of, or alterations to any of the uses, structures and/or real property (land) that comprise the Project.

Further affiant sayeth naught.

  
CHRIS W. Y. LI

Subscribed and sworn to before me this  
4 day of JUNE, 2007.

*L.S.*   
Print name: MICHELLE K. PORTLOCK  
Notary Public, State of Hawaii  
My commission expires: **November 6, 2010**

END OF EXHIBIT G

07k288

DEVELOPER'S DECLARATION RE: COMPLIANCE WITH COUNTY CODES

3476 Kalihi Street  
Condominium Project

Pursuant to §§ 514B-54 and 514B-83, Hawaii Revised Statutes  
Condominium Property Act

---

Based on the attached letter dated December 13, 2006 from the Director of the Department of Planning and Permitting of the City and County of Honolulu, it is the Developer's opinion that the 3476 Kalihi Street Condominium Project is in compliance with all City and County of Honolulu zoning and building ordinances and codes and other permitting requirements.

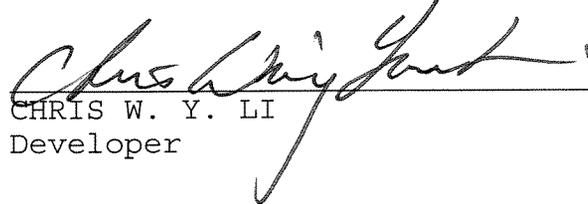
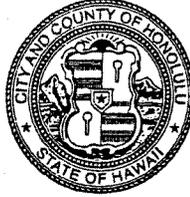
  
CHRIS W. Y. LI  
Developer

EXHIBIT H

DEPARTMENT OF PLANNING AND PERMIT 3  
**CITY AND COUNTY OF HONOLULU**

650 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
TELEPHONE: (808) 523-4432 • FAX: (808) 527-6743  
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MUFI HANNEMANN  
MAYOR



HENRY ENG, FAICP  
DIRECTOR

DAVID K. TANOUE  
DEPUTY DIRECTOR

2006/ELOG-1986(EE)

December 13, 2006

Kimo C. Leong, Esq.  
Law Offices of Taylor, Leong & Chee  
737 Bishop Street, Suite 2060  
Honolulu, Hawaii 96813

Dear Mr. Leong:

Subject: Condominium Conversion Project  
3476 Kalihi Street  
Tax Map Key (TMK): 1-4-019: 023

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APR - 2 2007

Kimo C. Leong, Esq.  
Law Offices of Taylor, Leong & Chee  
December 13, 2006  
Page 2

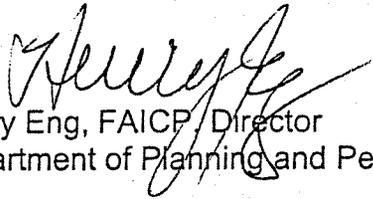
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If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 527-6341.

Very truly yours,



Henry Eng, FAICP, Director  
Department of Planning and Permitting

HE:ft

doc502318

EXHIBIT I

ESTIMATE OF INITIAL MAINTENANCE FEES  
AND  
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
3476-A	\$0.00
3476-B	\$0.00

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

**Estimate of Maintenance Fee Disbursements:**

Monthly Fee x 12 months = Yearly Total

Utilities and Services All utilities are separately metered.

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

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(\*)

Taxes and Government Assessments

Audit Fees

Other

TOTAL

I, Chris W. Y. Li, as agent for and/or employed by ~~xxxxxxxxxxxxxxxxxxxxxxxxxxxxxxxx~~ the ~~condominium managing agent~~/developer for the 3476 Kalihi Street condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

  
Signature

SEP - 5 2007  
Date

(\*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with Sect. 514B-148(a), HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to Sec. 514B-148(a), HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.



DEPOSIT RECEIPT OFFER AND ACCEPTANCE (DROA)
Hawaii Association of Realtors® Standard Form
Revised 6/06 For Release 11/06



COPYRIGHT AND TRADEMARK NOTICE: This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

Reviewed by: \_\_\_\_\_
Principal Broker/Broker-in-Charge

Reference Date: \_\_\_\_\_

Property Reference or Address: 3476 B Kalihi Street
Honolulu, HI 96819

CONTRACT: THIS IS MORE THAN A RECEIPT FOR MONEY. IT IS A LEGALLY BINDING CONTRACT. READ IT CAREFULLY. HANDWRITTEN OR TYPED PROVISIONS HEREIN SHALL SUPERSEDE ANY PRINTED PROVISIONS IF THERE IS A CONFLICT. FILL IN ALL BLANKS. WRITE "NA" IF NOT APPLICABLE. SECTIONS AND PARAGRAPHS WITH CHECK-OFF BOXES ARE OPTIONAL, ALL OTHERS ARE STANDARD PROVISIONS.

SECTION A: AGENCY DISCLOSURE

A-1 AGENCY. The Buyer and/or Seller in a real estate transaction in Hawaii may retain a real estate Brokerage Firm as their agent. In such case, the Buyer and/or Seller is represented by the Brokerage Firm and all of its licensees. Hawaii law requires real estate licensees to disclose orally or in writing to Seller and/or Buyer whom the licensee represents. The form of representation may be one of the following:

- (a) Seller's Agent. Brokerage Firm represents Seller only unless a disclosed dual agency exists. Seller's Agent owes the highest duties to Seller, including confidentiality, loyalty, and utmost care.
(b) Buyer's Agent. Brokerage Firm represents Buyer only unless a disclosed dual agency exists. Buyer's Agent owes the highest duties to Buyer, including confidentiality, loyalty, and utmost care.
(c) Dual Agent. Brokerage Firm represents both Buyer and Seller. This commonly occurs when licensees in the Brokerage Firm representing Seller have Buyer clients looking for types of property similar to Seller's property. In such event, the Brokerage Firm and all of its licensees represent both Buyer and Seller and are dual agents. Dual agents must remain neutral in negotiations and must not advance the interest of one party over the other. A separate Dual Agency Agreement is required under Hawaii law.
(d) No Agency Representation (see A-2 below)

A-2 DISCLOSURE.

- (a) Seller Representation: Seller is represented by the Brokerage Firm James Kometani, Inc. and all its licensees. Brokerage Firm is [X] is not [ ] a member of the National Association of REALTORS®.
(b) Buyer Representation: Buyer is represented by the Brokerage Firm 1259 S. Beretania Street Suite 5, and all its licensees. Brokerage Firm is [ ] is not [ ] a member of the National Association of REALTORS®.
(c) Dual Agency Representation: Seller and Buyer are represented by the Brokerage Firm \_\_\_\_\_ Brokerage Firm is [ ] is not [ ] a member of the National Association of REALTORS®. A separate Dual Agency Agreement is required.
(d) No Agency Representation:
[ ] Seller is a Customer and is not represented by a Brokerage Firm.
[ ] Buyer is a Customer and is not represented by a Brokerage Firm.
It is recommended that Customers seek legal counsel prior to signing a DROA.

If requested, a licensee may present a Customer's DROA to Seller and report Seller's response. A licensee cannot, however, negotiate for or otherwise advise a Customer in the transaction.

Buyer and Seller acknowledge that oral or written disclosure relative to agency representation was provided to them before the signing of this DROA.

\_\_\_\_\_ (Buyer's initials) \_\_\_\_\_ (Seller's initials)

NAR Code of Ethics: Buyer and Seller are aware that the National Association of REALTORS® holds its members accountable for their actions through a strict Professional Code of Ethics, which includes a grievance system to address complaints. Non-members are not held to the same standards as members, nor are they required to participate in the grievance system.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE



SECTION B: DEPOSIT RECEIPT

Received from \_\_\_\_\_, the "Buyer," the sum of \$ 1,000.00
in the form of uncashed cashier's check as an initial earnest money deposit.
Acknowledged by \_\_\_\_\_ Agent's name: \_\_\_\_\_
(Signature of Broker or Salesperson) kome.js@hawaiiantel.ne
Bus. 808-591-8166 Fax 808-591-9160 Cell 808-330-8166 E-mail t
Brokerage Firm/Address: 1259 S. Beretania Street Suite 5,

[ x ] B-1 The initial deposit check shall remain uncashed, shall be retained by the Brokerage Firm assisting Buyer, and shall be deposited with Escrow or in a trust fund account by the next business day after the Acceptance Date.

INTEREST ON DEPOSIT FUNDS

(Choose B-2 OR B-3).

[ na ] B-2 Buyer to Earn Interest. The parties instruct Escrow to place Buyer's deposit(s) into an interest-bearing account with all interest to be credited to Buyer at closing. Buyer shall pay any processing fee required by Escrow and all costs of setting up, maintaining and closing the account. Fees/costs may exceed the interest earned.
[ x ] B-3 Buyer not to Earn Interest. Buyer hereby waives the right to place Buyer's deposits in an interest-bearing account. Buyer understands any interest earned on such deposits shall belong to Escrow.

SECTION C: ADDENDA AND OFFER

ADDENDA. The following addenda, if checked, are attached to and made a part of this DROA.

- [ x ] Existing "As Is" Condition [ ] Lead Based Paint
[ ] Residential Leasehold Property [ ] Dual Agency
[ ] Standard Oceanfront Property [ ] VA Financing
[ ] FHA Financing/Real Estate Certification [ ] 1031 Exchange
[ ] Agreement to Occupy Prior to Close of Escrow [ ] Rental Agreement
[ ] Plain Language [ ] Purchase Money Mortgage
[ ] Agreement of Sale [ ] Short Sale
[ ] Other [ ] Other
[ ] Other [ ] Other

OFFER TO BUY. Buyer offers to buy the Property described below on the terms and conditions contained herein, acknowledges receipt of a copy, and agrees that this Offer shall be binding if accepted by Seller on or before:

Date \_\_\_\_\_ Time \_\_\_\_\_ [ ] AM/[ ] PM.

C-1 Purchase price for the Property is \$ \_\_\_\_\_ U.S. Dollars, paid as follows:

\$ 1,000.00 Initial deposit from Section B above.
\$ \_\_\_\_\_ Additional deposit, if any, paid into Escrow on or before \_\_\_\_\_
\$ \_\_\_\_\_ Balance of down payment (or balance of purchase price if all cash) paid into Escrow before closing.

\$ \_\_\_\_\_ TOTAL CASH FUNDS FROM BUYER (exclusive of closing costs).
\$ \_\_\_\_\_ By way of new conventional financing from a reputable lending institution at prevailing interest rates amortized over 30 years.

\$ \_\_\_\_\_
\$ \_\_\_\_\_
\$ \_\_\_\_\_ TOTAL PURCHASE PRICE

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

C-2 **Description:** Tax Map Key: Div. 1 /Zone 1 /Sec. 4 /Plat 19 /Parcel 23 /CPR B (if applicable).  
All of that Fee Simple Property situated at: 3476 B Kalihi Street, Honolulu, HI 96819  
leasehold/fee simple

Described as follows: 2-unit, fee simple condominium project situate on a 35,066 sq. ft. lot.  
Apt. 3476-A contains 3 bedrooms and 2 baths. Apt. 3476-B contains 7 bedrooms and 3 baths.

C-3 **Sale Includes:** All built-in furniture, attached existing fixtures, built-in appliances, water heater, electrical and/or gas and plumbing fixtures, attached carpeting, and the following indicated items:

<input checked="" type="checkbox"/> Range	<input type="checkbox"/> Microwave	<input checked="" type="checkbox"/> Refrigerator	<input checked="" type="checkbox"/> Smoke/Heat Detectors
<input checked="" type="checkbox"/> Disposal	<input checked="" type="checkbox"/> Washer	<input checked="" type="checkbox"/> Dryer	<input type="checkbox"/> Existing Window Coverings
<input type="checkbox"/> Dishwasher	<input type="checkbox"/> Ceiling Fan	<input type="checkbox"/> Chandelier	<input type="checkbox"/> Solar Heating System
<input type="checkbox"/> Air Conditioner	<input type="checkbox"/> TV Antenna	<input type="checkbox"/> TV Cable Outlet	<input type="checkbox"/> Automatic Gate/Door Openers
<input type="checkbox"/> Sprinkler System	<input type="checkbox"/> Security Alarm	<input type="checkbox"/> All Pool Equipment	<input type="checkbox"/> Furnishings per Inventory
<input type="checkbox"/> Other _____			

C-4 **Specifically Excluded:**

**CLOSING**

C-5 For purposes of this DROA, closing shall be the date when all appropriate conveyance documents are recorded. Buyer and Seller agree to promptly execute appropriate or customary documents when requested by Escrow.

C-6 The "Scheduled Closing Date" shall be on or before \_\_\_\_\_

**(Choose C-7 OR C-8) Any Change to the Scheduled Closing Date Shall Be Handled as Follows:**

C-7 **Extensions.** There is no automatic right to extend. If, for reasons beyond a Buyer's or Seller's control, a party cannot perform the obligation to close by the Scheduled Closing Date, then such party may extend the Scheduled Closing Date up to 15 days by delivery of written notice to the other party prior to the Scheduled Closing Date. Thereafter, time shall be of the essence and if a party fails to perform by the extended Scheduled Closing Date, such party shall be considered in default and the Default Provision shall apply. The extended Scheduled Closing Date may not be further extended unless both Buyer and Seller so agree in writing. This provision relates only to the extension of the Scheduled Closing Date.

C-8 **Time is of the essence** and the Scheduled Closing Date may not be extended unless both Buyer and Seller so agree in writing.

C-9 **Escrow.** This transaction shall be escrowed by: Title Guaranty Escrow: Main Offic ("Escrow").  
Ann Ogino, escrow officer

The parties shall timely provide to Escrow fully executed copies of all notices, receipts, responses (approvals and disapprovals), acknowledgments and extensions which are part of this transaction.

C-10 **Prorations and Closing Adjustments.** At closing, Escrow shall prorate the following, if applicable, as of the date of closing: real property tax, lease rents, interest on assumed obligations, mortgage and other insurance premiums, maintenance, private sewer, marina, and/or association fees, tenant rents, and \_\_\_\_\_  
When applicable, Escrow shall charge to Seller and credit to Buyer the amount of any tenant's security deposit.

C-11 **Closing Costs.** The following are customary closing costs (including Hawaii General Excise Tax where applicable) and are not intended to be an all-inclusive list. Escrow may charge the appropriate party other closing costs as directed by the parties.

**Charge to Buyer, if applicable:**

40% of the premium for standard coverage title insurance  
and any additional costs relating to the issuance of  
extended coverage policy (including a lender's policy)  
Cost of drafting mortgage and note or agreement of sale  
Cost of obtaining Buyer's consents  
Buyer's notary fees  
All recording fees except documents to clear Seller's title  
50% of Escrow fee  
Condominium and Association ownership transfer fees  
FHA or VA discount points and any mortgage fees

**Charge to Seller, if applicable:**

60% of the premium for standard coverage title insurance  
Cost of drafting of conveyance documents and bills of sale  
Cost of obtaining Seller's consents  
50% of Escrow fee  
Seller's notary fees  
Cost of required staking or survey  
Recording fees to clear Seller's title  
FHA or VA mandatory closing fees  
Conveyance tax  
FIRPTA (Federal withholding tax)  
HARPTA (State withholding tax)

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

**ASSESSMENTS**

For purposes of Paragraphs C-12, C-13, and C-14, an assessment is defined as any obligation (not including prorations in Paragraph C-10) levied against the Property by a homeowner's association, governmental body, or any other entity with a legal right to assess. Assessments, if any, shall be charged as follows:

- C-12 Any lump sum assessments levied against the Property prior to the Acceptance Date shall be paid by Seller [ X ] or assumed by Buyer [ ]. Exceptions, if any: None

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- C-13 Any assessments levied against the Property prior to the Acceptance Date which are being paid in installments shall be paid in full by Seller [ X ] or pro-rated by Escrow as of the date of closing [ ]. Exceptions, if any: None

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- C-14 If a new assessment is authorized against the Property between the Acceptance Date and the Scheduled Closing Date, such assessment shall be paid as Buyer and Seller shall agree. If Buyer and Seller cannot reach an agreement within five (5) days of both parties being aware of the new assessment, either party may terminate this DROA and the Termination Provision (C-21) shall apply.

**OTHER CLOSING MATTERS**

- C-15 **Risk of Loss.** Risk of loss passes to Buyer upon closing or possession, whichever occurs sooner.
- C-16 **Consents.** Buyer and Seller may be required to obtain consents of lessors, homeowner or condominium associations, co-op boards, existing lenders, vendors or other entities. Buyer or Seller shall cooperate and take all reasonable action to obtain such consents.
- C-17 **Possession.** Seller shall give Buyer possession at closing or \_\_\_\_\_
- C-18 **Keys to the Property.** Seller, at Seller's sole cost and expense, shall provide Buyer at closing with all existing, but at least one set of functioning keys/controls (entry, interior, mail box, pool, security, parking area, and all garage door openers). **Buyer shall pay all deposits which may be required for any of these items.** Unless Buyer and Seller agree otherwise, all keys/controls and garage door openers shall be released to Buyer only after Escrow has verbally notified Seller or Seller's Agent that the closing has occurred.
- C-19 **Tenancy and Vesting.** Title shall vest in Buyer(s) as follows: (insert full legal name(s) and marital status)

Tenancy: \_\_\_\_\_

[ ] Tenancy to be determined. If Buyer has not yet determined the vesting and/or tenancy, Buyer shall provide Escrow in writing with the selected names and tenancy within fifteen (15) days after the Acceptance Date.

**CONTINGENCY PROCEDURES AND TERMINATION**

- C-20 **Contingencies.** Buyer's obligation to buy and Seller's obligation to sell the Property may be subject in this DROA to satisfaction of one or more conditions (each called a "Contingency"). As used in this DROA, the term "Benefited Party" shall mean (a) Buyer, as to each Contingency which must be satisfied before Buyer is required to close on the purchase of the Property from Seller; and (b) Seller, as to each Contingency which must be satisfied before Seller is required to close on the sale of the Property to Buyer. If a Contingency is not satisfied within the time period specified for meeting such Contingency ("Contingency Period"), the Benefited Party may elect (a) to terminate this DROA and the Termination Provision (C-21) shall apply; or (b) to waive the Contingency. **Unless otherwise specified in writing in this DROA contingencies shall expire at 11:59 PM, Hawaiian Standard Time, on the day the Contingency period expires.**
- C-21 **Termination.** If the Benefited Party elects to terminate this DROA because a Contingency for that party's benefit has not been satisfied, the Benefited Party must deliver to the other party a written notice terminating this DROA prior to the expiration of the Contingency Period, or such other termination period which may be set forth in a specific Contingency in this DROA. If the Benefited Party fails to deliver the written notice to the other party within such time period, the Contingency shall be deemed to be waived. Each party understands and acknowledges the requirement to act upon each Contingency according to the strict deadlines described herein.  
If a Benefited Party so terminates this DROA, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, and Escrow shall, unless otherwise agreed to in this DROA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligations under this DROA. This Section is subject to the special provisions for Financing Contingencies set forth in Paragraphs C-24 to C-27. Any termination under this DROA shall be in writing and delivered to the other party to be effective.

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

**CONTINGENCY FOR CASH FUNDS**

(Choose C-22 OR C-23)

- [ x ] C-22 **No Contingency for Obtaining "Cash Funds"**. Buyer represents that there are no contingencies to Buyer's obtaining the cash portions of the purchase price and closing costs to buy the Property (collectively the "Cash Funds"). Buyer shall neither delay nor extend the Scheduled Closing Date to obtain the Cash Funds.
- [ na ] C-23 **Contingency on Obtaining "Cash Funds"**. Buyer's obligation to buy the Property is subject to the following contingencies to Buyer obtaining the Cash Funds: \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**FINANCING CONTINGENCIES**

- [ x ] C-24 **Financing Contingency**. Buyer's obligation to buy the Property is contingent upon Buyer obtaining the loan described in this DROA ("Mortgage Loan"). If Buyer does not obtain a conditional loan commitment letter, or is unable to satisfy all conditions of the loan commitment letter within the time periods specified in Paragraph C-25, then Buyer may terminate this DROA and the Termination Provision (C-21) shall apply. Buyer may waive this Financing Contingency and purchase the Property on an all cash basis or increase the amount of CASH FUNDS to thereby satisfy all of Lender's requirements for funding the loan. If Buyer elects either of these two options, Buyer shall promptly provide written notice of such election to Seller, together with evidence of Buyer's ability to perform PRIOR to expiration of the time periods stated in Paragraph C-25.
- [ x ] C-25 **Buyer's Obligations**. Buyer shall act in good faith to obtain the loan as described in this DROA. Buyer is obligated to submit an application for a Mortgage Loan with required fees, and to deliver to Seller a pre-qualification letter within 5 days after the Acceptance Date. The pre-qualification letter shall state that Buyer is credit worthy and qualified for the loan subject to Lender's requirements. Buyer is obligated to deliver to Seller by \_\_\_\_\_ (Date) a conditional loan commitment letter which shall state that Buyer has been approved and Lender will make the loan under specified conditions. Buyer shall deliver to Seller written evidence that Buyer has satisfied all conditions specified by Lender except conditions which cannot be satisfied by Buyer until closing, such as payoff of Buyer's debt or receipt by Buyer of proceeds from the sale of Buyer's property, not later than 15 days after issuance of such commitment letter. Buyer authorizes Seller and Seller's Agent to contact Buyer's Lender and Escrow regarding the status of Buyer's loan, including commitment letter and satisfaction of conditions.
- C-26 **Seller's Right to Cancel**. Should Buyer fail to satisfy any obligation under C-25 within the time period specified, Seller shall have the right to terminate this DROA by providing written notice to Buyer. In the event of notice of termination by the Seller, Buyer and Seller shall promptly execute all cancellation documents requested by Escrow, and Escrow shall, unless otherwise agreed to in this DROA, return to Buyer all deposits previously made, less the amount of any escrow expenses or fees chargeable to Buyer. Thereafter, neither Buyer nor Seller shall have any further rights or obligations under this DROA.
- [ na ] C-27 **Contingency on Assumption of Seller's Existing Mortgage(s)**. Buyer's obligation to buy the Property is subject to Buyer's assumption of Seller's existing loan(s) ("Seller's Mortgage") on the terms described in Paragraph C-1. Buyer shall make application to assume Seller's Mortgage within na days after the Acceptance Date and shall provide evidence of approval for the assumption no later than na days after the Acceptance Date. Buyer understands Seller does not warrant the assumability, the terms and conditions of Seller's Mortgage or the assumption terms. If the terms to assume Seller's Mortgage materially differ from those set forth in this DROA, then Buyer may either elect to terminate this DROA or to assume Seller's Mortgage on such terms. Buyer shall reimburse Seller at closing for Seller's existing reserve account balances. If a Lender does not release Seller from liability under Seller's Mortgage, Seller may elect to terminate this DROA and the Termination Provision (C-21) shall apply.

**DEFAULT PROVISIONS**

- C-28 In the event Buyer fails to perform Buyer's obligations under this DROA (Seller not being in default), Seller may (a) bring an action for damages for breach of contract, or (b) retain the initial deposit and all additional deposits provided for herein as liquidated damages, and Buyer shall be responsible for any costs incurred in accordance with this DROA.
- C-29 In the event Seller fails to perform Seller's obligations under this DROA (Buyer not being in default), Buyer may (a) bring an action for damages for breach of contract, (b) seek specific performance of this DROA, and (c) Seller shall be responsible for any costs incurred in accordance with this DROA.
- C-30 The foregoing shall not exclude any other remedies available under this DROA to either Seller or Buyer on account of the other party's default.
- C-31 In the event of default by a party and/or a legal action or arbitration (including a claim by a Broker for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorneys' fees.

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

**MEDIATION AND ARBITRATION**

- C-32 **Mediation.** If any dispute or claim arises out of this DROA during this transaction or at any time after closing between Buyer and Seller, or between Buyer and/or Seller and a Brokerage Firm and all its licensees assisting in this transaction, and the parties to such dispute or claim are unable to resolve the dispute, Buyer and Seller agree in good faith to attempt to settle such dispute or claim by non-binding mediation. This paragraph shall not apply to any complaint of unethical conduct against a Brokerage Firm and all its licensees who are obligated to comply with the Code of Ethics of the National Association of REALTORS®. Such complaints must be brought before the Local Board of REALTORS® of which the Brokerage Firm and all its licensees are members.
- C-33 **Arbitration.** If any dispute or claim arises out of this DROA during this transaction or at any time after closing, between Buyer and Seller, or between Buyer and/or Seller and a Brokerage Firm and all its licensees assisting in this transaction and if such dispute cannot be resolved through mediation, then the parties are encouraged to consider arbitration. It is recommended that the parties seek legal counsel to make this determination.
- C-34 **Third Party Claims.** It is understood that if such dispute or claim is made by or against a third party who is not obligated or willing to mediate or arbitrate such dispute or claim, then Buyer and Seller shall not be required to mediate or arbitrate such dispute or claim.

**TITLE**

**Preliminary Title Report.** Escrow is instructed to promptly order a Preliminary Title Report on the Property for delivery to Seller, Buyer and their agents.

- C-35 **Title.** Seller agrees, subject to Paragraph C-36 if selected, to convey the Property with warranties vesting marketable title in Buyer, free and clear of all liens and encumbrances EXCEPT: (a) easements, covenants, conditions, reservations or restrictions now of record **WHICH DO NOT MATERIALLY AFFECT THE VALUE OF THE PROPERTY** and (b) \_\_\_\_\_

**(Choose C-36 OR C-37)**

- C-36 If the Preliminary Title Report, or any other report reveals that title cannot be delivered by Seller in accordance with Paragraph C-35, Seller shall use Seller's best efforts to cure any defects. If, within 10 days following receipt of any reported discrepancies Seller is unable to cure such defects in title, Buyer may elect to purchase the Property with such defect(s) in title and Seller shall not be liable if Seller had acted in good faith. If Buyer elects not to accept the Property with such defects, either Buyer or Seller may terminate this DROA and the Termination Provision (C-21) shall apply.
- C-37 If Buyer is not satisfied with the Preliminary Title Report, Buyer may elect, within \_\_\_\_\_ days of Buyer's receipt of the Preliminary Title Report, to terminate this DROA and the Termination Provision (C-21) shall apply.

**TRANSACTIONS INVOLVING FOREIGN OR NON-RESIDENT BUYER AND SELLER**

- C-38 **HARPTA Withholding Required if Seller is a Non-Resident of the State of Hawaii.** Under Hawaii law, if Seller is a non-resident person or entity (corporation, partnership, trust, or estate) of the State of Hawaii, Buyer must withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward the amount with the appropriate form to the State Department of Taxation. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from HARPTA within fourteen (14) days of the Acceptance Date, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the State Department of Taxation.
- C-39 **FIRPTA Withholding Required if Seller is a Foreign Person.** Under the Internal Revenue Code, if Seller is a foreign person or entity (non-resident alien, corporation, partnership, trust, or estate), Buyer must generally withhold a specified percentage of the "amount realized" by Seller on the sale of the Property and forward this amount with the appropriate Internal Revenue Service ("IRS") form. Such withholding may not be required if Seller obtains and provides Buyer with an authorized exemption or waiver from withholding. If Seller does not provide Buyer with a certificate of exemption or waiver from FIRPTA within fourteen (14) days of Acceptance Date, Escrow is hereby authorized and instructed to withhold/collect from Seller the required amount at closing and forward it to the IRS.
- C-40 **Additional Disclosures Required by Foreign Buyers and Sellers.** Buyer and Seller understand that under statutes and ordinances such as the Agricultural Foreign Investment Disclosure Act of 1978, the International Investment and Trade in Services Survey Act, and the revised Ordinances of the City and County of Honolulu, among others, disclosures are required by foreign Buyers and/or Sellers under certain conditions.

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

**STAKING & SURVEY** This r /may not apply to condominiums or coope es.

(Choose C-41 OR C-42)

[ na ] C-41 **Staking (Boundary Markers).** Prior to the Scheduled Closing Date, Seller shall, at Seller's sole cost and expense, have a registered land surveyor stake the Property. Buyer may have a registered land surveyor verify the accuracy of the location of the stakes prior to closing. Seller shall reimburse Buyer for the cost of this verification at closing ONLY if the location of the original stakes proves to be inaccurate. Buyer understands that staking is not the same type of survey as described in Paragraph C-42, and does not confirm the accuracy of the description or the land area of Property, or the existence or absence of encroachments onto the Property or onto a neighboring property.

[ x ] C-42 **Survey.** Prior to the Scheduled Closing Date, Seller shall, at Seller's sole cost and expense, have a registered land surveyor (a) stake the Property even if the stakes are visible and, (b) if improvements exist along the Property line, provide Buyer with a map (with surveyor's stamp) and accompanying report to show the perimeters of the Property and the location of any improvements in the vicinity of the perimeter Property lines. This survey and map may not address whether improvements on the Property are in compliance with State and/or County requirements, and/or subdivision covenants, conditions, and restrictions.

C-43 **Boundary Encroachment.** If an encroachment onto an adjoining property or onto the Property by an adjoining owner is revealed or discovered, such encroachment either shall be removed or Seller shall obtain encroachment agreement(s) with the affected adjoining owner(s) which is acceptable to Buyer. If neither occurs within 20 days of discovery or by the Scheduled Closing Date, whichever occurs earlier, Buyer may accept the encroachment(s) or elect to terminate this DROA and the Termination Provision (C-21) shall apply. Buyer should be aware that, under certain circumstances, Hawaii law allows acceptable tolerances for discrepancies involving improvements built in the vicinity of the perimeter of the Property lines.

**SELLER'S DISCLOSURES** (Required by Hawaii Statute for residential real property)

C-44 **Seller's Obligation to Disclose.** Under Hawaii law, Seller is obligated to fully and accurately disclose in writing to Buyer any fact, defect, or condition, past or present, that would be expected to measurably affect the value of the Property to a reasonable person. Within 10 days from the Acceptance Date, Seller shall provide Buyer with a written disclosure statement signed and dated by Seller within six (6) months before or ten (10) days after the Acceptance Date. Such Disclosure shall be prepared in good faith and with due care and shall disclose all material facts relating to the Property that: (i) are within the knowledge or control of Seller; (ii) can be observed from visible, accessible areas; or, (iii) which are required by Section 508D-15 of the Hawaii Revised Statutes.

Section 508D-15 of the Hawaii Revised Statutes covers property which lies: (i) within the boundaries of a special flood hazard area as officially designated on Flood Insurance Administration maps promulgated by the appropriate Federal agencies for the purposes of determining eligibility for emergency flood insurance programs; (ii) within the boundaries of the noise exposure area shown on maps prepared by the Department of Transportation in accordance with Federal Aviation Regulation Part 150-Airport Noise Compatibility Planning (14 Code of Federal Regulations Part 150) for any public airport; (iii) within the boundaries of the Air Installation Compatibility Use Zone of any Air Force, Army, Navy or Marine Corps airport as officially designated by military authorities; or (iv) within the anticipated inundation areas designated on the Department of Defense's Civil Defense Tsunami Inundation Maps. Subject to the availability of maps that designate the four areas by tax map key (zone, section, plat, parcel), the Seller shall include such material fact information in the Disclosure Statement provided to the Buyer. If such information is not available, no information will be provided to Buyer.

C-44A **Later Discovered Information.** Under Hawaii law, if after Seller delivers a disclosure statement to Buyer and prior to closing, Seller becomes aware of information which was not previously disclosed or which makes any statement in the disclosure statement inaccurate, and said information directly, substantially, and adversely affects the value of the Property, then Seller shall provide an amended disclosure statement (a written statement prepared by Seller or at Seller's direction) to Buyer within ten (10) days after the discovery of the inaccuracy, and in any event, no later than twelve noon of the last business day prior to the recorded sale of the Property. Buyer's rights upon receipt of the amended disclosure statement are found in Paragraph C-46.

C-45 **Seller's Disclosure is Not a Warranty.** This disclosure statement is NOT a warranty of any kind. Under Hawaii law, the disclosure statement shall not be construed as a substitute for any expert inspection, professional advice, or warranty that Buyer may wish to obtain.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

- C-46 **Buyer's Rights Upon Receipt Disclosure Statement.** Seller is required by \_\_\_\_\_ to obtain from Buyer an acknowledgment of receipt of the disclosure statement in writing. Buyer shall acknowledge receipt of the disclosure statement in writing. Upon receipt of the disclosure statement, Buyer shall have 10 days to examine the statement and to rescind the DROA. Should Buyer elect to rescind the DROA, Buyer must give Seller directly or Seller's Agent written notice of such rescission within the stated time period. Upon receipt by Buyer of an amended disclosure statement, or upon discovery by Buyer of a failure by Seller to disclose material facts, or upon discovery by Buyer that the disclosure statement contains an inaccurate assertion that directly, substantially, and adversely affects the value of the Property, Buyer may elect to rescind the DROA. Buyer shall have 5 days from discovery thereof or from receipt of the amended disclosure statement, whichever is earlier, to indicate in writing an election to rescind the DROA. Buyer may elect, in writing, to accept the amended disclosure statement prior to the end of the rescission period.
- C-47 **Buyer's Remedies If Seller Fails to Comply with Paragraphs C-44 or C-44A.** Buyer may elect to complete the purchase of the Property even if Seller fails to comply with Paragraphs C-44 or C-44A. When Buyer is provided a disclosure statement or amended disclosure statement and Buyer decides to rescind the DROA, Buyer is limited in damages to the return of all deposits; and in such case, Buyer's deposits shall be immediately returned. If Seller negligently fails to provide the required disclosure statement or amended disclosure statement, Seller shall be liable to Buyer for the amount of actual damages suffered as a result of the negligence. In addition to the above remedies, a court may also award the prevailing party's attorneys' fees, court costs, and administrative fees.
- C-48 **Mediation.** Under Hawaii law, any dispute pertaining to the Mandatory Seller's Disclosure Statute shall be handled pursuant to Paragraphs C-32 and C-33.
- C-49 **Asbestos Disclosure.** Buyer is aware that asbestos materials are hazardous to one's health, particularly if asbestos fibers are released into the air and inhaled. In the past (before 1979, but possibly since) asbestos was a commonly used insulation material in heating facilities and in certain types of floor and ceiling materials, shingles, plaster products, cement and other building materials. Buyer is aware that Buyer should make appropriate inquiry into the possible existence of asbestos on the Property. Structures having "popcorn" or "cottage cheese" type ceilings may contain asbestos fibers or asbestos-containing material. Such ceilings should not be disturbed since it could release asbestos fibers in the air. Any disturbance should be done only by licensed abatement contractors.
- C-49A **Hazardous Waste and Toxic Substances Disclosure.** Buyer is aware that federal and state laws place strict liability on property owners for dangers caused by hazardous waste management and may require that such owner pay for the cost of the cleanup of hazardous substances and other toxic substances. Buyer is aware that Buyer should make appropriate inquiries into the past use of the Property and should seek an environmental assessment to ascertain the possible existence of such hazardous substances or materials on or under the Property. Buyer is aware Buyer may have liability for hazardous substances located on or under the Property even if Buyer did not cause such substances to be on or under the Property.
- C-49B **Mold Disclosure.** Buyer is aware that mold and/or other microscopic organisms may exist on the Property. Molds are simple, microscopic organisms, present everywhere. Mold spores may cause health problems. Mold will grow and multiply whenever sufficient moisture, temperature and organic material are present. Real estate Brokerage Firms, brokers, and agents are not qualified to inspect the Property for mold or to make recommendations or determinations concerning possible health or safety issues.
- C-50 **Sex Offender Registration ("Megan's Law").** Hawaii has enacted a law requiring sex offenders to register with the Attorney General's office. Seller makes no representation as to whether or not the public will have access to this information. Neither Seller nor any real estate agent is required to obtain information regarding sex offenders.

**INSPECTIONS, MAINTENANCE AND WARRANTIES**

- C-51 **Inspection of Property.** At Buyer's sole cost and expense Buyer may (personally or by any expert, professional, or other representative of Buyer's choice): (a) inspect the Property or any portion thereof; (b) inspect all major appliances and fixtures (plumbing, electric, and gas) included in the sale; (c) inspect all public records relating to the Property; and (d) inspect all applicable laws and regulations which may affect the Property. Seller shall provide Buyer and Buyer's representatives access to the Property for this purpose, during reasonable hours with reasonable prior notice to Seller. The obligation of Buyer to purchase the Property is contingent upon Buyer's approval of inspection results and acceptance of the condition of the Property within 10 days after the Acceptance Date. All inspections must be completed within this time period.

If Buyer disapproves of the inspection results within such time period, Buyer may elect to terminate the DROA pursuant to the Termination Provision (C-21).

If Buyer requests that Seller make certain corrections to the Property, and the parties cannot reach agreement, Buyer may, within the specified time period, accept the Property or terminate the DROA and the Termination Provision (C-21) shall apply.

**IF BUYER FAILS TO MAKE AN ELECTION IN WRITING WITHIN THE SPECIFIED TIME PERIOD, BUYER WILL HAVE WAIVED THIS CONTINGENCY.**

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

- [ x ] C-52 **Property Condition Maintenance.** Seller shall maintain the interior and exterior of the Property in the same condition and repair as when Buyer inspected the Property pursuant to Paragraph C-51, or as otherwise agreed between Buyer and Seller. If the Property has not been maintained, then the provisions of Paragraph C-53A shall apply.
- [ x ] C-53 **Final Walk Through.** Buyer and/or Buyer's representative shall have the right to conduct a final walk through of the Property no later than 5 days prior to closing: (a) to confirm that the Property is in the same condition and repair that it was on the date that Buyer inspected the Property pursuant to Paragraph C-51; and/or (b) to inspect the repairs and/or replacements made by Seller, as agreed between Buyer and Seller. Seller understands that the final walk through requires that the utilities be on, including propane, if applicable, at Seller's expense. If Buyer and/or Buyer's representative fails to conduct the final walk through within the time period, Buyer will have waived this right.
- C-53A **Withheld/Collected Funds.** If required repairs and maintenance have not been completed by closing, an amount equal to 150% of the estimated cost shall be withheld/collected from Seller and retained in Escrow until completion. All repairs and maintenance bills will be paid through Escrow. Any balance remaining after completion of all repairs and maintenance shall be returned to Seller; provided, however, that if repairs and maintenance are not completed within na days after closing, said funds will be disbursed to Buyer.
- C-54 **No Continuing Warranty.** Buyer understands that no continuing warranty after closing regarding the interior or exterior of the Property is expressed or implied.
- C-55 **Home Warranty Programs.** Buyer understands that Buyer may obtain from a third party for a fee, home warranties covering appliances, electrical and plumbing equipment and other items included with the Property. If such a home warranty is available, it may be obtained at Buyer's expense from any provider of Buyer's choice.
- [ na ] C-56 **Existing Warranties, Plans, etc.** Seller shall provide to Buyer at closing all existing warranty documents in Seller's possession covering the improvements and personal property being sold to Buyer such as instruction booklets in Seller's possession covering the appliances being sold, all originals and copies in Seller's possession of blueprints, specifications, and copies of architectural or engineering drawings relating to the Property. Buyer understands: (a) any warranties delivered by Seller to Buyer represent obligations of other persons, not Seller; (b) the warranties and other documents are provided for informational purposes only; (c) may not reflect improvements as built; and (d) Seller does not promise that any such warranties are transferable to Buyer, and that Buyer must contact the providers of such warranties to determine whether the warranties are transferable to Buyer.
- [ x ] C-57 **Removal of Items from Property.** Seller shall dispose of all personal belongings, trash and junk, both inside and outside any improvements.

**(Choose C-57A OR C-57B OR NEITHER)**

- [ x ] C-57A **Cleaning.** Prior to closing, Seller shall, at Seller's expense, have the interior of the improvements on the Property cleaned. Cleaning shall include all appliances, carpets, cupboards, drawers, floors, жалousies, screens and windows.
- [ na ] C-57B **Cleaning Credit.** Seller shall credit Buyer at closing \$ \_\_\_\_\_ for cleaning, as described in Paragraph C-57A.
- [ na ] C-58 **Pet Related Treatment.** Seller shall, at Seller's expense, remove any pets from the Property, have the carpets within the improvements on the Property professionally cleaned, and the interior of the Property treated for fleas/ticks by a professional. If Seller does not have the Property treated for fleas/ticks by a professional as stated, and provide satisfactory evidence of same to Buyer and Escrow not later than \_\_\_\_\_ days prior to the scheduled Closing Date, then Seller agrees that an amount equal to 150% of the estimated cost of professionally treating the Property for fleas/ticks shall be held in Escrow until completed; provided however, that any remaining funds held shall be automatically disbursed to Buyer by Escrow if the Property is not professionally treated for fleas/ticks within \_\_\_\_\_ days after closing. All professional treatment bills shall be paid through Escrow and any balance remaining after completion of professional treatment shall be returned to Seller.

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

**TERMITE PROVISIONS**

Buyer is aware that a termite inspection report may only address visible evidence of active (i.e., live) termite infestation and visible damage in accessible areas. It may not address infestation or damage occurring in inaccessible areas of the improvements described in this DROA. Seller agrees to disclose, in Seller's disclosures, any prior and/or current infestation and damage of which Seller is aware.

C-59 Termite Inspection Contingency. Within 5 days of the Acceptance Date Seller shall select a Buyer or Seller

licensed pest control operator ("Operator"), to conduct an inspection and issue a termite inspection report ("inspection report") on the Property's improvements. Should such party fail to select an Operator and notify the other party in writing of the name of an Operator within the time stated, the other party shall select an Operator within five (5) days thereafter. Seller shall promptly order the inspection and inspection report from the selected Operator. The inspection report shall be delivered to Buyer by 15 days prior to the signing Time period/date Seller Buyer or Seller

shall pay for the inspection and the issuance of the inspection report at a cost not to exceed \$350.00

If Buyer's Lender requires an updated inspection report prior to funding Buyer's loan, Buyer shall pay the cost of the updated inspection report.

If the inspection report indicates visible evidence of active (i.e., live) termite infestation, Seller shall order and pay for recommended treatment for that condition (not to include preventive maintenance). Buyer and Seller understand such treatment may cause damage to plants. The obligation of the Buyer to purchase the Property is contingent upon the delivery to Buyer within the time specified above of an inspection report stating there is no visible evidence of active (i.e., live) termite infestation, or the treatment of such improvements by no later than five (5) days prior to the Scheduled Closing Date. If the Contingency is not fulfilled within the time period(s) specified, Buyer may terminate this DROA and the Termination Provision (C-21) shall apply.

C-60 Termite Damage. In the event the inspection report indicates there is visible damage to the improvements caused by termite infestation, and said damage directly, substantially and adversely affects the value of the Property, then Seller shall make appropriate disclosures under Paragraph C-44A.

**RENTAL PROPERTY MATTERS**

(Choose C-61 OR C-62)

[ n ] C-61 Existing Leases. Buyer shall accept title to the Property subject to the existing: (Choose all that apply)

- Leases  Short Term Vacation Rental Reservation(s)
- Property Condition Form  Other \_\_\_\_\_
- Rental Management Contract(s)  Other \_\_\_\_\_

Any security deposits or vacation deposits will be transferred to Buyer at closing. Copies of such documents shall be delivered to Buyer within \_\_\_\_\_ days of the Acceptance Date. If within \_\_\_\_\_ days of receipt of these item(s), Buyer does not accept the Property based upon information in these documents, Buyer may terminate this DROA and the Termination Provision (C-21) shall apply.

[ x ] C-62 Delivery of Property at Closing. Seller shall deliver possession of the Property at closing vacant and free of tenants, leases, rental management contracts, short term rental reservations, or any other rental or service commitments.

C-63 Lease Changes During Escrow. During the escrow period, Seller shall not, without the written consent of Buyer, make any changes to existing leases or enter into any new leases which extend beyond the Scheduled Closing Date.

**CONDOMINIUM/SUBDIVISION/HOMEOWNER ORGANIZATIONS (Choose all that apply)**

[ x ] C-64 Contingency on Homeowner Organization Documentation Approval. Buyer's obligation to purchase the Property is contingent upon Seller providing the following documentation to the Buyer for review and approval:

- [na] Approved Minutes of the last three (3) Board of Directors Meeting  Current and/or Proposed Budget
- [ x ] Articles of Incorporation/Association and Amendments, if any  Current Financial Statement
- [ x ] Board of Directors and Association Minutes issued during the escrow period, if applicable  Current House Rules
- [ x ] By-laws and Amendments  Declaration and Amendments
- [ x ] Copy of any and all pending litigation complaints filed by or against the Owner's Association and/or its directors that are currently unresolved, if any  Insurance Summary
- Other \_\_\_\_\_  Minutes of the last Annual Meeting
- Other \_\_\_\_\_  Property Information Form RR105c, if obtainable
- Other \_\_\_\_\_  Reserve Study or Summary, if obtainable

Seller, at Seller's expense, shall furnish the specified documents to the Buyer within 7 days of Acceptance Date. If within 7 days of receipt of these documents Buyer does not accept the Property based on information contained in these documents, Buyer may terminate this DROA and the Termination Provision (C-21) shall apply. In the event that this DROA is canceled, Buyer agrees to promptly return all documents specified here to Seller or Seller's Agent, including any other documents provided to Buyer during the escrow period or, Seller not being in default, Buyer shall reimburse the Seller for the cost of such documentation.

BUYER'S INITIALS & DATE

SELLER'S INITIALS & DATE

C-65 **Common Element Discrepancies.** Seller is not responsible for repair of condominium common and limited common elements or cooperative common areas. Seller is only responsible for reporting such defects or damage to the Association of Apartment Owners or other governing body insofar as Seller's unit is affected.

[ x ] C-66 **Contingency on Subdivision Documentation Approval.** Buyer's obligation to purchase the Property is contingent upon Seller providing the CC&R's (Covenants, Conditions, and Restrictions) Design Standards and/or Guidelines and any other applicable subdivision and/or title documents to the Buyer for review and approval. Seller, at Seller's expense, shall deliver the documents to the Buyer within 7 days of Acceptance Date. If within 7 days of receipt of the documents, Buyer does not accept the Property based on information contained in the documents, Buyer may terminate this DROA and the Termination Provision (C-21) shall apply. In the event that this DROA is canceled, Buyer agrees to promptly return all documents to Seller or Seller's Agent, including other documents provided to Buyer during the escrow period or, Seller not being in default, Buyer shall reimburse the Seller for the cost of such documentation.

[ x ] C-67 **OTHER SPECIAL TERMS** (Please number) 1. Buyer acknowledges that their purchase is subject to the terms and conditions as stated within the documents of this Condominium Project.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**BROKERAGE FIRMS SERVICES AND DISCLAIMERS**

C-68 **Scope of Services.** The Brokerage Firms assisting in this transaction, including their owners, licensees, salespersons, and employees, recommend that Buyer and Seller each consult their own attorney, accountant, appraiser, architect, pest control expert, home inspector, insurance advisor, contractor, land surveyor, civil engineer, structural engineer, soils engineer, land use professional, zoning expert, environmental expert, designer, estate planner, title insurer, other professionals and/or subject matter experts should they have any questions within those fields about this transaction. Buyer and Seller understand and acknowledge that neither party is relying upon the Brokerage Firms for any of the foregoing services or advice.

C-69 **Disclaimers by Brokerage Firms.** Buyer and Seller understand that the Brokerage Firms have not made any representations or warranties, and have not rendered any opinions about: (a) the legal or tax consequences of this transaction; (b) the legality, validity, correctness, status or lack of any building permits which may have been required for the Property; or (c) the land area of the Property, the location of the boundaries, or the size of any improvements on the Property.

C-70 **Rental Property.** Buyer understands that Seller and the Brokerage Firms are not offering to sell or selling the Property together with any existing or future rental pool or other rental arrangement. Seller and the Brokerage Firms make no representations or guarantees about future rents or future resale value. Buyer understands that should Buyer rent the Property after closing, Buyer is assuming all risks relative to all of the foregoing. This sale includes real property only, and the intent is not to convey a security or investment security as defined by the U.S. Securities and Exchange Commission or other governmental agency.

C-71 **Obligations.** Brokerage Firms shall not be held liable to either Buyer or Seller for the failure of either Buyer or Seller to perform their obligations pursuant to this DROA.

C-72 **Permission.** The parties grant the Brokerage Firms permission to supply data to the Multiple Listing Service regarding the sales price, terms, and listing status of this transaction for use by other brokers and real estate professionals in making market studies, providing service to the public and advising their clients.

[ na ] C-73 **Disclosure of Real Estate Licensing Status.** Hawaii law requires that licensees disclose that they hold a real estate license in any transaction in which they are purchasing or selling real property as a principal, or in which they are buying for themselves, immediate relatives, or an entity in which they have an interest. If applicable, the licensee(s) in this transaction disclose the following: \_\_\_\_\_

**FACSIMILE (FAX) SIGNATURES AND COUNTERPARTS**

C-74 Fax executed copies of this DROA and any related documents shall be fully binding and effective for all purposes, whether or not originally executed documents are transmitted to Escrow. Fax signatures on documents will be treated the same as original signatures; however, each party agrees to promptly forward original executed documents to Escrow. The parties understand conveyance, mortgage and other recordable documents must be delivered in original form and will not be acceptable if signed only on facsimile.

C-75 This DROA and any addenda and related documents may be executed in any number of counterparts and by different parties in separate counterparts, each of which when so signed shall be deemed to be an original, and all of which taken together shall constitute one and the same document, which shall be binding upon all of the parties, notwithstanding that all of the parties do not sign the original or the same counterpart.

\_\_\_\_\_  
BUYER'S INITIALS & DATE

\_\_\_\_\_  
SELLER'S INITIALS & DATE

**ACCEPTANCE DATE AND OTHER DEFINITIONS**

- C-76 As used in this DROA, the term "Acceptance Date" means the date on which this DROA becomes binding upon the parties (i.e. when Buyer's Offer is accepted by Seller or Seller's Counter Offer is accepted by Buyer).
- C-77 As used in this DROA, the term "day" means a calendar day. All dates and times are based on Hawaiian Standard Time.
- C-78 **Time is of the Essence.** Except as otherwise provided in this DROA, time is of the essence in the performance by all parties in their respective obligations under this DROA.
- C-79 **Complete Agreement.** This DROA constitutes the entire agreement between Buyer and Seller and supersedes and cancels any and all prior negotiations, representations, warranties, understandings or agreements (both written and oral) of Buyer and Seller. No variation or amendment of this DROA shall be valid or enforceable without written approval by Buyer and Seller. All agreements and representations about the Property must be set forth in writing, and the parties agree that to be effective, any representation made by a Brokerage Firm or any party hereto must be set forth in writing in this DROA, or an amendment hereto or in any required Disclosure Statement. Buyer and Seller shall each hold harmless and release the Brokerage Firms from any claims based upon any alleged representation which is not set forth in writing as stated in this paragraph.

Offer Date \_\_\_\_\_, \_\_\_\_\_ [ ] AM/[ ] PM Buyer's Name \_\_\_\_\_  
 Buyer's Address \_\_\_\_\_ Signature \_\_\_\_\_  
 \_\_\_\_\_ Buyer's Name \_\_\_\_\_  
 Phones \_\_\_\_\_ Signature \_\_\_\_\_  
 Fax \_\_\_\_\_ E-Mail \_\_\_\_\_

**SECTION D: ACCEPTANCE OR COUNTER OFFER**

- [ x ] **ACCEPTANCE OF OFFER.** Seller agrees to sell the Property at the price and terms offered above and acknowledges receipt of a copy of this Offer and acceptance.
- [ na ] **COUNTER OFFER.** Seller agrees to sell the Property at the price and terms offered above as amended by the attached Counter Offer and acknowledges receipt of a copy of the Offer.

**IN EITHER EVENT:**

Seller agrees to pay to James Kometani, Inc. (Brokerage Firm) a commission for the sale of the Property in the amount of 5% of final sales price per the terms of the Listing Contract, or if there is no listing contract, then per other agreement between Seller and Brokerage Firm. Seller instructs Escrow to pay the commission directly to Brokerage Firm at closing in U.S. Dollars. These instructions cannot be changed without the written agreement of the Brokerage Firm and Seller. Seller further consents to Brokerage Firm sharing of the commission with another Brokerage Firm which may have provided services to Buyer. In the event Buyer defaults and Seller retains any of Buyer's deposit or obtains other monetary damages against the Buyer, Seller shall pay one-half thereof to Brokerage Firm as a commission, provided, however, that this amount so paid to Brokerage Firm shall not exceed what would have been the full commission to the Brokerage Firm.

Date \_\_\_\_\_, \_\_\_\_\_ [ ] AM/[ ] PM Seller's Name Chris W Y Li  
 Seller's Address \_\_\_\_\_ Signature \_\_\_\_\_  
 \_\_\_\_\_ Seller's Name Michael W Donahue  
 Phones \_\_\_\_\_ Signature \_\_\_\_\_  
 Fax \_\_\_\_\_ E-Mail \_\_\_\_\_

Seller is a Foreign Person [ ] Non-Hawaii Resident [ ] Owner/Occupant [ ] Other [ ] \_\_\_\_\_

**NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE.** An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).



**EXISTING "AS IS" CONDITION ADDENDUM**  
**Hawaii Association of Realtors® Standard Form**  
**Revised 9/03 (NC) For Release 11/06**



**COPYRIGHT AND TRADEMARK NOTICE:** This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks. The use of this form is not intended to identify the real estate licensee as a REALTOR®. REALTOR® is a registered collective membership mark which may be used only by real estate licensees who are members of the National Association of REALTORS® and who subscribe to its Code of Ethics.

EXISTING "AS IS" CONDITION ADDENDUM is made a part of DROA:

DROA Reference Date: \_\_\_\_\_

Property Reference: 3476 B Kalihi Street, Honolulu, HI 96819  
Address

Tax Map Key: Div. 1 /Zone 1 /Sec. 4 /Plat 19 /Parcel 23 /CPR B (if applicable).

**Purpose of "AS IS" Addendum:** Property is being sold in its existing condition. Except as may be agreed to elsewhere in DROA, Seller will make no repairs and will convey Property without any representations or warranties, either expressed or implied.

**Seller's Responsibilities:** By selling Property in Existing "AS IS" Condition, Seller remains obligated to disclose in writing any known defects or material facts of Property or improvements. However, there may be material facts of which Seller is not aware which qualified experts may be able to discover or latent or hidden defects which time may reveal. Seller is not responsible for latent defects, hidden defects, or defects which time may reveal.

**Buyer's Rights and Responsibilities:** Buyer is advised to obtain professional property inspection(s) and to inspect all public records relating to Property within the time frames of the DROA as agreed to by Buyer and Seller. Should Buyer find Property unacceptable, Buyer has the right to cancel DROA prior to the expiration of Term C-51 "Inspection of Property" time frame as stated in DROA. Buyer will be provided the opportunity to conduct a final walk through of Property prior to recordation only to assess that Property is in no worse condition and repair than it was in upon removal of "Inspection of Property" Contingency.

Unless otherwise agreed to by Buyer and Seller, Existing "AS IS" Condition Addendum does not eliminate the termite inspection report, staking and/or survey.

The improvements on Property may not conform to current building codes and/or may not have all required building permits. Buyer is strongly advised to inspect all public records, have a professional home inspection to ascertain the exact condition of Property, and make reasonable inquiry regarding individual concerns before Term C-51 "Inspection of Property" contingency deadline as stated in DROA.

Buyer acknowledges that Property is being sold "AS IS", with knowledge of the conditions disclosed by Seller and/or discovered during inspection(s) of Property. Buyer understands and agrees that all land and improvements, (including but not limited to the roof, walls, foundations, soils, plumbing, electrical and mechanical systems, etc.) real property, and personal property (if any) will be sold in Existing "AS IS" Condition, **WITHOUT WARRANTY OR REPRESENTATIONS, EXPRESSED OR IMPLIED** except as may be otherwise stated in DROA.

Buyer must approve or disapprove of Property condition by the contingency deadline. If said deadline expires, non-response is considered approval and acceptance of Property condition.

Buyer understands and agrees to give up, waive and relinquish all rights to assert any claim, demand, proceeding or lawsuit of any kind against Seller and/or real estate agents involved with respect to the condition of the land, improvements and any personal property, except for claims which are based upon Seller's and/or real estate agent's concealment of material facts and defects, which those parties are required to disclose by law.

Additional Comments: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**BUYER SHOULD NOT SIGN ADDENDUM UNLESS BUYER HAS FIRST READ AND UNDERSTOOD IT. BUYER IS ADVISED TO CONSULT WITH AN ATTORNEY REGARDING EXISTING "AS IS" CONDITION ADDENDUM.**

Buyer _____	Date _____	Seller _____	Date _____
		<b>Chris W Y Li</b>	

Buyer _____	Date _____	Seller _____	Date _____
		<b>Michael W Donahue</b>	

**NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE.** An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

©Hawaii Association of REALTORS®  
 Existing "AS IS" Condition Addendum  
 RR213 Rev. 9/03

James Kometani, Inc. 1259 South Beretania St #5, Honolulu HI 96814  
 Phone: 5918166 Fax: 5919160 James Kometani

Produced with ZipForm™ by RE FormsNet, LLC 18025 Fifteen Mile Road, Clinton Township, Michigan 48035 [www.zipform.com](http://www.zipform.com)



Chris Lee.zfx



COOPERATING BROKERAGE FIRMS SEPARATE AGREEMENT



Hawaii Association of REALTORS® Standard Form
Revised 10/05 (NC) For Release 11/06

COPYRIGHT AND TRADEMARK NOTICE: This copyrighted Hawaii Association of REALTORS® Standard Form is licensed for use by the entire real estate industry on condition that there shall be no alteration of the printed portions, pagination, or paragraph numbers or breaks.

DROA Reference Date:
Seller's Name: Chris W Y Li, Michael W Donahue
Buyer's Name:
Property Reference or Address: 3476 B Kalihi Street
Honolulu, HI 96819
Tax Map Key: Div. 1 /Zone 1 /Sec. 4 /Plat 19 /Parcel 23 /CPR B (if applicable).

1. In consideration of the assistance given by the Cooperating Brokerage Firm who is referred to below, Listing Brokerage Firm agrees to pay a commission at closing to Cooperating Brokerage Firm in the following amount: 2.5% of Final Sales Price. The commission payable to Cooperating Brokerage Firm shall be paid through Escrow and shall be subject to the receipt of Listing Brokerage Firm's commission from Seller.

2. Listing Brokerage Firm certifies that both the firm and the licensee involved in this transaction hold current active real estate licenses. James S. Kometani, 1189 Member Board I.D. No., if applicable

3. Cooperating Brokerage Firm certifies that both the firm and licensee involved in this transaction hold current, active real estate licenses. Name of Buyer's Licensee, Member Board I.D. No., if applicable

4. If any dispute or claim arises out of the transaction between Seller and/or Buyer and either or both of the Brokerage Firms or their respective sales agents herein, and they are unable to resolve the dispute, the Brokerage Firms agree in good faith to attempt to settle such dispute or claim by non-binding mediation through the Local Board of REALTORS® or through a mutually agreed upon mediator.

5. If any monetary dispute or claim, other than a complaint for ethical violation as described in Paragraph 4, above, involves only the Brokerage Firms and all of the Brokerage Firms are members of a Local Board of REALTORS®, then such dispute or claim shall be mediated through the Local Board of REALTORS® in accordance with the rules of the National Association of REALTORS® or, in the event the Local Board of REALTORS® does not provide mediation services, then through a mutually agreed upon mediator.

6. In the event of a dispute regarding commissions between the Brokerage Firms, Escrow is hereby authorized to close the transaction and disburse Seller's proceeds except for the amount of any disputed commission which shall be held by escrow pending resolution of such disputes.

7. Judgment upon any award rendered by an arbitrator may be entered in any court having jurisdiction. Should the arbitration rules permit, the arbitrator may award reasonable attorney's fees and costs to the prevailing party.

Dated:
Listing Brokerage Firm James Kometani, Inc.
Authorized Signature
Address 1259 S. Beretania Street Ste. 5, Honolulu, HI 96814
Bus. 808-591-8166 Res. 808-330-8166 Fax 808-591-9160
Office MLS ID KOME

Dated:
Cooperating Brokerage Firm 1259 S. Beretania Street Suite 5,
Authorized Signature
Address
Bus. 808-591-8166 Res. Fax 808-591-9160
Office MLS ID



EXHIBIT K

3476 KALIHI STREET CONDOMINIUM PROJECT  
SUMMARY OF PORTIONS OF ESCROW AGREEMENT

The Escrow Agreement ("Agreement") between Title Guaranty Escrow Services of Hawaii, Inc. ("Escrow"), and Chris W. Y. Li and Michael W. Donahue ("Seller"), contains, among other provisions, the following (which may be modified or otherwise limited by provisions not summarized):

1. Whenever Seller enters into a sales contract for the sale of an apartment, Seller will require that payments due under the sales contract be made to Escrow and will deliver an executed copy of the sales contract to Escrow.

2. Escrow will receive payments under the sales contracts and sums received from any other source with respect to the project. Funds held under the Agreement will initially be deposited in an account for the project. Interest on all funds will be paid to Seller.

3. Escrow will release from the Trust Fund and disburse Buyer's funds at closing. No disbursements will be made from Buyer's fund until: (a) the Real Estate Commission has issued a Public Report on the project and Seller has delivered a copy of the Public Report (and any amendments thereto) to Buyer, (b) Buyer has waived its right to cancel the sales contract, and (c) Seller has notified Escrow that all other requirements of Sections 514B-87, Hawaii Revised Statutes, have been met. Where sales contracts are entered into, Escrow will disburse funds upon presentation by Seller of Buyer's signed receipt for the Developer's Public Report and with notification by Seller that all of the requirements of Sections 514B-87, Hawaii Revised Statutes, have been met. Escrow will call for payments by the Buyer upon receipt of notice from Seller that any payments are due under any sales contract.

4. Escrow will return deposited sums to the Buyer without interest if Seller gives Escrow written notice to return the funds to Buyer, or with respect to a Buyer whose funds were obtained before the issuance of a Public Report, Escrow receives from the Buyer a written request to cancel the sales contract or after issuance of the Public Report and Buyer's waiver of his right to cancel the sales contract in accordance with Section 514B-86, Hawaii Revised Statutes, there shall be any material change in the project which directly, substantially and adversely affects the use or value of the Buyer's apartment or appurtenant common elements or

those amenities of the project available for Buyer's use, of a nature entitling the Buyer to cancel his contract pursuant to Section 514B-87, Hawaii Revised Statutes. These funds shall be returned to Buyer less Escrow's cancellation fee, if any, any mortgagee's cancellation fee and all other costs incurred in connection with the Escrow.

5. Escrow will arrange for and supervise the signing of all documents which are to be signed subsequent to and contemplated by the sales contract.

6. As Escrow's compensation for its performance under this Agreement, Escrow will receive a fee (based upon Escrow's then-prevailing fee) for each apartment for which an apartment deed of the project is handled by Escrow and recorded in the Bureau of Conveyances of the State of Hawaii. Escrow will record all applicable documents. Title insurance will also cost an additional amount not ascertainable at the present time.

\*\*\*\*\*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE AGREEMENT. WHILE ONE CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE AGREEMENT, ONE MUST REFER TO THE ACTUAL AGREEMENT TO DETERMINE THE RIGHTS AND OBLIGATIONS OF THE PARTIES. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE AGREEMENT, THE AGREEMENT WILL CONTROL AND NOT THIS SUMMARY.

EXHIBIT L

EFFECT OF FORECLOSURE  
ON PURCHASER'S INTEREST AND DEPOSIT

If the Developer defaults or the mortgage is foreclosed prior to the conveyance of an apartment to a Purchaser, the purchase contract will be canceled and the Purchaser's deposit will be refunded to the Purchaser, less any escrow cancellation fees. Purchaser will thereupon lose all rights to purchase the property.

CARROLL S. TAYLOR  
KIMO C. LEONG

LAW OFFICES OF  
**TAYLOR, LEONG & CHEE**  
737 BISHOP STREET, SUITE 2060  
HONOLULU, HAWAII 96813  
TELEPHONE (808) 528-2222  
FACSIMILE (808) 523-1869

GREGORY W. K. CHEE  
(1956-2006)

June 12, 2007

Cynthia M. L. Yee, Esq.  
Senior Condominium Specialist  
Real Estate Commission  
Department of Commerce and Consumer Affairs  
335 Merchant Street, Room 333  
Honolulu, Hawaii 96813

Re: 3476 Kalihi Street Condominium Project;  
Method of Computing Percentage of Common Interest

Dear Cynthia:

This letter serves as the Developer's written explanation of the method used in computing the percentage of common interest appurtenant to the condominium units.

The Project contains 2 apartments, which are both detached, single-family dwellings, described as follows:

1. Apartment 3476-A is a 3 bedroom, 2 bath, single-story house with a net living area of 1,155 square feet. The limited common element (yard area) appurtenant to said Apartment is 6,227 square feet in area.
2. Apartment 3476-B is a 7 bedroom, 5.5 bath split-level house with a net living area of 5,626 square feet. The limited common element (yard area) appurtenant to said Apartment is 27,183 square feet.

If the net living area of the 2 Apartments is compared, Apartment 3476-A has 20% of the living area of Apartment 3476-B. If the area of the limited common elements appurtenant to the Apartments is compared, Apartment 3476-A has approximately 23% of the area of Apartment 3476-B.

The project contains no common elements except for the underlying land and the common driveway. The Condominium Property Regime documentation has been drafted so as to give each owner relatively exclusive and complete control over all matters affecting their respective home. Article V, Section 5.1 of the Project By-Laws provides that the owners are liable for their share of the common expenses and any

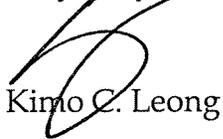
Cynthia M. L. Yee, Esq.  
June 12, 2007  
Page 2

special assessments in proportion to their respective common interests. All utilities are separately metered. For the above reasons, the developer has apportioned 30% of the common interest to Apartment 3476-A and 70% of the common interest to Apartment 3476-B.

The By-Laws of the Association of Apartment Owners requires the presence either in person or by proxy of a majority of owners to constitute a quorum, and the vote to which each apartment is entitled under the By-Laws is the percentage of the common interest assigned to the apartment in the Declaration. Therefore, assuming a quorum of 2 owners, any matter requiring a majority vote under the Declaration and By-Laws would require that the owner(s) of Apartment 3476-B agree to the matter being voted upon. Because of the discrepancy in size of the 2 Apartments, any vote upon a matter affecting the entire project would impact upon the owners of Apartment 3476-B to a much larger degree, therefore, it is the Developers' judgment that this is the only truly fair way to deal with the 2 apartments in the project.

Thank you for your attention to this matter and should you have any questions regarding the above explanation, please feel free to contact me.

Very truly yours,



Kim C. Leong

KCL/mkp:07k289

cc: Chris W. Y. Li  
Michael W. Donahue