

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

CONDOMINIUM PROJECT NAME	KAHALA GARDENS
Project Address	1220A and B, 1228A through D, 1236A and B, 1244A through D, and 1252A through D Hunakai Street, Honolulu, Hawaii 96816
Registration Number	6564 (Conversion)
Effective Date of Report	April 1, 2008
Developer(s)	Kahala Garden Apartments, Inc.

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

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

SPECIAL ATTENTION SHOULD BE GIVEN TO THE MISCELLANEOUS INFORMATION (PAGES 18, 18a, 18b and 18c) AND THE SUMMARY OF RIGHTS RESERVED TO THE DEVELOPER (EXHIBIT "F")

SPECIAL ATTENTION

Kahala Gardens is a CONDOMINIUM PROJECT, not a subdivision. The Yard Areas beneath and immediately appurtenant to each unit is designated as a LIMITED COMMON ELEMENT or a DWELLING AREA appurtenant to the respective unit and does not represent legally subdivided lots. The walls, fences and dashed lines shown on the condominium map as delineating the boundaries between the limited common element dwelling area of the units 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 governmental agency, nor does it ensure that all applicable County codes, ordinances and subdivision requirements have necessarily been complied with.

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

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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	X	Fee Simple		Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	X	Yes		No
Fee Owner's Name if Developer is not the Fee Owner				
Address of Project	1220A and B, 1228A through D, 1236A and B, 1244A through D, and 1252A through D Hunakai Street, Honolulu, Hawaii 96816			
Address of Project is expected to change because	---			
Tax Map Key (TMK)	(1) 3-5-016: 002, 005, 006, 007 & 008			
Tax Map Key is expected to change because	individual CPR Units			
Land Area	Approximately 39,791 sq.ft.			
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	---			

1.2 Building and Other Improvements

Number of Buildings	5 buildings
Floors Per Building	3 buildings have 2 floors; 2 buildings have 1 floor
Number of New Building(s)	0
Number of Converted Building(s)	5
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete, wood, hollow tile, glass

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
			see page 3a			
See Exhibit _____.						

16	Total Number of Units
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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.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area (sq.ft.)	Net Other Areas (sq.ft.)	Other Areas (lanai, garage, etc.)	Total Area (sq.ft.)
Unit 1	1	2/1	736	177/ 76/ 60	Carport/Laundry/Storage	1,049
Unit 2	1	2/1	701	200/ 65/ 12	Carport/Lanai/Stotsge	978
Unit 3	1	2/1	777	327/ 99	CLS/Entry/Lanai	1,203
Unit 4	1	2/1	741	327/ 93	CLS/Entry/Lanai	1,161
Unit 5	1	2/1	741	366/ 93	CLS/Entry/Lanai	1,200
Unit 6	1	2/1	870	348	CLS	1,218
Unit 7	1	2/1	736	289/ 75	Tandem Stalls/Laundry	1,100
Unit 8	1	2/1	736	289/ 75	Tandem Stalls/Laundry	1,100
Unit 9	1	2/1	870	348	CLS	1,218
Unit 10	1	2/1	833	348	CLS	1,181
Unit 11	1	2/1	741	348/ 93	CLS/Entry/Lanai	1,182
Unit 12	1	2/1	777	348/ 99	CLS/Entry/Lanai	1,224
Unit 13	1	2/1	870	348	CLS	1,218
Unit 14	1	2/1	833	348	CLS	1,181
Unit 15	1	2/1	741	348/ 93	CLS/Entry & Lanai	1,182
Unit 16	1	2/1	777	348/ 99	CLS/Entry & Lanai	1,224

*CLS = Carport, Laundry, Storage

1.4 Parking Stalls

Total Parking Stalls in the Project:	18
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	1 parking stall per unit except Units 7 & 8 have 2 stalls
Attach Exhibit A specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit: The outside surfaces of the exterior walls (including carport), the bottom surface of the footings and foundation, the exterior surface of the ceiling, and the exterior finished surfaces of the demising wall between the Units.

1.6 Permitted Alterations to the Units

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

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 **A**.
 As follows:

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

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

1.9 Common Elements

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

1.10 Limited Common Elements

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

1.11 Special Use Restrictions

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below:</p>	
<input checked="" type="checkbox"/>	Pets: see page 18 and Article VI.3.j of the Bylaws.
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: see Article VI.3 of Bylaws, Rules & Regulations, Design Committee Rules & ¶10 of Declaration
<input type="checkbox"/>	There are no special use restrictions:

1.12 Encumbrances Against Title

<p>An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>
<p>Exhibit E describes the encumbrances against title contained in the title report described below.</p>
<p>Date of the title report: February 20, 2008</p>
<p>Company that issued the title report: Title Guaranty of Hawaii, Incorporated</p>

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning								
		Type of Use	No. of Units	Use Permitted by Zoning			Zoning	
<input checked="" type="checkbox"/>		Residential	16	<input checked="" type="checkbox"/>	Yes	<input type="checkbox"/>	No	A-1
		Commercial			Yes	<input checked="" type="checkbox"/>	No	
		Mix Residential/Commercial			Yes	<input checked="" type="checkbox"/>	No	
		Hotel			Yes	<input checked="" type="checkbox"/>	No	
		Timeshare			Yes	<input checked="" type="checkbox"/>	No	
		Ohana			Yes	<input checked="" type="checkbox"/>	No	
		Industrial			Yes	<input checked="" type="checkbox"/>	No	
		Agricultural			Yes	<input checked="" type="checkbox"/>	No	
		Recreational			Yes	<input checked="" type="checkbox"/>	No	
		Other (specify)			Yes	<input checked="" type="checkbox"/>	No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws? Declaration allows uses permitted by Land Use Ordinance.				<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.				See p. 18a, Section 6.e; see Exhibit J				

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 type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>
Structures	<input type="checkbox"/>	<input checked="" 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: See p. 18a, Section 6.f; see Exhibit J</p>

1.15 Conversions

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input checked="" type="checkbox"/> Applicable</p> <p><input type="checkbox"/> Non Applicable</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: Subject to normal wear and tear, the present condition of all structural components of Units 1-16, and the mechanical and electrical installation material to the use and enjoyment of Units 1-16 appear to be good, consistent with their age.</p>	
<p>Developer's statement of the expected useful life of each item reported above: There is no statement of 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: N/A</p>	
<p>Estimated cost of curing any violations described above: N/A</p>	

<p>Verified Statement from a County Official</p>
<p>Regarding any converted structures in the project, attached as Exhibit <u>J</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"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; <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>

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

<p>Does the project contain any assisted living facility units subject to Section 321-11(1 0), HRS? If answer is "Yes", complete information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p>	
<p>The nature and the scope of services to be provided.</p>	
<p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p>	
<p>The duration of the provision of the services.</p>	
<p>Other possible impacts on the project resulting from the provision of the services.</p>	
<p>Other disclosures and information.</p>	

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: Kahala Garden Apartments, Inc.</p> <p>Business Address: c/o Management Specialists Company 1585 Kapiolani Boulevard, Suite 1530 Honolulu, Hawaii 96814</p> <p>Business Phone Number: (808) 949-6322 E-mail Address: rod@hawaii.rr.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>Mary O'Brien Ichikawa, President/Director Eric Humphreys, Vice President & Treasurer/Director Hazel Fantz, Secretary/Director</p>
<p>2.2 Real Estate Broker</p>	<p>Name: Moon Goddess, Inc. Business Address: 1710 Mikahala Way Honolulu, Hawaii 96816</p> <p>Business Phone Number: (808) 221-1678 E-mail Address: bevpong@hawaii.rr.com</p>
<p>2.3 Escrow Depository</p>	<p>Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, HI 96813</p> <p>Business Phone Number: (808) 521-0211</p>
<p>2.4 General Contractor</p>	<p>Name: N/A Business Address:</p> <p>Business Phone Number:</p>
<p>2.5 Condominium Managing Agent</p>	<p>Name: Century 21 Realty Specialists Corporation dba Management Specialists Company Business Address: 1585 Kapiolani Boulevard, Suite 1530 Honolulu, Hawaii 96814</p> <p>Business Phone Number: (808) 949-6322</p>
<p>2.6 Attorney for Developer</p>	<p>Name: Kenneth K. P. Wong Business Address: 841 Bishop Street, Suite 1090 Honolulu, Hawaii 96813</p> <p>Business Phone Number: (808) 536-3870</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
Bureau	February 14, 2008	2008-025373

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau	February 14, 2008	2008-025374

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

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

Land Court Map Number	
Bureau of Conveyances Map Number	4587
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

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

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input checked="" type="checkbox"/>	February 21, 2008
Developer does not plan to adopt House Rules	<input 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 type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input checked="" type="checkbox"/>	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: see Exhibit F

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 checked="" type="checkbox"/>	Not affiliated with the Developer
<input type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or any 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 G 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 checked="" type="checkbox"/>	Water
<input checked="" 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 type="checkbox"/>	Gas for the Unit only
<input type="checkbox"/>	Water
<input 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 H contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
<input checked="" type="checkbox"/>	Escrow Agreement dated: August 9, 2007 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit I 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
see p.13a	see p.13a

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: No warranties provided. AS IS, WHERE IS.

Appliances: No warranties provided. AS IS, WHERE IS.

5.3 Blanket Liens

<u>Type of Lien</u>	<u>Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	Purchaser's interest may be terminated by mortgagee but Purchaser shall be entitled to return of his deposit, less escrow cancellation fees. However, in the event the Purchaser's deposit is disbursed by Escrow and the lien is foreclosed prior to conveyance to Purchaser, Purchaser may not be able to recover any deposits.

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

Status of Construction: The Units were built in the 1950's. This is a conversion.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract: N/A
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract: July 31, 2008 for Units 7 and 16.

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

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

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

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

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

5.7 Rights Under the Sales Contract

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

1. **Developer's Public Report**
2. **Declaration of Condominium Property Regime (and any amendments)**
3. **Bylaws of the Association of Unit Owners (and any amendments)**
4. **Condominium Map (and any amendments)**
5. House Rules, if any
6. Escrow Agreement
7. Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8. Other:
 - a. Condominium Unit Deed
 - b. Design Committee Rules

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

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

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

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

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

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

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

(1) The purchaser has signed the sales contract.

(2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.

(3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.

(4) The purchaser does at least one of the following:

(a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

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

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

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

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

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

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

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

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

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

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

a. Intentionally omitted.

b. The specimen Conversion Contract and Purchase and Sales Contract provides in part that Buyer understands the Units are being sold without any warranties provided by Developer. See Section 5.4 of this Public Report. The existence of any defect in the Units or anything installed thereon shall not excuse the Purchaser's obligation to perform all of his obligations under his contract as long as the Unit is livable. See Section 5.6 of the Purchase and Sales Contract.

c. HAWAII REVISED STATUTES CHAPTER 672E PASSED BY THE STATE OF HAWAII LEGISLATURE AND EFFECTIVE JULY 1, 2004, CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED, OR CONSTRUCTED YOUR HOME OR FACILITY. NINETY DAYS BEFORE YOU FILE YOUR LAWSUIT OR OTHER ACTION, YOU MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THERE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR OTHER ACTION.

d. Pets. Article VI.3.j of the Bylaws states as follows:

"j. Pets. Kahala Gardens is a pet-friendly Project. Subject to the provisions of all federal, state, and local laws prohibiting discriminatory practices in housing against disabled or impaired persons regarding service animals:

(i) Reasonable consideration will be given to an occupant of a Unit who desires to have a pet(s). Any occupant desiring to have a pet must complete a Pet Application obtained from the Managing Agent. The Pet Application shall be reviewed by the Board of Directors that can consent or deny consent depending on the facts and circumstances. The term "pet" is defined broadly and is not limited to dogs, cats, birds, reptiles, fish, guinea pigs, rats, pigs, etc., but any living animal. No visiting pets are allowed. No animals shall be kept, bred or used therein for any commercial purposes or money generating purposes. Any pet causing a nuisance or unreasonable disturbance to any other occupant of the Project as determined by the Board in its sole discretion, shall be permanently removed therefrom promptly by the pet's owner or the owner of the Unit in which the pet lives, upon notice given by the Board or Managing Agent.

(ii) All responsibility, both financial and otherwise, for personal property damage to any owner, occupant, guest, or employee, or any part of the common elements or Project caused by a pet shall be that of the Unit owner and not the Association.

(iii) Walking of pets on common elements or shared limited common elements is restricted to transit only. Dogs and cats may be walked on the paved areas of the common elements or shared limited common elements when in transit, provided they are on a short leash held by the controller. No occupant shall permit an animal in his custody to excrete any body waste on any portion of the common elements or shared limited common elements. All pet refuse shall be securely wrapped and tied in plastic bags before being thrown in the dumpster.

(iv) Animals described as pests under Hawaii Revised Statutes ("HRS") 150A-2 as amended or any successor statute or animals prohibited from importation under HRS 141-2, 150A-5 or 150A-b, as amended or any successor statute, are not allowed on the Project or in any Unit.

(v) Violations of any of the provisions in this Article VI, Section 3.j. on Pets shall subject the Unit owners and/or occupant of the Unit to fines in amounts as established by the Board. The Board may adopt other rules and regulations concerning pets."

e. Variance. It appears that Units 1, 2, 8, 10 and 14 were granted variances to add a bedroom, add a patio or enlarge the Unit, as the case may be, while the lots on which the Units were situated were zoned B-2 Community Business District. Since the granting of these variances, the zoning of the lots has been changed to its current A-1 Low Density Apartment which allows for apartment use. **BUYERS ARE ENCOURAGED TO REVIEW EXHIBIT J AND TO SEEK THEIR OWN PROFESSIONAL AND LEGAL ADVICE IN DETERMINING THE CONSEQUENCES OF THESE VARIANCES AND THE PROJECT'S SUBSEQUENT CHANGE TO THE A-1 ZONING DESIGNATION.**

f. Non-conforming. The number of all-weather surface off-street parking spaces (2) is considered to be non-conforming on TMK No. (1) 3-5-016-002, the lot on which Units 1 and 2 are situated. If either Unit is more than 50% destroyed and is rebuilt to the same size or larger, it will require more than one parking space each. The number of parking spaces required will depend on the size of the Unit.

The number of all-weather surface off-street parking spaces (2) is considered to be non-conforming on TMK No. (1) 3-5-016-007, the lot on which Units 7 and 8 are situated. If either Unit is more than 50% destroyed and is rebuilt to the same size or larger, it will require more than one parking space each. The number of parking spaces required will depend on the size of the Unit. However, since the issuance of the letter of January 25, 2008 from the City and County of Honolulu, Department of Planning and Permitting pointing out this non-conformance (see Exhibit J), an additional parking space has been added to each of Units 7 and 8 so that these two Units now each have 2 parking spaces.

The building on TMK No. (1) 3-5-016-006 containing Units 9-12 is considered a non-conforming structure because it lacks the required rear yard setback. In the event that building is more than 50% destroyed and is sought to be rebuilt, the building will be required to be rebuilt so as to meet the rear yard setback requirements then in effect.

The building on TMK No. (1) 3-5-016-005 containing Units 13-16 is considered a non-conforming structure because it lacks the required rear yard setback. In the event that the building is more than 50% destroyed and is sought to be rebuilt, the building will be required to be rebuilt so as to meet the rear yard setback requirements then in effect.

BUYERS ARE ENCOURAGED TO REVIEW EXHIBIT J AND TO SEEK THEIR OWN PROFESSIONAL AND LEGAL ADVICE IN DETERMINING THE CONSEQUENCES OF THE NON-CONFORMING USES AND STRUCTURES AND THE PROJECT'S SUBSEQUENT CHANGE TO THE A-1 ZONING DESIGNATION.

g. Vacation Rentals, Time Share. Paragraph 10.1 of the Declaration states as follows:

"10.1 The Units in the Project shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and guests, and for any other purpose permissible by the Land Use Ordinance for the City and County of Honolulu, then in effect, subject to the provisions of this Declaration. The Units may not be used for transient or hotel purposes, which are defined as (i) rental for any period less than thirty (30) days, or (ii) any rental in which the occupants of the Unit are provided customary hotel services such as room service for food and beverage, maid service, laundry service, linen service or bellboy service. Notwithstanding the foregoing, the Units in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess a Unit or Units in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Except for such transient, hotel or time-sharing purposes, the Units may be leased subject to all provisions of this Declaration and the Bylaws."

h. Maintenance. Paragraph 10.4 of the Declaration states as follows:

“10.4 Maintenance. Every Unit Owner and occupant shall at all times keep his Unit and the limited common elements appurtenant thereto in a strictly clean, sanitary, neat, maintained and repaired condition. This includes but is not limited to repairing and repainting the exterior of the Unit, as such becomes reasonably necessary; however, the Association shall arrange for the painting of the exterior of each building in the Project but the costs shall be charged back to the owners of the Units in such building pursuant to the provisions of Paragraphs 11 and 13 herein.”

i. Rollback Taxes. There is an Exception No. 1 listed on Exhibit A to the Declaration of Condominium Property Regime regarding possible rollback or retroactive property taxes on all parcels in the condominium Project, except Parcel TMK (1) 3-5-016-007 on which is located Units 7 and 8, due to the possible loss of exemption status. Therefore, all Units except Units 7 and 8 may be subject to these taxes. Title Guaranty of Hawaii, Inc. (“TG”) has informed Developer that exceptions for disability, age, owner-occupant status, etc. may have been filed for individual cooperative apartment owners before this Project was converted to a condominium and the County Real Property Tax Department may have applied these exemptions to all apartments within a building even though not all apartments were so exempt and even though the exemption for an apartment no longer was applicable. TG has indicated that notwithstanding said Exception No. 1, which is also listed on Developer’s title policy for the Project, it is willing to remove this exception on a title policy issued to a buyer when the Developer conveys an individual Condominium Unit Deed to a buyer. If for some reason TG does not remove said exception, buyers will be required to take title to their respective Unit subject to said exception. The possibility of rollback or retroactive property taxes means that a buyer of a Unit may be assessed real property taxes that should have been assessed on the Unit in the past but for the exemption, along with penalties and interest. The amounts could be significant depending on how far back the taxes will be retroactively applied or rolled back. **BUYERS ARE ENCOURAGED TO SEEK PROFESSIONAL AND LEGAL ADVICE IN DETERMINING THE POTENTIAL RISK AND CONSEQUENCES OF SAID ROLLBACK OR RETROACTIVE REAL PROPERTY TAXES.**

j. 15-foot Setback. There is a private 15-foot setback line located on the front of the Project, as shown on the Condominium Map and as shown as an encumbrance on Exhibit A to the Declaration. TG has indicated that it is willing to remove this encumbrance on title policies given to a Unit buyer when the Developer conveys an individual Condominium Unit Deed to a buyer. If for some reason TG does not remove this encumbrance, the individual buyer will take title to his Unit subject to this 15-foot setback encumbrance. Developer has also reserved the right to remove this setback line from the Condominium Map.

k. Future Expansion of Units. The future expansion of living areas and other areas of the Units will be subject to, among other things, the Land Use Ordinance of the City and County of Honolulu. The expansion of the interior living areas of the Units appears to be restricted because of the necessity of requiring an additional parking stall. This statement is a generalized statement and may not apply to Units that already have more than one parking stall or that have the ability to add another parking stall. **BUYERS ARE ENCOURAGED TO SEEK PROFESSIONAL AND LEGAL ADVICE IN DETERMINING THE EXPANSION POSSIBILITIES OF THE UNIT BUYERS ARE CONSIDERING PURCHASING.**

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

m. 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 hazards is recommended prior to purchase."

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.

Kahala Garden Apartments, Inc.

Printed Name of Developer

By: 
Duly Authorized Signatory*

2/28/08
Date

Mary O'Brien Ichikawa, President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City & County of Honolulu

Planning Department, City & County of Honolulu

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

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EXHIBIT A
PARKING STALLS AND COMMON INTEREST

Unit No.	Parking Stall No.	Type of Parking Stall	Common Interest (%)
1	1	R, C	5.8975
2	2	R, C	5.6170
3	3	R, C	6.2260
4	4	R, C	5.9375
5	5	R, C	5.9375
6	6	R, C	6.9711
7	7, 7A	T, C*	5.8974
8	8, 8A	T, C*	5.8974
9	9	R, C	6.9711
10	10	R, C	6.6747
11	11	R, C	5.9375
12	12	R, C	6.2260
13	13	R, C	6.9711
14	14	R, C	6.6747
15	15	R, C	5.9375
16	16	R, C	6.2260
TOTAL			100.0000

R = Regular
 Com = Compact
 C = Covered
 T = Tandem
 C* = Partly Covered

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EXHIBIT B
PERMITTED ALTERATIONS TO UNITS

1. Paragraph 19.1 of the Declaration states:

“19.1 Changes to Units. Notwithstanding anything to the contrary contained in this Declaration, each Unit Owner shall have the right at his sole option at any time and from time to time without the consent of anyone other than the holders of all mortgage liens affecting his Unit and the Design Committee referenced in Paragraph 19.4 herein, to improve, renovate, remodel, make additions to, enlarge, remove, replace or restore the improvements to or in his Unit or portions thereof or to make additional improvements upon the Dwelling Area appurtenant to the Unit (the foregoing are referred to collectively as "Changes" and singly, as a "Change") subject to the following conditions:

(a) Building plans for any Change shall be prepared by a licensed architect or professional engineer and all construction shall be undertaken in accordance with such plans and shall comply with all governmental laws, ordinances, rules and regulations, and shall also comply with the term of the Project's Declaration, Bylaws, Rules and Regulations, and "Design Committee Rules" referenced in Paragraph 19.4 herein and amendments thereto.

(b) If required by County Building Laws, then the Owner making the change shall first obtain any requisite building permit.

(c) Any Change to a Unit cannot extend beyond the Dwelling Area which is appurtenant to the Unit.

(d) No Change to a Unit will be made if the effect of such Change would be to exceed the Unit's "proportionate share of the total allowable lot area coverage for the Land" or the number of dwelling units permitted on the Land, as permitted under the zoning and building codes applicable to the Land in effect when the Change is to be made (collectively, the "Land Use Ordinance"). A Unit's proportionate share of the total allowable lot area coverage for the Land shall be calculated by multiplying the Unit's common interest by the total allowable lot area coverage for the entire Land in the Project, provided however, that this formula does not apply to Units originally built or submitted to the Act by Developer, but only to Changes to a unit after it is sold by the Developer. For example, if the total allowable lot area coverage for the entire Land in the Project is 2,000 square feet and the common interest for Unit 1 is 20%, then Unit 1's proportionate share of the total allowable lot area coverage for the Land in the Project is 400 square feet (2,000 square feet x .20).

(e) Any such Change shall be at the expense of the Unit Owner making the Change and shall be expeditiously made and in a manner that will not unreasonably interfere with the other Unit Owners' use or enjoyment of his Unit and appurtenant limited common elements and the common elements. The Unit Owner making the changes shall pay for all fees and costs of amending and recording the Declaration and Condominium Map to reflect the changes.

(f) During the entire course of such construction, the Unit Owner making such Change will cause to be maintained at his expense builder's all-risk insurance in an amount not less than the estimated cost of construction. At the request of the Association, the Association shall be named as an additional insured and, evidence of such insurance shall be deposited with the Association.

(g) The Unit Owner making the Change shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Unit affected by such Change for electricity, sewer and other utilities and services and when applicable, to add, delete, relocate, realign, designate and grant easement and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any substantial interruption in the service of such utilities to any other Unit Owner.

(h) If the consent or joinder of another Unit Owner to any Change, including obtaining building permits is required by the Act notwithstanding the provisions of the first paragraph in Paragraph 19.1 above, then each Unit Owner hereby consents in advance to give such consent or join any such application for such Change, provided that

all such expenses relating to the change shall be borne by the Owner making the Change.

(i) Each and every conveyance, lease and mortgage or other lien made or created on any Unit and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph 19 and any lease of a Dwelling Area shall reserve to all Owners the rights set forth in this paragraph 19.

(j) The right of the Board to disapprove a Change if it reasonably determines that the Change could jeopardize the soundness or safety of the Project, impair any easement or interfere with or deprive any objecting Owner of the use or enjoyment of any part of the Project.

(k) The Changes shall be submitted to and approved by the “Design Committee” referenced in Paragraph 19.4 herein. “

EXHIBIT C

COMMON ELEMENTS

Paragraph 5 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

“One freehold estate is hereby also designated in all the remaining portions of the Project, herein called "common elements", including specifically but not limited to:

- 5.1 The Land in fee simple;
- 5.2 The perimeter fence, as shown and delineated on the Condominium Map.
- 5.3 The sewer line located on the front of the Project, as shown and delineated on the Condominium Map.
- 5.4 All other portions of the Land and improvements, other than the Units, that are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property Regime.

The common elements shall be used for the purpose for which they are designated.”

EXHIBIT D

LIMITED COMMON ELEMENTS

Paragraph 6 of the Declaration designates:

“6.1 Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of each Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne by the Unit to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

(a) The site on which each Unit is located, consisting of the land beneath and immediately adjacent to said Unit as shown and delineated on the Condominium Map, as “Dwelling Area” for that particular Unit (including the airspace above such site), is for the exclusive use and benefit of said Unit.

(b) Unit 2 has a fence, boundary marker and gate, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 2.

(c) Units 1 and 2 share a demising wall and boundary marker, a fence, wall and boundary marker between Units 1 and 2, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 1 and 2.

(d) Units 3 and 4 share a demising wall and boundary marker between Units 3 and 4, and a boundary marker and fence, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 3 and 4.

(e) Each of Units 3 through 6, Units 9 through 12, and Units 13 through 16, have a storage and laundry area in their respective carports, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of said respective Units.

(f) Each of Units 3 through 6 and Units 10 through 15 has a separate fence, boundary marker and gate(s), as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of each of Units 3, 4, 5, 6, 10, 11, 12, 13, 14 and 15, respectively.

(g) Units 2 and 6 share a fence and boundary marker between Units 2 and 6, and a walkway and gate, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 2 and 6.

(h) Units 4 and 5 share a boundary marker and fence, and a demising wall and boundary marker between Units 4 and 5, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 4 and 5.

(i) Each of Units 6, 7 and 8 has fence(s) and gate(s), as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 6, 7 and 8, respectively.

(j) Units 5 and 6 share a boundary marker and fence, and a demising wall and boundary marker between Units 5 and 6, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 5 and 6.

(k) Units 3 through 6 share a front yard, a CMU wall, a trash enclosure, and a CRM wall, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 3 through 6.

- (l) Units 3 through 8 share landscape and a driveway, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 3 through 8.
- (m) Units 7 and 8 share a trash enclosure, a fence and boundary marker, and demising walls and boundary markers between Units 7 and 8, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 7 and 8.
- (n) Units 8 and 12 share a fence and boundary marker between Units 8 and 12, as shown and delineated on the condominium Map, as a limited common element for the exclusive use and benefit of Units 8 and 12.
- (o) Unit 9 has a fence and gate, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 9.
- (p) Units 8 through 12 share a walkway and gate, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 8 through 12.
- (q) Units 9 through 12 share a front yard, a trash enclosure, a CRM wall, and a CMU wall, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 9 through 12.
- (r) Units 9 and 10 share a boundary marker and fence, and a demising wall and boundary marker between Units 9 and 10, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 9 and 10.
- (s) Units 10 and 11 share a boundary marker and fence, and a demising wall and boundary marker between Units 10 and 11, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 10 and 11.
- (t) Units 11 and 12 share a boundary marker and fence, and a demising wall and boundary marker between Units 11 and 12, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 11 and 12.
- (u) Units 9 through 16 share landscape and a driveway, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 9 through 16.
- (v) Unit 16 has a fence, boundary marker and gates, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Unit 16.
- (w) Units 13 through 16 share a front yard, a CMU wall, a trash enclosure, a CRM wall, and a walkway and gate, as shown and delineated on the Condominium Map, as a limited common element for the exclusive use and benefit of Units 13 through 16.
- (x) Units 13 and 14 share a boundary marker and fence, a landscape divider and boundary marker between Units 13 and 14, and a demising wall and boundary marker between Units 13 and 14, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 13 and 14.
- (y) Units 14 and 15 share a boundary marker and fence, a landscape divider and boundary marker between Units 14 and 15, and a demising wall and boundary marker between Units 14 and 15, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 14 and 15.
- (z) Units 15 and 16 share a fence and boundary marker, and a demising wall and boundary marker between Units 15 and 16, as shown and delineated on the Condominium Map, as limited common elements for the exclusive use and benefit of Units 15 and 16.
- (aa) The following affects the water lines in the Project:

(i) Units 1 and 2, Units 3 through 6, Units 7 and 8, Units 9 through 12, and Units 13 through 16 are served by separate water supply lines running from their respective water meters that serve the respective Units. The water supply lines serving these Units are a limited common element of Units 1 and 2, Units 3 through 6, Units 7 and 8, Units 9 through 12, and Units 13 through 16, respectively, and are for the exclusive use and benefit of that group of Units, respectively.

(ii) The water line running from the water supply line to a Unit and all the water lines within a Unit is a limited common element for that Unit.

(bb) The following affects the sewer lines in the Project, except for the common element sewer line referenced in paragraph 5 above:

(i) The sewer laterals that connect to the common element sewer line and that services Units 3 through 6, Units 9 through 12, and Units 13 through 16, respectively, are limited common elements of Units 3 through 6, Units 9 through 12, and Units 13 through 16, respectively, and are for the exclusive use and benefit of those groups of Units, respectively.

(ii) The individual sewer laterals from each Unit that connects to a shared limited common element sewer lateral is a limited common element for the exclusive use and benefit of that Unit. In addition, sewer piping in the Unit that services only that Unit is a limited common element for the exclusive use and benefit of that Unit.

(iii) The sewer lateral that services both Units 1 and 2 and that connects to the common element sewer line is a limited common element for the exclusive use and benefit of Units 1 and 2.

(iv) The sewer lateral that services both Units 7 and 8 and that connects to the common element sewer line is a limited common element for the exclusive use and benefit of Units 7 and 8.

(cc) The following affects the roofs in the Project:

(i) The roofs for Units 1 and 2 and for Units 7 and 8 are limited common elements for the exclusive use and benefit of Units 1 and 2 and Units 7 and 8, respectively, except that the lanai roofs for Units 7 and 8 are a limited common element for the exclusive use and benefit of Units 7 and 8, respectively.

(ii) The roofs for Units 3 through 6, including those over the carports and lanais, for Units 9 through 12, including those over the carports and lanais, and for Units 13 through 16, including those over the carports and lanais, are a limited common element for the exclusive use and benefit of Units 3 through 6, Units 9 through 12, and Units 13 through 16, respectively.

(dd) Any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, lanais, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit but located outside the Unit's boundaries, are a limited common element for that Unit.

(ee) Any gutter servicing only one Unit shall be a limited common element for that Unit but any gutters servicing more than one Unit shall be a limited common element for those Units.

(ff) Any limited common elements for a Unit or Units, as shown on the Condominium Map but inadvertently left out of this Declaration, shall be limited common elements for that Unit or Units.

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

EXHIBIT E

ENCUMBRANCES AGAINST TITLE

SUBJECT TO:

1. Any and all Real Property Taxes due and owing.

PARCEL FIRST is covered by Tax Key: (1) 3-5-016-005
PARCEL SECOND is covered by Tax Key: (1) 3-5-016-006
PARCEL THIRD is covered by Tax Key: (1) 3-5-016-007
PARCEL FOURTH is covered by Tax Key: (1) 3-5-016-008
PARCEL FIFTH is covered by Tax Key: (1) 3-5-016-002

-Note:- Attention is invited to the fact that Parcels First, Second, Fourth and Fifth covered herein may be subject to possible rollback or retroactive property taxes due to possible loss of exemption status.

2. -AS TO PARCEL FIRST ONLY:-

A 15-foot building setback line along Hunakai Street, as shown on the map attached to instrument recorded in Liber 2669 at Page 393.

3. -AS TO PARCEL SECOND ONLY:-

A 15-foot building setback line along Hunakai Street, as shown on the map attached to instrument recorded in Liber 2669 at Page 399.

4. -AS TO PARCEL THIRD ONLY:-

A 15-foot building setback line along Hunakai Street, as shown on the map attached to instrument recorded in Liber 2669 at Page 405.

5. -AS TO PARCEL FOURTH ONLY:-

A 15-foot building setback line along Hunakai Street, as shown on the map attached to instrument recorded in Liber 2669 at Page 411.

6. -AS TO PARCEL FIFTH ONLY:-

A 15-foot building setback line along Hunakai Street, as shown on the map attached to instrument recorded in Liber 2669 at Page 417.

7. -AS TO PARCELS FIRST AND SECOND ONLY:-

LEASE OF SEWER EASEMENT NO. 28,887

LESSOR : TRUSTEES UNDER THE WILL AND OF THE ESTATE OF
BERNICE PAUAHI BISHOP, DECEASED

LESSEE : BLOCKBUSTER INC., a Delaware corporation, successor-in-interest by merger to Blockbuster Videos, Inc., a Delaware corporation

DATED : --- (acknowledged September 18, 2000)

RECORDED : Document No. 2000-037737

TERM : Approximately 40 years, unless sooner terminated or upon expiration of Lease No. 28,827, or being more particularly described therein

CONSENT : Given by KAHALA GARDEN APARTMENTS, INC., a Hawaii corporation by instrument dated July 18, 2003, recorded as Document No. 2003-037738

Said Lease, demising a non-exclusive six (6) feet wide sanitary easement, being more particularly described therein.

8. Any recorded and unrecorded Proprietary Leases covering apartment units within the Cooperative Project known as "KAHALA GARDEN APARTMENTS" and matters arising from or affecting the same.

9. MORTGAGE

MORTGAGOR : KAHALA GARDEN APARTMENTS, INC., a Hawaii corporation

MORTGAGEE : HAWAII NATIONAL BANK, a national banking association

DATED : July 25, 2007

RECORDED : Document No. 2007-135621

AMOUNT : \$5,390,000.00

10. The terms and provisions contained in the following:

INSTRUMENT : ASSIGNMENT OF LESSOR'S INTEREST IN LEASES AND RENTS

DATED : July 25, 2007

RECORDED : Document No. 2007-135622

PARTIES : KAHALA GARDEN APARTMENTS, INC., a Hawaii corporation, "Assignor", and HAWAII NATIONAL BANK, a national banking association, "Assignee"

RE : promissory note in the amount of \$5,390,000.00

11. FINANCING STATEMENT

DEBTOR : KAHALA GARDEN APARTMENTS, INC.

SECURED PARTY : HAWAII NATIONAL BANK

RECORDED : Document No. 2007-135623

RECORDED ON: July 31, 2007

12. The terms and provisions contained in the following:

INSTRUMENT: DECLARATION OF CONDOMINIUM
PROPERTY REGIME FOR "KAHALA
GARDENS" CONDOMINIUM PROJECT

DATED : February 14, 2008
FILED : Document No. 2008-025373
MAP : 4587 and any amendments thereto

13. The terms and provisions contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF
APARTMENT OWNERS

DATED : February 14, 2008
FILED : Document No. 2008-025374

EXHIBIT F

DEVELOPER'S RESERVATIONS TO CHANGE DECLARATION, BYLAWS, HOUSE RULES

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

1. Paragraphs 8.2.2 of the Declaration states:

“8.2.2 The Developer reserves the right without the necessity of obtaining any written consent, joinder or conveyance from anyone, (i) to amend the Declaration, Condominium Map, other condominium documents and title documents to remove the “15’-0” building setback line (private)” from the Declaration, Condominium Map, other condominium documents and title documents or to otherwise vitiate or nullify the effects of said setback lines; (ii) to grant to any public utility or governmental authority easements for sewer, drainage, water and other utility facilities over, under, along, across and through the Land of the Project, (iii) to consolidate, subdivide and dedicate to any governmental authority such Land as may be required by such governmental authority for roadway or other public purposes, all under the usual terms and conditions required by the grantee for such easement, roadway and/or public rights; provided, however, that the grantee shall not be permitted to exercise its rights in any manner that shall unreasonably damage the buildings in the Project or unreasonably interfere with the use of said Land by the Unit owners and their successors and assigns. Each Unit owner and each and every person acquiring an interest in the Project agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same, and appoints Developer and its assigns as his or her attorney-in-fact with full power of substitution to execute and deliver such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the duration of such reserved rights, and shall not be affected by the disability of such party or parties.”

2. Paragraph 11.2 of the Declaration states:

“11.2 Developer Retains Control of Association. Developer reserves the right to retain control of the Association for the maximum period of time allowed under Section 514B-106(d) of the Act. During such period of time, Developer or person(s) designated by Developer, reserves the right to appoint and remove all members of the Board and all officers of the Association. The Developer may voluntarily surrender the right to appoint and remove officers and members of the Board before termination of that period, but in that event the Developer may require, for the duration of the period of Developer control, that specified actions of the Association or Board, as described in a recorded instrument executed by the Developer, be approved by the Developer before they become effective.”

3. Paragraphs 20.2, 20.3, 20.4 and 20.6 of the Declaration state:

“20.2 Notwithstanding any provision to the contrary in this Declaration and in addition to any rights reserved by Developer in this Declaration or by the provisions of the Act, Developer reserves the following rights: (1) at any time prior to the first recording in the Recording Office of a conveyance of a Unit, the Developer may amend this Declaration, the Condominium Map and the Bylaws in any manner, without the consent of any Unit purchaser; and (2) at any time after the first recording in the Recording Office of a conveyance of a Unit, the Developer may amend this Declaration and the Condominium Map to file the "As Built" verified statement required by Section 514B-34 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, Unit numbers, and the dimensions of an

improvement or change in a Unit as built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the Units as built or any change in any Unit number.

20.3 Notwithstanding Paragraph 19.2 or any other provision in this Declaration, a Unit Owner shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map to reflect the Changes made to the Unit pursuant to Paragraph 19.1 or the boundaries of Dwelling Areas in accordance with Paragraph 19.3. Promptly upon completion of such Changes, the Owner of the changed Unit or boundary, as the case may be, shall duly record with the Recording Office an amendment to this Declaration and to the Condominium Map, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer. All existing Unit Owners and all future Unit Owners and their mortgagees, by accepting an interest in a Unit, shall be deemed to have given each Unit Owner a Power of Attorney to execute an amendment to the Declaration solely for the purpose of describing the changes to his respective Unit and boundary on the Declaration and Condominium Map so that each Unit Owner shall hereafter have a Power of Attorney from all the other Unit Owners to execute such amendment to the Declaration and Condominium Map. This Power of Attorney shall be deemed coupled with each Owner's interest in his Unit (including his common interest) and shall be irrevocable.

20.4 Amendments Required by Law, Lenders, Title Insurers, Etc. Notwithstanding any other provision of this Declaration, for so long as the Developer retains any interest in a Unit in the Project, the Developer reserves the right (but not the obligation) to amend this Declaration and the Bylaws and the Condominium Map without the consent or joinder of any Unit Owner, lienholder or other person or entity, for the purpose of accurately describing the remaining land after the conveyance referred to in Paragraph 8.8 or meeting any requirement imposed by (i) any applicable law, (ii) the Real Estate Commission of the State of Hawaii, (iii) any title insurance company issuing a title insurance policy on the Project or any of the Units, (iv) any institutional lender lending funds on the security of the Project or any of the Units, or (v) any other governmental or quasi-governmental agency including, without limitation, the Federal National Mortgage Association, the Federal Home Loan Mortgage Corporation, the U. S. Department of Housing and Urban Development or the Veterans Administration; provided, however, that no amendment which would change the common interest appurtenant to a Unit or substantially change the design, location or size of a Unit shall be made without the consent of all persons having an interest in such Unit. Each and every party acquiring an interest in the Project, by such acquisition, consents to the amendments described in this Paragraph 20.4 and agrees to execute and deliver such documents and instruments and do such other things as may be necessary or convenient to effect the same, and appoints Developer and its assigns as his or her attorney-in-fact with full power of substitution to execute and deliver such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the duration of such reserved rights, and shall not be affected by the disability of such party or parties.

20.6 Developer's Reservation. Notwithstanding anything to the contrary contained in this Declaration, this Declaration cannot be amended to remove or lessen rights reserved by Developer in this Declaration for its benefit or the benefit of its successors, assigns, transferees or designees unless Developer, its successors, assigns, transferees or designees, as the case may be, consents to the amendment, which consent may be withheld in the sole discretion of the Developer, its successors, assigns, transferees or designees, as the case may be."

EXHIBIT G

Estimates of Initial Maintenance Fee Disbursements
(2008)

2-19-08

Kahala Gardens
(16 units)

	Monthly	Annually
ADMINISTRATIVE		
Office Expense		
Postage & Shipping	13	156
Copying (MSC)	24	288
Coupons/Statements	6	72
Office Supplies (BOD)	59	708
Office Supplies (MSC)	9	108
Facsimile Costs	1	12
Meetings/Enrollment		
Association Meeting	46	552
Board Meeting	2	24
Minutes	7	84
Regis/Education Fund	20	240
Other Administrative		
Bank Service Charge	62	744
PROFESSIONAL SERVICES		
Property Management	581	6,972
Extermination		
Inspection	126	1,512
Ground Treatment	7	84
Rodent/Pest Control	74	888
Financial Services		
Audit/Tax Prep	53	636
UTILITIES		
Water	293	3516
Sewer	489	5868
BUILDING MAINTENANCE		
Repair/Maintenance		
Plumber	44	528
Drain Cleanout	14	168
Roofing	109	1308
GROUNDS MAINTENANCE		
Contract	400	4800
Tree Trim/Removal	100	1200
INSURANCE AND TAXES		

Insurance		
Condo Policy	585	7020
Umbrella	16	192
Service Charge	1	12
Taxes		
General Excise Tax	7	84
TOTAL	\$3,148.00	\$37,776.00

I, Rod Chai, as agent for Century 21 Realty Specialists Corporation dba Management Specialists Company, the managing agent for the Kahala Gardens condominium project, hereby certify that the above Estimates of Initial Fee Disbursements and the attached Estimate of Initial Maintenance Fees were prepared in accordance with generally accepted accounting principles. The estimates herein assume that Developer will collect a start-up fee equal to approximately \$3,000 from each purchaser at closing of sale. Said start-up fee shall be used to fund the association's capital reserve account.

Century 21 Realty Specialists Corporation
 dba Management Specialists Company



February 21, 2008

By Rod Chai, Its President

Date

Developer's Statement

KAHALA GARDEN APARTMENTS, INC., developer of the Kahala Gardens condominium project states that a unit owner shall become obligated to pay the unit owner's maintenance fee upon taking title to the Unit.

Kahala Garden Apartments, Inc.,
 a Hawaii corporation



By Mary O'Brien Ichikawa, Its President

Dated; February 21, 2008

Kahala Gardens
Estimates of Initial Maintenance Fees
(2008)

<u>UNIT</u>	<u>% INTEREST</u>	<u>MONTHLY MAINTENANCE FEE</u>	<u>ANNUAL MAINTENANCE FEE</u>
#1	5.8975%	\$330.26	\$3,963.12
#2	5.6170%	\$314.55	\$3,774.60
#3	6.2260%	\$348.66	\$4,183.92
#4	5.9375%	\$332.50	\$3,990.00
#5	5.9375%	\$332.50	\$3,990.00
#6	6.9711%	\$390.38	\$4,684.56
#7	5.8974%	\$330.25	\$3,963.00
#8	5.8974%	\$330.25	\$3,963.00
#9	6.9711%	\$390.38	\$4,684.56
#10	6.6747%	\$373.78	\$4,485.36
#11	5.9375%	\$332.50	\$3,990.00
#12	6.2260%	\$348.66	\$4,183.92
#13	6.9711%	\$390.38	\$4,684.56
#14	6.6747%	\$373.78	\$4,485.36
#15	5.9375%	\$332.50	\$3,990.00
#16	6.2260%	\$348.66	\$4,183.92
Total	100.00%	\$5,599.99	\$67,199.88

EXHIBIT H

SUMMARY OF PERTINENT PROVISIONS OF SALES CONTRACT

Developer has filed a specimen Purchase and Sales Contract (“Sales Contract”) with the Hawaii Real Estate Commission, which contains certain pertinent provisions summarized as follows:

I.4.a & I.5.c. CONDOMINIUM DOCUMENTS. By closing the purchase of the Unit, Buyer acknowledges that it has examined and approved the form of the Condominium Unit Deed, Declaration of Condominium Property Regime of Kahala Gardens (“Declaration”), By-Laws, Escrow Agreement, Public Report, Rules and Regulations, Condominium Map, Design Committee Rules and any amendments to such documents or plan (collectively “Project Documents”). The Condominium Map is intended to show only the approximate layout, location, unit numbers and dimensions of the Units and is not intended to be and is not a representation, warranty or promise to Buyer.

I.4.b. MODIFICATION OF DOCUMENTS. Developer can make certain modifications to the Project Documents. If the modification results in a “material change,” Buyer may rescind the Sales Contract pursuant to HRS Section 514B-87.

I.5.a. NO WARRANTIES. Seller is making no warranties, express or implied (including warranties of merchantability, habitability, workmanlike construction or fitness for a particular purpose), regarding the Units, common elements, or Project, fixtures, appliances, furnishings, consumer items in the Units or anything connected with the Project.

Ninety days before filing a lawsuit against a contractor who designed, repaired or constructed Buyer’s house, Buyer must file a written notice with the contractor alleging the defective construction conditions. Contractor has an opportunity to offer to repair and/or pay for defects but Buyer is not obligated to accept the offer. Under law, there are strict deadlines that, if not followed, may negatively affect Buyer’s ability to file a lawsuit or other action.

I.5.b. ACCEPTANCE OF UNIT. Developer or contractor may ask Buyer to inspect the Unit before Closing. Buyer agrees to accept possession of the Unit even if Buyer has not inspected the Unit prior to Closing.

I.5.e. SELLER’S STATEMENT. Seller’s disclosures in the Sales Contract and the Project Documents about the Unit and the Project are based on observations of visible, accessible areas and information within the knowledge and control of Seller. Buyer should hire his own experts to inspect the Unit and Project.

I.5.f.(6). LIQUIDATED DAMAGES. In the event Buyer alleges that Seller violated any federal or state disclosure laws or regulations (including the Hawaii Condominium Property Act and federal and state securities law), Buyer’s only remedy will be to sue for a refund of the purchase price and closing costs actually paid plus interest at 6% per annum from the date of closing until the date of repayment. If Buyer is successful, this remedy will constitute liquidated damages and Buyer cannot claim damage for changes to the Unit, maintenance fees, real property taxes, mortgage fees and interest on the mortgage or any other damages.

I.3; I.6.; I.9. SELLER’S RIGHT TO CANCEL In addition to any other rights of cancellation reserved to Seller, if (a) Buyer’s deposit check is returned for insufficient funds, (b) Buyer intends to obtain financing and fails to meet the deadlines regarding applying for financing or to obtain an

irrevocable written commitment for an adequate loan within 20 days of the acceptance of the Sales Contract by Seller, (c) Buyer intends to pay all cash and fails to provide proof of ability to pay within 5 days after Seller accepts the Sales Contract, or (d) Buyer should die prior to Closing, or (e) Buyer shall default or fail to perform other obligations under the Sales Contract that are not cured within 5 days of Seller's notice to Buyer, Seller reserves the right to cancel the Sales Contract and return Buyer's check or payments, without interest and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of the Sales Contract.

I.6.d. & I.6.h. BUYER'S RIGHT TO CANCEL. Buyer has the right to cancel a binding Sales Contract at any time prior to the earlier of (1) the conveyance of a Unit to Buyer, or (2) midnight of the thirtieth (30th) day after (i) the date Buyer signs the Sales Contract, and (ii) the items referenced in HRS Section 514B-86(b)(2) have been delivered to Buyer unless Buyer waives his right to cancel in writing prior to such time. Buyer also has the right to cancel the Sales Contract if the Buyer signs this Sales Contract before completion of the Unit and the Unit is not completed by September 30, 2007, as it may be extended.

I.7.d. CLOSING COSTS. Buyer shall pay all closing costs. Real property taxes, assessments paid and insurance shall be prorated as of the Closing.

I.8. SUBORDINATION. Buyer acknowledges that Seller may obtain a loan and grant a mortgage covering Seller's interest in the Project, including the Sales Contract. Buyer acknowledges and agrees that all security interests obtained by a lender in connection with such loan as well as any extensions, renewals and modifications thereof, shall be and remain at all times a lien or charge on the Project, including the Unit covered by the Sales Contract, prior to and superior to any and all liens or charges on the Project arising from the Sales Contract. Buyer hereby expressly waives, relinquishes and subordinates the priority or superiority of any lien under the Sales Contract in favor of the lien or charge on the Project of the security interests of lender.

I.5.b. & I.9. DEFAULT. Time is of the essence of the Sales Contract, and if the Sales Contract is binding and Buyer shall default in any payment when required or fail to perform any other obligations required of Buyer and shall fail to cure such default within five (5) days after receipt of written notice thereof from Seller, Seller may, at Seller's option, terminate the Sales Contract by written notice to Buyer. In the event of such default, the parties hereto understand and agree that the sums paid by Buyer prior to such default shall belong to Seller as liquidated damages. In addition, Buyer shall pay all fees for documents that have been prepared in connection with Buyer's proposed purchase of the Unit. Seller may also pursue any other remedy at law or in equity for specific performance or damages, and all costs, including attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

THIS EXHIBIT CONTAINS ONLY SUMMARIES OF CERTAIN PERTINENT PROVISIONS CONTAINED IN THE PURCHASE AND SALES CONTRACT. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED IN THE AFORESAID DOCUMENT.

SUMMARY OF PERTINENT PROVISIONS OF CONVERSION CONTRACT.

Developer has filed a specimen Conversion Contract (“Conversion Contract”) with the Hawaii Real Estate Commission. The Conversion Contract will be used to sell the fee unit to owners of a co-operative unit in the Project, i.e., those that own stock in the Cooperative. The Conversion Contract contains pertinent provisions summarized as follows:

D.3. NO WARRANTIES. The Unit is conveyed without any warranties “AS IS, WHERE IS” AND WITH ALL FAULTS AND DEFECTS.” The Developer is making no warranties, express or implied, regarding the Unit or the Project, including without limitation any implied warranty of habitability. The Buyer agrees that the Developer will not be liable for any construction or other defects in the Project or the Unit, including latent or hidden defects.

D.4. CLOSING. At Closing, the Buyer will execute other documents required by Seller to surrender or assign the Buyer’s stock and cancel the Proprietary Lease in the Unit.

D.5. CLOSING COSTS. The Buyer will pay all closing costs.

D.13. CONDOMINIUM DOCUMENTS. Buyer acknowledges that he has examined and approved the Public Report, the Declaration, the Bylaws, the Condominium Map, the Condominium Unit Deed, the Conversion Contract, the House Rules, the Design Committee Rules, the Escrow Agreement, and the Assignment of Stock and Cancellation of Proprietary Lease.

D.16 & 17 TAX MATTERS. There may be adverse tax consequences to both Buyer and Developer arising out of the transactions contemplated by the Conversion Contract. This Section describes some of the tax consequences. Buyer assumes the tax risks and releases the Developer from all potential liability. Buyer is encouraged to retain his own tax professionals for advice.

D.14. MODIFICATION OF DOCUMENTS. Developer can make certain modifications to the Project Documents. If the modification results in a “Material Change” or an increase in Owner’s percentage share of common expenses, Buyer will have the right to cancel the Conversion Contract pursuant to Hawaii Revised Statutes 514B-87.

D.24. DEFAULT. If Buyer defaults under the Conversion Contract, Developer may terminate the Conversion Contract and may keep all deposits made by Buyer and exercise any other remedies available to the Developer under law.

THIS EXHIBIT CONTAINS ONLY SUMMARIES OF CERTAIN PERTINENT PROVISIONS CONTAINED IN THE CONVERSION CONTRACT. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS IN THEIR ENTIRETY CONTAINED IN THE AFORESAID DOCUMENT.

EXHIBIT I

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Summary of the Condominium Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc. ("Escrow")

1. All deposits will be paid to Escrow. A copy of each Sales Contract and all payments made to purchase a Unit shall be turned over to the Escrow.

2. Refunds. A Buyer shall be entitled to a return of his funds, and Escrow shall pay such funds to such Buyer, without interest, in accordance with the Sales Contract if any of the following has occurred:
 - (a) Developer and Buyer shall have requested Escrow in writing to return to Buyer the funds of Buyer held hereunder by Escrow; or
 - (b) Developer shall have notified Escrow in writing of Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or
 - (c) Buyer shall have notified Escrow in writing that the conditions provided for a refund under Section 514B-86 (30 day right to cancel) or Section 514B-87 (right to rescind because of a material change) or Section 514B-89 (failure to complete construction before specified completion deadline) of Hawaii Revised Statutes, as amended, have been met.

Escrow shall be entitled to a cancellation fee commensurate with the work done by Escrow of up to \$250.00 (i) from Seller if cancellation is under Section 514B-87, or (ii) from Buyer if cancellation is under Sections 514B-86 or 514B-89..

3. Requirements Prior to Disbursement of Buyer's Funds. Except for refunds pursuant to Section 2 above, Escrow shall make no disbursements of Buyer's funds pursuant to paragraph 5 of the Escrow Agreement until the applicable conditions of said paragraph 5 have been met. Some of these conditions are the Buyer's waiver of rescission and cancellation rights. Buyer is encouraged to read paragraph 5 of the Escrow Agreement.

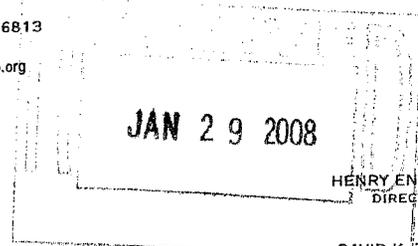
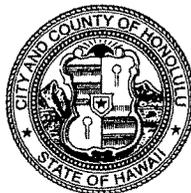
4. Buyer's Lender. If Buyer does not obtain a mortgage loan from a lender designated by Developer, Buyer will pay Escrow an additional fee of \$250.00. If Buyer obtains a mortgage loan from an out-of-state lender, Buyer will pay Escrow a fee of \$500.00 for each out-of-state mortgage loan obtained.

5. Buyer's Default. Seller must notify Escrow in writing if Buyer defaults, and must certify that Seller has terminated the Buyer's Sales Contract and provide Escrow with copies of all such notices and termination sent to the Buyer. After such cancellation Escrow will treat the Buyer's funds less Escrow's cancellation fees as belonging to the Seller.

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUÉ
DEPUTY DIRECTOR

2007/ELOG-1362 (RLK)

January 25, 2008

Kenneth K. P. Wong, Esq.
Attorney at Law
Davies Pacific Center, Suite 1090
841 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Wong:

Subject: Condominium Conversion Project
1220 Hunakai Street
Tax Map Key: 3-5-016: 002

This is in response to your letter dated May 9, 2007, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed a one-story two-family detached dwelling with two (2) all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1953 on this 7,353-square-foot A-1 Low Density Apartment zoned lot.

On April 24, 1969, approval was granted for a variance (File No. 69/ZBA-36) to permit bedroom additions to a nonconforming duplex structure within a B-2 Community Business District zoned lot. Note: The lot has been rezoned to A-1 Low Density Apartment District, and this duplex structure is permitted on this lot.

The number of all-weather-surface off-street parking spaces (2) is considered to be nonconforming.

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

Exhibit J

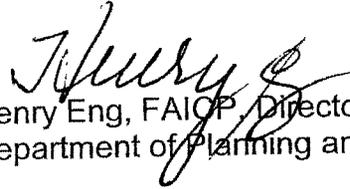
Kenneth K. P. Wong, Esq.
January 25, 2008
Page 2

No other 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 768-8151.

Very truly yours,



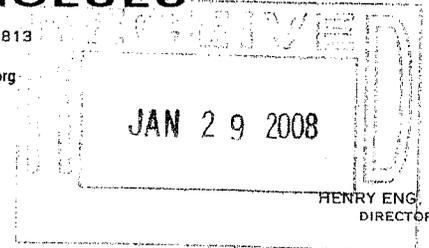
Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:dkk

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DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

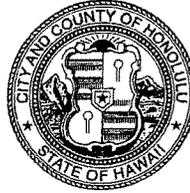
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HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

MUFI HANNEMANN
MAYOR



2007/ELOG-1362 (RLK)

January 25, 2008

Kenneth K. P. Wong, Esq.
Attorney at Law
Davies Pacific Center, Suite 1090
841 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Wong:

Subject: Condominium Conversion Project
1252 Hunakai Street
Tax Map Key: 3-5-016: 005

This is in response to your letter dated May 9, 2007, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed a two-story four unit apartment building with four (4) all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1953 on this 7,847-square-foot A-1 Low Density Apartment zoned lot.

Investigation also revealed the following:

1. On October 7, 1971, approval was granted for a variance (File No. 71/ZBA-98) to permit the enlargement of a nonconforming apartment unit (Unit 1252-B) in a B-2 Community Business District. Note: The lot has been rezoned to A-1 Low Density Apartment District, and this four unit apartment building is permitted on this lot.
2. The apartment building is considered a nonconforming structure because it lacks the required rear yard setback.
3. There is an active building permit (Building Permit No. 617486), issued on September 18, 2007, to enclose an existing covered lanai for Unit 1252-A.

Exhibit J

Kenneth K. P. Wong, Esq.
January 25, 2008
Page 2

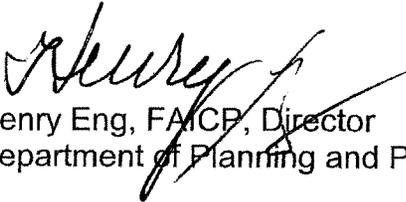
For your information, the Department of Planning and Permitting cannot determine all other legal nonconforming uses or structures, as a result of the adoption or amendment of any ordinance or code.

No other 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 768-8151.

Very truly yours,



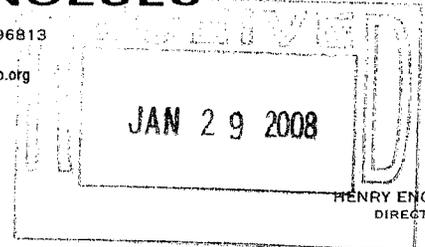
Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:dkk

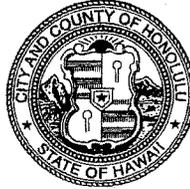
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DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

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MUFI HANNEMANN
MAYOR



DAVID K. TANOUÉ
DEPUTY DIRECTOR

2007/ELOG-1362 (RLK)

January 25, 2008

Kenneth K. P. Wong, Esq.
Attorney at Law
Davies Pacific Center, Suite 1090
841 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Wong:

Subject: Condominium Conversion Project
1244 Hunakai Street
Tax Map Key: 3-5-016: 006

This is in response to your letter dated May 9, 2007, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed a two-story four unit apartment building with four (4) all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1953 on this 8,097-square-foot A-1 Low Density Apartment zoned lot.

On July 25, 1974, approval was granted for a variance (File No. 74/ZBA-87) to enlarge a nonconforming apartment unit (Unit (# 1244-B) in a B-2 Community Business District. Note: The lot has been rezoned to A-1 Low Density Apartment District, and this four unit apartment building is permitted on this lot.

The apartment building is considered a nonconforming structure because it lacks the required rear yard setback.

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

Exhibit J

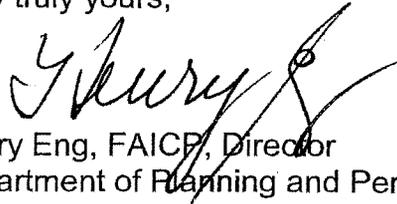
Kenneth K. P. Wong, Esq.
January 25, 2008
Page 2

No other 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 768-8151.

Very truly yours,

A handwritten signature in black ink, appearing to read "Henry Eng", with a stylized flourish extending from the end.

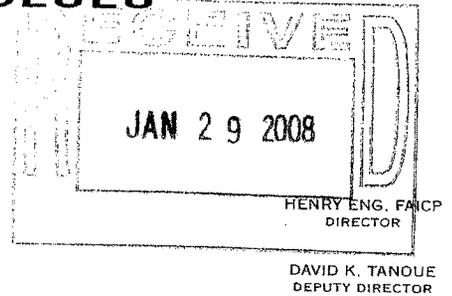
Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:dkk

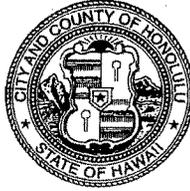
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MUFI HANNEMANN
MAYOR



2007/ELOG-1362 (RLK)

January 25, 2008

Kenneth K. P. Wong, Esq.
Attorney at Law
Davies Pacific Center, Suite 1090
841 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Wong:

Subject: Condominium Conversion Project
1236 Hunakai Street
Tax Map Key: 3-5-016: 007

This is in response to your letter dated May 9, 2007, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed a one-story two-family detached dwelling with two (2) all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1953 on this 8,247-square-foot A-1 Low Density Apartment zoned lot.

On October 21, 1971, approval was granted for a variance (File No. 71/ZBA-141) to construct a patio addition to a nonconforming dwelling unit (Unit 1236-B) within a B-2 Community Business District zoned lot. Note: The lot has been rezoned to A-1 Low Density Apartment District, and this duplex structure is permitted on this lot.

The number of all-weather-surface off-street parking spaces (2) is considered to be nonconforming.

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

Exhibit J

Kenneth K. P. Wong, Esq.
January 25, 2008
Page 2

No other 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 768-8151.

Very truly yours,

A handwritten signature in black ink, appearing to read "Henry Eng", with a long, sweeping flourish extending to the right.

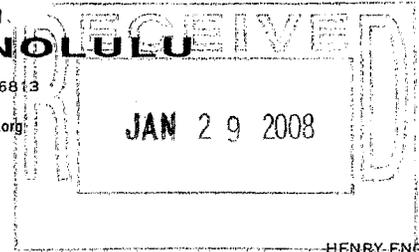
Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:dkk

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DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

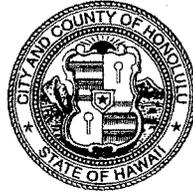
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HENRY-ENG, FAICP
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DAVID K. TANOUE
DEPUTY DIRECTOR

MUFI HANNEMANN
MAYOR



2007/ELOG-1362 (RLK)

January 25, 2008

Kenneth K.P. Wong, Esq.
Attorney at Law
Davies Pacific Center, Suite 1090
841 Bishop Street
Honolulu, Hawaii 96813

Dear Mr. Wong:

Subject: Condominium Conversion Project
1228 Hunakai Street
Tax Map Key: 3-5-016: 008

This is response to your letter dated May 9, 2007, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed a two-story four unit apartment building with four (4) all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1953 on this 8,247-square-foot A-1 Low Density Apartment zoned lot.

There is an active building permit (Building Permit No. 617712), issued on September 24, 2007, to enclose an existing lanai for Unit 1228-D.

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.

Exhibit J

Kenneth K. P. Wong, Esq.
January 25, 2008
Page 2

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.

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Very truly yours,

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Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:dkk

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