

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

CONDOMINIUM PROJECT NAME	PU'UHONU PROFESSIONAL BUILDING
Project Address	75 Pu'uuhonu Place, Hilo, Hawaii 96720
Registration Number	6566 (conversion)
Effective Date of Report	<b>April 2, 2008</b>
Developer	Pu'uuhonu Associates

**Preparation of this Report**

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

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

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

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

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

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

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

**SPECIAL ATTENTION**

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

**SEE PAGE 18 FOR ADDITIONAL DISCLOSURES.**

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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	<input checked="" type="checkbox"/> Fee <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	75 Pu'uuhonu Place, Hilo, Hawaii 96720
Address of Project is expected to change because	
Tax Map Key (TMK)	(3) 2-3-035-035
Tax Map Key is expected to change because	
Land Area	51,477 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

**1.2 Buildings and Other Improvements**

Number of Buildings	1
Floors Per Building	2
Number of New Building(s)	0
Number of Converted Building(s)	1
Principal Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Steel, concrete and metal

**1.3 Unit Types and Sizes of Units**

Unit Number	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc.)	Total Area
100						985
101						2,350
104						1,391
202						1,789
204						568
205						1,757
207						574
See Exhibit "A"						

<b>7</b>	<b>Total Number of Units</b>
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Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

**1.4 Parking Stalls**

Total Parking Stalls in the Project:	39
Number of Guest Stalls in the Project:	20 guest stalls, 3 handicap stalls
Number of Parking Stalls Assigned to Each Unit:	At least one, but see Exhibit "A"
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:  See Exhibit "B"
--

**1.6 Permitted Alterations to the Units**

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

**1.7 Common Interest**

<u>Common Interest</u> : 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):**

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

**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 <u>      "D"      </u></p>									
<p>Described as follows:</p>									
<table border="1"> <thead> <tr> <th>Common Element</th> <th>Number</th> </tr> </thead> <tbody> <tr> <td>Elevators</td> <td>0</td> </tr> <tr> <td>Stairways</td> <td>2</td> </tr> <tr> <td>Trash Chutes</td> <td>0</td> </tr> </tbody> </table>		Common Element	Number	Elevators	0	Stairways	2	Trash Chutes	0
Common Element	Number								
Elevators	0								
Stairways	2								
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 <u>      "E"      </u>.</p>	
<p>Described as follows:</p>	

**1.11 Special Use Restrictions**

<p>The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.</p>	
	Pets:
	Number of Occupants:
X	Other: There are numerous special restrictions on the use of the units set forth in the Declaration. Purchaser should carefully review the Declaration and Exhibit "L" to this Public Report regarding such provisions.
	There are no special use restrictions.

**1.12 Encumbrances Against Title**

<p>An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).</p>	
<p>Exhibit <u>      "F"      </u> describes the encumbrances against title contained in the title report described below.</p>	
<p>Date of the title report: <u>February 5, 2008</u></p>	
<p>Company that issued the title report: <u>First Hawaii Title Corporation</u></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 type="checkbox"/>	Residential		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Commercial	7	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	CN – Neighborhood Commercial District
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
<input type="checkbox"/>	Other (specify)		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declarations or Bylaws?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code.					

**1.14 Other Zoning Compliance Matters**

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

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

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

**1.15 Conversions**

<p><b>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</b></p>	<p>_____ Applicable</p> <p><u> X </u> Not 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:</p> <p>See Exhibit "M"</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>Neither the Developer, nor the architects, engineers or consultants which prepared the property reports discussed in Exhibit "M" make any representations as to the expected useful life of the structural components and mechanical and electrical installations.</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> <p>None</p>	
<p>Estimated cost of curing any violations described above:</p>	

<p><b>Verified Statement from a County Official</b></p> <p>Regarding any converted structures in the project, attached as Exhibit <u> "N" </u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> <li>(i) Any variances or other permits that have been granted to achieve compliance;</li> <li>(ii) Whether the project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and</li> <li>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;</li> </ul> <p>or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p>
<p>Other disclosures and information:</p>

**1.16 Project In Agricultural District**

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

**1.17 Project with Assisted Living Facility**

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

## 2. PERSONS CONNECTED WITH THE PROJECT

<p><b>2.1 Developer</b></p>	<p>Name: Pu'uhonu Associates          Business Address:          1158 Kinoole Street          Hilo, Hawaii 96720          Business Phone Number: (808) 959-4253          E-mail Address: <a href="mailto:gtakase3@hotmail.com">gtakase3@hotmail.com</a></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>Ian Ebesugawa          Allan Takase          Gelocag Partnership</p> <p>Its General Partners:          Gerald Takase          Glenn Takase          Cathy Takase          Lori Takase</p>
<p><b>2.2 Real Estate Broker</b></p>	<p>Name: Day-Lum Properties, Inc.          dba Coldwell Banker Day-Lum Properties          Business Address:          2 Kamehameha Avenue          Hilo, Hawaii 96720          Business Phone Number: (808) 935-0399          E-mail Address: <a href="mailto:sales@daylum.com">sales@daylum.com</a></p>
<p><b>2.3 Escrow Depository</b></p>	<p>Name: Title Guaranty Escrow Services, Inc.          Business Address:          450 Kilauea Avenue          Hilo, Hawaii 96720          Business Phone Number: (808) 935-6638</p>
<p><b>2.4 General Contractor</b></p>	<p>Name: N/A          Business Address:</p> <p>Business Phone Number:</p>
<p><b>2.5 Condominium Managing Agent</b></p>	<p>Name: Day-Lum Rental &amp; Management Inc.          dba Day-Lum Rentals          Business Address:          2 Kamehameha Avenue          Hilo, Hawaii 96820          Business Phone Number: (808) 935-4152</p>
<p><b>2.6 Attorney for Developer</b></p>	<p>Name: Imanaka Kudo &amp; Fujimoto          ATTN: Nina Yang Takamori, Esq.          Business Address:          745 Fort Street, 17th Floor          Honolulu, Hawaii 96813          Business Phone Number: (808) 521-9500</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 of Conveyances	December 27, 2007	2008-016404

#### Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number

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

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	December 27, 2007	2008-106405

#### 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	4582

Dates of Recordation of Amendments to the Condominium Map:

**3.4 House Rules**

The Board of Directors may adopt rules and regulations (commonly called "House Rules") to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the Developer. Changes to House Rules do not need to be recorded to be effective.	
The House Rules for this project:	
Are Proposed	
Have Been Adopted and Date of Adoption	December 27, 2007
Developer does not plan to adopt House Rules	

**3.5 Changes to the Condominium Documents**

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.		
Document	Minimum Set by Law	This Condominium
Declaration	67%	67%
Bylaws	67%	67%

**3.6 Rights Reserved by the Developer to Make changes to the Condominium Project or Project 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 "G"

## 4. CONDOMINIUM MANAGEMENT

### 4.1 Management of the Common Elements

<p><b>Management of the Common Elements:</b> 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 an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

### 4.2 Estimate of the Initial Maintenance Fees

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

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

<p>If checked, the following utilities are included in the maintenance fee:</p>	
<input checked="" 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 checked="" type="checkbox"/>	Gas for the Unit only
<input type="checkbox"/>	Water
<input type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV cable
<input checked="" type="checkbox"/>	Other (specify) Air conditioning and maintenance of air conditioning units.

## 5. SALES DOCUMENTS

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

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

### 5.2 Sales to Owner-Occupants

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

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

### 5.3 Blanket Liens

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

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

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Purchaser may lose the right to buy the unit, but will receive a refund of his/her deposit. This means, among other things, that if Developer defaults under the mortgage, the mortgagee may take over the Project, cancel the sales contracts and refund the Purchaser's deposits, less escrow cancellation fees, and the Purchaser shall have no further interest in the Project.

### 5.4 Construction Warranties

Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below:

Building and Other Improvements: See Exhibit "M," Summary of Due Diligence

Appliances: None

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

Status of Construction: Completed in 1993. See Exhibit "M," Summary of Due Diligence
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

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

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

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

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

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

## 5.7 Rights Under the Sales Contract

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

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

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

Website to access official copy of laws: [www.capitol.hawaii.gov](http://www.capitol.hawaii.gov)

Website to access rules: [www.hawaii.gov/dcca/har](http://www.hawaii.gov/dcca/har)

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

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

### 5.8.1 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, 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 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

### Additional Information Not Covered Above

**6.1. Developer Makes No Promises or Warranties About the Units and/or the Project.** PURCHASER UNDERSTANDS AND AGREES THAT THE UNIT BEING SOLD “**AS IS, WHERE IS**” **WITH ALL FAULTS** AND THAT THE DEVELOPER DISCLAIMS AND MAKES NO WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE UNIT, THE LAND UNDERLYING THE PROJECT OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS, MECHANICAL SYSTEMS, PLUMBING SYSTEMS, ELECTRICAL SYSTEMS, WASTEWATER UTILITY SYSTEMS, SMOKE DETECTION SYSTEMS, COOLING OR HEATING SYSTEMS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE UNIT, THE LAND OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), INCLUDING ANY WARRANTIES OR PROMISES OF “HABITABILITY”, “MERCHANTABILITY”, “WORKMANSHIP” OR “FITNESS FOR A PARTICULAR USE OR PURPOSE”.

WITHOUT LIMITING THE GENERALITY OF ANY OF THE FOREGOING, DEVELOPER DISCLAIMS AND MAKES NO WARRANTIES OR PROMISES: (A) THAT THE PROJECT OR ANY IMPROVEMENTS THEREON, INCLUDING THE UNIT, THE COMMON ELEMENTS, OR LIMITED COMMON ELEMENTS, OR THE LAND OR THE PROJECT WILL BE FREE FROM CRACKS IN, OR OTHER DAMAGE TO, THE CONCRETE OR OTHER BUILDING MATERIALS; (B) REGARDING THE VALUE, QUALITY, GRADE OR USEFUL LIFE OF THE UNIT, THE PROJECT OR ANYTHING INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE UNIT, THE LAND OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT); (C) REGARDING THE STRUCTURAL, PHYSICAL OR ENVIRONMENTAL HISTORY OR CONDITION OF THE PROJECT, INCLUDING, WITHOUT LIMITATION, ANY DEFERRED MAINTENANCE AT THE PROJECT AND DAMAGE FROM TYPICAL WEAR AND TEAR AND WEATHERING.

**6.2. Developer Makes No Promises or Warranties About the Condominium Map.** The Condominium Map is intended to show only the layout, location, apartment numbers and approximate dimensions of the units and the elevations of the buildings in which the apartments are located (collectively, the “Buildings”). PURCHASER AGREES THAT NEITHER THE CONDOMINIUM MAP NOR THE BUILDING PLANS AND SPECIFICATIONS FOR THE PROJECT ARE INTENDED TO CONSTITUTE ANY WARRANTIES OR PROMISES BY DEVELOPER.

**6.3. Developer Makes No Promises or Warranties About the Amount of Monthly Maintenance Fees.** Purchaser has examined and approved the estimate of monthly maintenance fees and assessments for the Project prepared by the Managing Agent and attached as Exhibit “H” to this Public Report. Purchaser is aware that such amounts are only estimates and may change for reasons beyond the control of Developer, and Purchaser hereby specifically accepts and approves any changes in such estimate made by Developer or the Managing Agent. PURCHASER AGREES THAT SUCH ESTIMATES AND AMOUNTS ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY WARRANTY OR PROMISE BY DEVELOPER, INCLUDING, BUT NOT LIMITED TO, ANY WARRANTY OR PROMISE AS TO THE ACCURACY OF SUCH ESTIMATES AND AMOUNTS.

**6.4. Developer Makes No Promises or Warranties About Third-Party Reports.** To the extent that Developer may have hired or commissioned any study, test or other investigation of the condition, useful life, legal compliance or any other matter relating to the Units, the Land, the Project, or any furnishings, fixtures, appliances or other consumer products or anything else installed, attached, affixed or otherwise contained in the Units, the Land or the Project, and to the extent Seller may make the results of any such study, test or investigation available to Purchaser in connection with the offer or sale of a Unit in the Project, Developer disclaims and makes no warranty or promise regarding the accuracy, reliability or value of any statement or opinion expressed by such third-party. PURCHASER AGREES THAT PURCHASER’S USE OR CONSIDERATION OF ANY SUCH INFORMATION IN CONNECTION WITH THE OFFER OR SALE OF THE UNIT SHALL BE AT PURCHASER’S SOLE RISK.

**6.5. Securities Laws and Regulations.** Developer makes no representations: (i) regarding the possibility or probability of economic benefit from the purchase and ownership of a unit; (ii) to the effect that Developer will provide services relating to the rental of a unit; or (iii) as to the possible advantages of the ownership or rental of a unit under federal law or state tax laws. Developer makes no representation regarding either the economic benefits to be derived from the ownership, rental or tax treatment of any purchaser of a unit. The tax treatment and economic benefits may vary with individual circumstances, and Developer recommends that a purchaser consult with his or her own attorney, accountant or other tax counsel for advice regarding tax treatment.

**6.6. Use of Units.** The Declaration of Condominium Property Regime of Pu'uohonu Professional Building (the "Declaration") provides that the Units in the Project may be used for any uses permitted in the CN-Neighborhood Commercial District in accordance with Section 25-5-102 of the Hawaii County Code, which permits, among other uses, the use of a medical clinic. The Project is subject to the Declaration, the Bylaws and the House Rules, as the same may be amended from time to time. FOR INFORMATION REGARDING THE OWNERS' RIGHTS AND OBLIGATIONS REGARDING THE USE OF THE UNIT, PURCHASERS SHOULD READ THE CONDOMINIUM DOCUMENTS, INCLUDING THE DECLARATION, BYLAWS AND HOUSE RULES. There are also other restrictions that may apply. Purchasers should carefully review this condominium public report for particulars, including, but not limited to, Exhibit "L" on "Special Use Restrictions."

**6.7. Potential Nuisance Disclosure.** The following is a partial list of potential items which Unit owners and occupants may find objectionable:

a. Noise and Odor. Noises, odors, chemical odors or fumes from the operation and use of a medical clinic or medical professional or occupation as permitted in the Project.

b. Traffic. Nuisances arising from traffic, including, dust, sounds (alarms, engines, etc.) and exhaust fumes.

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.

Pu'uhonu Associates  
Printed Name of Developer

By: Allan S. Takase 1/22/08  
Duly Authorized Signatory\* Date

Allan S. Takase General Partner  
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, County of Hawaii

Planning Department, County of Hawaii

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

**EXHIBIT "A"**

**UNIT NUMBERS, UNIT TYPE, APPROXIMATE NET SQUARE FOOTAGE  
PERCENTAGE OF COMMON INTEREST AND PARKING STALL ASSIGNMENT**

Capitalized terms shall have the same meaning ascribed to such terms in the Declaration.

<b>Unit Number</b>	<b>Unit Type</b>	<b>Approximate Net Square Footage</b>	<b>Percentage of Common Interest</b>	<b>*Parking Stall Assignments</b>
100	Commercial	985	10.463140%	26
101	Commercial	2350	24.962821%	27, 32, 33, 34
104	Commercial	1391	14.775866%	29, 30, 31
202	Commercial	1789	19.003612%	37, 38, 39
204	Commercial	568	6.033567%	28
205	Commercial	1757	18.663692%	6, 7, 8
207	Commercial	574	6.097302%	9
<b>Total:</b>		<b>9414</b>	<b>100.000000000%</b>	

**Calculation of Common Interest**

The common interest attributable to each Unit was calculated by dividing the net square footage of each individual Unit by the total net square footage of all Units within the Project.

**\*Parking Stalls**

Each Unit shall have the exclusive use of the parking stalls indicated in the last column of the table above that are assigned to each Unit. The total number of parking stalls in the Project is thirty-nine (39). Besides the above 16 assigned stalls, there are also twenty (20) guest stalls and three (3) handicap parking stalls in the Project.

**EXHIBIT "B"**

**BOUNDARIES OF THE UNIT**

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

Each Unit shall be deemed to include (i) all walls and partitions that are not load-bearing within its perimeter or party walls, (ii) all pipes, shafts, vents, ducts, pumps, conduits, cables, wiring, other utility or service lines running through such Unit or other utility meters that are utilized for and serve only that Unit, (iii) the decorated or finished interior surfaces of all perimeter and party walls, floors and ceilings of each Unit, and the areas within said walls, floors and ceilings, including, but not limited to, the air space and improvements therein, (iv) the decorated or finished surfaces of all load-bearing walls and partitions, (v) the decorated or finished interior surfaces of any doors, door frames, door closure and/or security devices, door checks, windows or window frames, (vi) all cranks and other window hardware, (vii) all appliances and fixtures installed in the Unit, and replacements therefor, and (viii) any interior stairway connecting the floors of a Unit (as applicable).

The respective Units shall not be deemed to include: (i) the perimeter or party walls surrounding a Unit from the undecorated or unfinished interior surfaces thereof, and any improvements and/or air space located beyond such undecorated or unfinished interior surface of such perimeter or party walls, (ii) the undecorated or unfinished interior surfaces of the floors and ceilings surrounding a Unit and the entire roof of the building in which the Unit is located, and any improvements and/or air space (if any) located beyond such floors and ceilings, (iii) the decorated or finished exterior surfaces of perimeter doors, door frames, windows and window frames surrounding a Unit, (iv) the interior of any load-bearing walls and columns (if any) located in the building in which the Unit is located and the undecorated or unfinished surfaces thereof, and (v) any pipes, shafts, vents, ducts, pumps, conduits, cables, wiring and other utility or service lines running through each Unit or other utility meters, which are utilized for or serve more than one Unit.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF THE UNIT BOUNDARIES DESCRIBED IN THE DECLARATION. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE UNIT BOUNDARIES DESCRIBED IN THE DECLARATION, PURCHASER SHOULD REFER TO THE DECLARATION TO DETERMINE THE UNIT BOUNDARIES IN DETAIL. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, THE DECLARATION WILL CONTROL.

**EXHIBIT "C"**

**PERMITTED ALTERATIONS TO THE UNITS**

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

A. **GENERAL PROVISIONS.** No Unit Owner shall do any work that may jeopardize the soundness and safety of the Project, reduce the value thereof, or impair any easement, as reasonably determined by the Board. Except as otherwise expressly provided in this Declaration, restoration or replacement of the Project or any portion thereof or construction of any additional improvement or structural alteration or addition to any improvement, different in any material respect from the Condominium Map of the Project, shall be undertaken by any Unit Owner only pursuant to an amendment of this Declaration in accordance with Article XII below, duly executed pursuant to the provisions thereof, accompanied by the written consent of the holders of all mortgage liens affecting any of the Units involved, and in accordance with complete plans and specifications therefor. Promptly upon completion of such restoration, replacement or construction the Owner shall duly record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a State of Hawaii registered architect or professional engineer.

B. **APPROVAL OF ADDITIONS OR ALTERATIONS.** No Unit Owner may make or allow any "nonmaterial additions and alterations," as such term is defined in Section 514B-140 of the Act, to his or her Unit or the Limited Common Elements appurtenant thereto, without the approval of the Board, as provided in Article XI, Section C, below. No Unit Owner may make or allow any material addition or alteration without first obtaining the written consent of sixty-seven percent (67%) of the Unit Owners, the consent of all Unit Owners whose Units or appurtenant Limited Common Elements are directly affected, and the approval of the Board. The Board may only disapprove a proposed addition or alteration where the Board reasonably believes that the addition or alteration could jeopardize the soundness of the Project or impair any easement, or interfere with or deprive any nonconsenting Owner of the use and enjoyment of part of the Project.

C. **ADDITIONS OR ALTERATIONS SOLELY WITHIN UNITS.** Notwithstanding anything to the contrary contained herein, each Owner shall have the right at any time and from time to time at such Owner's sole cost and expense, and without the necessity of the consent or joinder of any other Unit Owner, to make any of the following alterations solely within the Owner's Unit: to install, maintain, remove and rearrange partitions (including the party wall between two Units owned by the same Owner) and other structures from time to time within such Unit, to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as shall be appropriate for the utilization of such Unit by such Owner or the tenants or lessees thereof, and to tile, finish, re-carpet, and do or cause to be done such work on the floors of any Unit; provided, however, that nothing contained in this paragraph shall jeopardize the soundness or safety of any part of the Project, reduce the value thereof, materially adversely affect any other Unit, materially alter the existing external appearance of the Project, materially affect or impair any easement or rights of any of the other Unit Owners, materially increase the transfer of sounds, noise, air or smoke to other Units or Common Elements, or materially interfere with or deprive any non-consenting Owner of the use or enjoyment of any part of the Common Elements. Owner must secure all necessary State of Hawaii and/or County of Honolulu permits prior to any alteration. The Board will have the right to form an architectural review committee, and to establish such procedures as it deems appropriate to process any Owner-initiated request for modification or alterations of Units. Further, nothing in this Section B of Article XI, shall prohibit the Board from effecting such changes within an Unit, or to require the same, in order that the buildings of the Project may continue to comply with applicable law, including any fire code requirements.

D. **UNIT OWNERS TO EXECUTE AMENDMENT DOCUMENTS IN CERTAIN CASES.** In the event that any change or alteration of a Unit pursuant to and in compliance with Article XI, Section C above shall alter the depiction of the particular Unit on the Condominium Map or the description thereof in this Declaration, then the Owner of such Unit shall amend this Declaration and/or the Condominium Map to set forth such approved change or alteration, which amendment(s) may be executed by the Owner of the affected Unit or Units and by no other party, and shall become effective upon the recordation thereof at said Bureau. The provisions of Article XIII below notwithstanding, such amendment shall not require the consent or joinder of the Owner of any

other Unit or any other person or entity, other than any mortgagee of such Unit or Units which are changed or altered (if the mortgagee requires such consent or joinder). Every Unit Owner and all holders of liens affecting any of the Units of the Project and each and every other party acquiring an interest in the Project or any part thereof, by acquiring such Unit, lien or other interest, consents to and agrees that he or she shall, if required by law or by any such Owner who shall have changed or altered a Unit as aforesaid, join in, consent to, execute, deliver and record all instruments and documents necessary or desirable to effect the amendment of this Declaration and/or the Condominium Map; and appoints such Owner and his or her assigns his or her attorney-in-fact with full power of substitution to execute, deliver and record such documents and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable and shall not be affected by the disability of any such party.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL RESTRICTIONS ON ALTERATIONS TO UNITS CONTAINED IN THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM DOCUMENTS, PURCHASER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

## **EXHIBIT "D"**

### **COMMON ELEMENTS**

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

One freehold estate is hereby designated in all remaining portions of the Project not otherwise defined as a "Unit," herein called the "Common Elements." The Common Elements shall specifically include, but shall not be limited to, the following:

1. The Land in fee simple and any appurtenances thereto as described in Exhibit "A" of the Declaration;
2. Regarding the building in which the Unit is located: (i) the perimeter or party walls surrounding a Unit from the undecorated or unfinished interior surfaces thereof, and any improvements and/or air space located beyond such undecorated or unfinished interior surface of such perimeter or party walls, (ii) the undecorated or unfinished interior surfaces of the floors and ceilings surrounding a Unit and the entire roof of the building in which the Unit is located, and any improvements and/or air space (if any) located beyond such floors and ceilings, (iii) the decorated or finished exterior surfaces of perimeter doors, door frames, windows and window frames surrounding a Unit, (iv) the interior of any load-bearing walls and columns (if any) located in the building and the undecorated or unfinished surfaces thereof, and (v) any pipes, shafts, vents, ducts, pumps, conduits, cables, wiring and other utility or service lines running through each Unit or other utility meters, which are utilized for or serve more than one Unit;
3. Any and all other apparatus and installations existing for common use and all other parts of the Project necessary or convenient to its existence, maintenance and safe operation and normally in common use, such as, but not limited to, tanks, motors, fans, compressors and other such installations and apparatus;
4. All lobby areas, stairways or hallways (except for those located within a Unit);
5. The landscaping throughout the Project and planter strips along certain roadways of the Project and other plants and refuse facilities (if any);
6. All roadways, roadside parking areas, driveways, including guest or handicap parking stalls, access lanes, loading areas, sidewalks and walkways of the Project;
7. All lamps, lamp posts, walkways and sitting areas (if any) within the Project;
8. Unimproved areas, maintenance and storage areas, all storage rooms not located within a Unit, electrical and utility rooms, all toilet and restroom facilities not located within a Unit (if any), and other similar areas that are not part of a Unit;
9. Any trash bins and trash areas in common use;
10. All ducts, pipes, valves, sewer lines, drain lines, electrical equipment, cables, chutes, pipes, shafts, wire conduits or other utility service lines that are utilized to serve some or any of the Common Elements described herein and other central and appurtenant transmission facilities over, under and across the Project which serve any Common Element for services such as power, light, water, gas, sewer, refuse, telephone and radio and cable television signal distribution;
11. All of the Limited Common Elements described in Section D. of the Declaration; and
12. All other areas of the Project that are not described as a Unit or a part thereof and that are necessary or convenient to its existence, maintenance and safety, or normally in common use.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL COMMON ELEMENTS CONTAINED IN THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM DOCUMENTS, PURCHASER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

**EXHIBIT "E"**

**LIMITED COMMON ELEMENTS**

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

The Limited Common Elements are hereby designated, set aside and reserved for the exclusive use of certain Units, and such Units shall have appurtenant thereto, exclusive easements for the use of such Limited Common Elements as set forth herein. The responsibility to maintain, clean, upkeep, repair, replace, alter, improve and/or add to (collectively, "Maintain") such Limited Common Elements shall be the responsibility of the Association, and the costs and expenses of every description pertaining to such Limited Common Element, including, but not limited to, the costs to Maintain such Limited Common Element (collectively, "Cost"), shall be charged to the Owner(s) of Unit(s) to which such Limited Common Element is appurtenant. If there is more than one Unit to which the Limited Common Element is appurtenant, then the Cost thereof shall be charged to each Unit Owner in proportion to the Common Interest appurtenant to each respective Unit. Each Unit shall have as a Limited Common Element appurtenant thereto the parking stalls assigned to each Unit as provided in Exhibit "B" of the Declaration and as depicted on the Condominium Map.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL LIMITED COMMON ELEMENTS CONTAINED IN THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM DOCUMENTS, PURCHASER MUST REFER TO THE DECLARATION, BYLAWS AND HOUSE RULES TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

**EXHIBIT "F"**

**ENCUMBRANCES AGAINST TITLE**

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Letter dated March 23, 1967, re: 30 year lease to Hilo Electric Company, Ltd., covering five pole lines and anchor sites along the Komohana Street Extension, as referred to in Deed dated January 28, 1975, recorded at the Bureau of Conveyances of the State of Hawaii in Book 10409 Page 591.
3. Existing powerline of Hilo Electric Company as shown on sketch prepared by Nobuchika Santo, Registered Land Surveyor No. 1360, dated December 21, 1973, as referred to in Deed dated January 28, 1975, recorded at said Bureau in Book 10409 Page 591.
4. Grant in favor of Hawaii Electric Light Company, Inc., and Hawaiian Telephone Company, now known as Hawaiian Telcom, Inc. dated April 04, 1986, recorded at said Bureau in Book 19467 at page 747; granting an easement for utility and incidental purposes.
5. Mortgage by and between Pu'uhonu Associates, a Hawaii limited partnership, as Mortgagor and American Savings Bank, F.S.B., a federal savings bank, organized and existing under the laws of the United States, as Mortgagee dated October 01, 1992, recorded at said Bureau as Document No. 92-161785
6. Financing Statement by and between Pu'uhonu Associates, as Debtor and American Savings Bank, F.S.B., as Secured Party, recorded on October 06, 1992 at said Bureau as Document No. 92-161786

Financing Statement Continuation recorded on September 11, 1997 at said Bureau as Document No. 97-122308.

Financing Statement Continuation recorded on April 19, 2002 at said Bureau as Document No 2002-067814

7. Any unrecorded leases, subleases, and/or tenancy agreements demising a portion of the land herein described, and any encumbrances affecting the same.
8. The covenants, agreements, obligations, conditions, easements and other provisions as contained in that certain Declaration of Condominium Property Regime of Pu'uhonu Professional Building dated December 27, 2007, recorded at said Bureau as Document No. 2008-016404 but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Condominium Map No. 4582 to which reference is hereby made

9. By-Laws of the Association of Unit Owners of Pu'uhonu Professional Building dated December 27, 2007, recorded at said Bureau as Document No. 2008-016405 to which reference is hereby made.
10. Real property taxes as may be due and owing. Check with the County tax assessor for further information.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL THE ENCUMBRANCES ON TITLE CONTAINED IN THE UPDATED PRELIMINARY TITLE REPORT FOR THE PROJECT ("TITLE REPORT"). WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE TITLE

REPORT, PURCHASER MUST REFER TO THE TITLE REPORT PURCHASER RECEIVES UPON CLOSING TO DETERMINE THE MOST UPDATED ENCUMBRANCES AFFECTING THE PROJECT. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND ANY TITLE REPORT, THE UPDATED TITLE REPORT RECEIVED UPON CLOSING WILL CONTROL.

**EXHIBIT "G"**

**RIGHTS RESERVED TO DEVELOPER**

Among other rights, the Developer will have the following reserved rights with respect to the Project, which are more particularly set forth in the Declaration, Bylaws and House Rules and Resort Rules.

Capitalized terms used herein shall have the meaning set forth in the Declaration, unless otherwise defined herein.

**DECLARATION**

A. **RESERVED RIGHT TO GRANT AND RECEIVE EASEMENTS.** This right is set forth in Article XVII of the Declaration. Developer shall have, among other things, the right to delete, cancel, relocate, realign, reserve, designate, grant and receive any and all easements, rights of way and/or licenses over, under through, across and upon the Common Elements (including, without limitation, the Limited Common Elements), or involving adjacent parcels of land deemed necessary or desirable in Developer's sole discretion, including, but not limited to, easements and/or rights of way for utilities, any public type facility (e.g. for mail delivery), fire lane access, sanitary and storm sewers, retention ponds, cable television, refuse disposal, access rights to adjacent parcels of land, public or other access to open space or any private park area and other similar purposes. Developer's rights under said Article XVII are reserved until December 31, 2028.

B. **RESERVED RIGHT TO ALTER, SUBDIVIDE AND CONSOLIDATE UNITS.** This right is set forth in Article XVIII of the Declaration. Developer shall have, among other things, the right until December 31, 2028, to (1) alter the floor plan of any Unit which it owns so long as the Common Interest appurtenant to the Unit does not change; (2) subdivide any Unit which it owns at any time to create two or more Units so long as the total Common Interest appurtenant to the newly-created Units are equal to the Common Interest appurtenant to the original Unit; (3) convert certain portions of any existing Unit to Limited Common Element status to facilitate any subdivision so long as the total common interest appurtenant to the newly-created Unit(s) equal the Common Interest appurtenant to the original Unit; and (4) recalculate the Common Interest appurtenant to each Unit upon such subdivision and/or consolidation, provided that the total common interest appurtenant to the newly-created units shall equal the Common Interest appurtenant to the original Units.

C. **RESERVED RIGHT TO RECHARACTERIZE AND REDESIGNATE LIMITED COMMON ELEMENTS.** In accordance with Article XIX of the Declaration, Developer shall have the reserved right to and until December 31, 2028 to amend this Declaration to (1) recharacterize all or a portion of certain Limited Common Elements as may be appurtenant to a Unit owned by Developer as being Common Elements of the Project, thus giving up or waiving the exclusive use of any such area or areas; or (2) redesignate all or a portion of certain Limited Common Elements as may be appurtenant to any Unit owned by Developer, to another Unit or Units. Upon recharacterization of any Limited Common Element to a Common Element of the Project, the Association shall be required to maintain such areas at its expense for the benefit of all Unit Owners, and the cost of maintaining such areas shall be assessed to all Unit Owners as a Common Expense.

D. **RESERVED RIGHT TO MODIFY PROJECT.** In accordance with Article XX of the Declaration, Developer shall have the reserved right to and until December 31, 2028, to effect such modifications to Units and the Common Elements in the Project and/or to execute, record, file and deliver any amendments to the Declaration, the Condominium Map, the Bylaws and House Rules as may be necessary or allowed to effect compliance by the Project, the Association or by the Developer, with all laws which apply to the Project.

E. **RESERVED RIGHT TO CONSTRUCT WALKWAYS THROUGH COMMON ELEMENTS.** In accordance with Article XXI of the Declaration, Developer shall have the reserved right, to and until December 31, 2028, to construct walkways throughout the Common Elements in the Project.

F. **RESERVED RIGHTS REGARDING ENTITLEMENTS AND PERMITS.** This right is set forth in Article XXII of the Declaration. Developer shall have, among other things, the right until December 31, 2028, to (1) amend the Project Documents, including, without limitation the Declaration, (2) enter into any

agreements, including without limitation, to declare and subject the Land and Improvements to restrictive covenants, (3) designate and grant easements, (4) secure any other governmental permits, and (5) do all things necessary and convenient to satisfy the requirements and/or conditions of any land use or other permits pertaining to the Project, as the same may be amended or modified, and to execute, record, file and deliver any and all documents necessary to effect the same.

G. **RESERVED RIGHT TO CONDUCT SALES ACTIVITIES.** This right is set forth in Article XXIII of the Declaration. Developer shall have, among other things, the right until December 31, 2028, to conduct extensive sales activities at the Project, including the use of any Unit owned by Developer and its appurtenant Limited Common Elements.

H. **ASSIGNMENT OF RESERVED RIGHTS.** Pursuant to Article XXIV of the Declaration, the rights reserved by Developer are fully and freely assignable in whole or in part.

I. **CONSENT TO DEVELOPER'S RESERVED RIGHTS; APPOINTMENT OF DEVELOPER AND ASSOCIATION AS ATTORNEY-IN-FACT.** Pursuant to Article XXV of the Declaration, every party acquiring an interest in the Project consents to Developer's exercise of its reserved rights and to the execution, delivery, recording and filing of any documents to effect these rights. Every party agrees to execute, deliver, record and file documents and do what may be necessary or convenient to effect the same; and appoints Developer its attorney-in-fact to execute, deliver, record and file such documents and do such other things on his behalf.

#### **BYLAWS**

The Developer has the right to amend the Bylaws at any time prior to the closing of the sale of the first Unit, as set forth in Article X, Section 12 of the Bylaws.

#### **HOUSE RULES**

The Developer has the right to amend the House Rules as set forth in Article XI of the House Rules and Article X, Section 1 of the Bylaws. Prior to the election of the first Board, Developer reserves the right to amend the House Rules in any manner without the joinder, consent or approval of any other party.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL THE DEVELOPER'S RESERVED RIGHTS CONTAINED IN THE CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF RIGHTS AND OBLIGATIONS UNDER THE CONDOMINIUM DOCUMENTS, PURCHASER MUST REFER TO THE CONDOMINIUM DOCUMENTS TO DETERMINE THE PURCHASER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONDOMINIUM DOCUMENTS, THE CONDOMINIUM DOCUMENTS WILL CONTROL.

**EXHIBIT "H"**

**INITIAL ESTIMATED MAINTENANCE FEES**

**THE AMOUNTS SET FORTH BELOW ARE ESTIMATES ONLY AND MAY CHANGE FOR REASONS BEYOND THE CONTROL OF THE DEVELOPER.**

**INSURANCE, ENERGY AND LABOR COSTS ARE CURRENTLY IN FLUX AND CAN SUBSTANTIALLY INCREASE OVER A SHORT PERIOD OF TIME. THE DEVELOPER CANNOT PREDICT HOW CHANGES IN THE ECONOMIC, SOCIAL AND POLITICAL CONDITIONS IN HAWAII, THE U.S. AND/OR GLOBALLY MAY IMPACT SUCH COSTS. PURCHASERS ARE AWARE AND ACKNOWLEDGE THAT THE BUDGET, AND, AS A RESULT, EACH PURCHASER'S MAINTENANCE FEE, MAY INCREASE SUBSTANTIALLY DUE TO INCREASING COSTS, INCLUDING COSTS ATTRIBUTED TO THE INSURANCE COVERAGE AND ENERGY.**

**PURCHASER RECOGNIZES AND ACKNOWLEDGES THAT SUCH COMMON INTERESTS AND MAINTENANCE FEES ARE SUBJECT TO CHANGE. SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATION OR WARRANTY BY THE DEVELOPER OR CONDOMINIUM MANAGER, INCLUDING, BUT NOT LIMITED TO, ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.**

**PU'UHONU PROFESSIONAL BUILDING ASSOCIATION OF OWNERS**  
**2008 Proposed Operating Budget**

	<b>2008 Budget</b>
<b><u>INCOME - OPER. RECEIPTS</u></b>	
Maintenance Fee	70,001.40
Late Fee	0.00
Interest income	0.00
Other Income	0.00
<b>TOTAL INCOME</b>	<b>\$70,001.40</b>
 <b><u>EXPENSE - DISBURSEMENTS</u></b>	
<i>MAINTENANCE/REPAIRS</i>	
Building Maintenance	6,000.00
Janitorial Services - Common Area	6,000.00
Fire Protection	500.00
Grounds Maintenance	6,000.00
Parking (Leased Stalls)	3,000.00
Plumbing/Sewer Maintenance	1,500.00
Pest Control	500.00
Public Supplies	1,200.00
<i>Sub-Total MAINT/REPAIRS</i>	<b>\$24,700.00</b>
 <i>SERVICES/UTILITIES</i>	
Electricity - Common Area	4,500.00
Trash	5,500.00
Security	1,800.00
Water	2,400.00
<i>Sub-Total SERVICE/UTIL</i>	<b>\$14,200.00</b>
 <i>ADMINISTRATIVE/GENERAL</i>	
Audit	0.00
Insurance	6,000.00
Legal/Professional	1,000.00
Management Fee	3,600.00
Taxes/Condo Registration	200.00
Miscellaneous Expense	1,000.00
<i>Sub-Total ADMIN/GENERAL</i>	<b>\$11,800.00</b>
 <b>TOTAL OPERATING EXPENSES</b>	 <b>\$50,700.00</b>
Replacement Reserve	\$19,301.40
<b>TOTAL EXPENSES</b>	<b>\$70,001.40</b>
 <b>NET INCOME</b>	 <b>0.00</b>

Puuhonu Professional Building Association of Owners  
2008 Maintenance Fee Schedule

UNIT NUMBER	APPROXIMATE SQUARE FEET	PERCENTAGE OF COMMON INTEREST	ANNUAL MAINTENANCE FEE	MONTHLY MAINTENANCE FEE
100	985	10.463140%	\$7,324.35	\$610.37
101	2350	24.962821%	\$17,474.30	\$1,456.19
104	1391	14.775866%	\$10,343.30	\$861.94
202	1789	19.003612%	\$13,302.80	\$1,108.56
204	568	6.033567%	\$4,223.60	\$351.96
205	1757	18.663692%	\$13,064.85	\$1,088.74
207	574	6.097302%	\$4,268.20	\$355.69
<b>TOTALS</b>	<b>9414</b>	<b>100.00%</b>	<b>\$70,001.40</b>	<b>\$5,833.45</b>

**The unit owner shall become obligated to start paying the unit owner's share of the common expenses at the closing of escrow, whereupon the unit owner shall be required to make two (2) months of payment on common expenses.**

I, Nancy Cabral, as agent for and/or employed by Day-Lum Rentals & Management, Inc., the condominium managing agent for the "PUUHONU PROFESSIONAL BUILDING" condominium project ("Project"), hereby certify that the above estimates of the initial annual maintenance fee assessments and the monthly estimated maintenance fee for each unit were prepared in accordance with generally accepted accounting principles.

Pursuant to §514B-148, Hawaii Revised Statutes, a new association need not collect estimated replacement reserves until the first fiscal year which begins after the association's first annual meeting. Developer has not conducted a reserve study for the Project. The budget amount for the Reserves is an estimate only.

February 8, 2008  
Date

Nancy Cabral  
Nancy Cabral

## EXHIBIT "I"

### SUMMARY OF SPECIMEN PURCHASE AGREEMENT

Capitalized terms have the same meaning as ascribed to such terms in the Purchase Agreement ("Purchase Agreement").

The specimen Purchase Agreement, filed with the State of Hawaii Real Estate Commission, provides for, among other things, a description of the Unit to be sold, the purchase price, the closing costs, the time, manner and place of payment, the Purchaser's obligations regarding financing, the Seller's warranties and disclaimers regarding the Condominium Map and the Project, and the remedies of the Seller and of the Purchaser in the event of a default under the Purchase Agreement.

Among other provisions, the specimen Purchase Agreement provides:

1. Prior to execution of the Purchase Agreement, Purchaser shall receive a true copy of the Public Report for the Project, either personally or by registered or certified mail with return receipt requested, and the Notice of Right to Cancel advising Purchaser of Purchaser's right to cancel the Purchase Agreement, the delivery of which is required by Hawaii Revised Statutes, Section 514B-86. Purchaser shall also have been given an opportunity to read said report.

2. Purchaser may cancel the Purchase Agreement within thirty (30) days of Purchaser's receipt of the Notice of Right to Cancel. It is understood that Purchaser may, at any time after Purchaser's receipt of the Notice of Right to Cancel, waive Purchaser's right to cancel the Purchase Agreement. If Purchaser shall fail to execute the Notice of Right to Cancel within thirty (30) days of Purchaser's receipt of the Public Report, Purchaser shall be deemed to have waived Purchaser's right to cancel the Purchase Agreement (by Purchaser's failure to give said written notice of cancellation). The conveyance of the Unit to Purchaser within the thirty (30)-day period referenced above shall also be treated as a waiver by Purchaser of Purchaser's right to cancel the Purchase Agreement.

3. The Seller has entered into an Escrow Agreement, summarized in Exhibit "J" herein, with Title Guaranty Escrow Services, Inc. ("Escrow"), covering the deposit with Escrow of all funds paid by the Purchaser under the Purchase Agreement and the disbursement of the funds by Escrow. Escrow may charge a cancellation fee on account of escrow services performed not to exceed \$250.00.

4. The Purchase Agreement requires the Purchaser to pay the Purchase Price by a series of payments prior to Closing. Such payments include, the initial deposit, due when Purchaser signs the Purchase Agreement and the additional deposit, due on the date set forth in the Purchase Agreement. Purchaser shall then deposit within two (2) business days prior to the Closing Date, the remaining balance due, as set forth in the Purchase Agreement.

5. If the Purchaser indicates that a portion of the Purchase Price is to be financed by indicating so in the Purchase Agreement, then the Purchase Agreement shall be subject to the condition of Purchaser being able to obtain written final loan approval acceptable to Seller, in Seller's sole discretion. Financing by Seller of any portion of the Purchase Price is not available.

6. The Purchase Agreement provides that Purchaser will receive interest on Purchaser's Deposits as set forth in the Purchase Agreement.

7. The Purchase Agreement provides that Purchaser will pay all closing costs associated with the purchase and sale, including, but not limited to, the escrow fee, cost of a preliminary title report, cost of preparation of the Unit Deed, real property tax and other prorations, all acknowledgment fees, conveyance taxes, title insurance, if requested by Purchaser, cost of any lender's title insurance, appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, loan fees, credit report costs and all other applicable mortgage costs. The Purchase Agreement also provides that at Closing, Purchaser shall pay a non-refundable, non-transferable start-up fee to the Association equal to (a) two (2) months of the estimated maintenance fees, and (b) a non-refundable, non-

transferable prepayment of maintenance fees to the Association in the amount equal to two (2) months of the estimated maintenance fees.

8. The Purchase Agreement provides that it shall not be construed as a present transfer of any rights or of any interest in the Unit, but rather states that it is an agreement to transfer in the future. By execution of the Purchase Agreement, the Purchaser agrees to waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest arising under the Purchase Agreement in favor of the lien or charge on the Project of the security interests of the Lender, including but not limited to any lien, mortgage or charge securing a loan made to finance the acquisition of the land and the costs of construction (if applicable) and any and all advances therefore until the filing of the Unit Deed.

9. The Purchase Agreement provides that it may not be assigned by Purchaser. Any assignment of the Purchase Agreement is void and of no legal effect. Seller may, without any consent of Purchaser, freely assign the Seller's interest and rights under the Purchase Agreement.

10. The Purchase Agreement provides that any dispute by or between the Seller and Purchaser arising out of or incident to the Purchase Agreement, or the development or management of the Project, the sale of the Unit or the occupancy thereof, or any other aspect of the relationship between Seller and Purchaser regarding the Project which is raised otherwise shall be submitted to mediation, and if necessary to arbitration in accordance with the terms, conditions and procedures set forth in the Purchase Agreement.

\* \* \* \* \*

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

**EXHIBIT "J"**

**SUMMARY OF ESCROW AGREEMENT**

The Escrow Agreement for the Project dated December 21, 2007 ("Escrow Agreement") contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

1. As and when Seller shall enter into a Purchase Agreement for the conveyance of a unit in the Project, it shall require the payments of deposits due thereunder to be promptly made to Escrow, and shall deliver an executed copy of the Purchase Agreement to Escrow together with the address of the purchaser. Seller shall also promptly pay over to Escrow all monies received by Seller from or on behalf of the purchasers and all payments made on loan commitments from lending institutions on account of any unit in the Project.

2. Escrow shall receive, deposit and hold in separate escrow accounts and disburse as herein set forth: (a) all payments received by it under Purchase Agreements, (b) such sums received by it hereunder from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project. Escrow shall not at any time commingle or permit the commingling of any purchasers' funds with funds belonging to or held for the benefit of Seller. All funds and instruments received from purchasers or prospective purchasers shall be held by Escrow in accordance with the provisions contained in Chapter 514B of the Hawaii Revised Statutes ("Condominium Property Act"). All monies received by Escrow hereunder shall be deposited within a reasonable time of the receipt by Escrow and in reasonably convenient sums, in a federally insured, interest bearing account at any bank, savings and loan association, financial services loan company or credit union authorized to do business in the State of Hawaii.

3. Notwithstanding anything in the Escrow Agreement to the contrary, Escrow shall make no disbursements of purchasers' funds or proceeds from the sale of units in the Project (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided in the Escrow Agreement, until (a) Seller has obtained an effective date for the Public Report for the Project and has delivered to Purchaser a true copy of the Public Report, including all amendments, with effective dates issued by the Real Estate Commission, (b) purchaser has waived or is deemed to have waived any right to cancel or rescind the Sales Contract and (c) Seller has affirmed to Escrow that there has been no material change in the Project, as defined in the Condominium Property Act.

4. If deposits from purchaser are to be released prior to closing or if units are conveyed or leased prior to completion of construction, Seller shall certify to Escrow in writing and to Escrow's satisfaction that: (1) Seller has complied with all of the requirements of Section 514B-92 or Section 514B-93 of the Hawaii Revised Statutes, as applicable and (2) that Seller has complied with the requirements of paragraphs 5(c)(vi) of the Escrow Agreement.

5. Each purchaser shall be entitled to a return of his or her funds, without interest, unless otherwise provided in the Escrow Agreement, and Escrow shall pay such funds to such purchaser, promptly after request for return by the purchaser, if one of the following has occurred:

(a) Escrow receives a written request from Seller and Purchaser to return to the purchaser the funds of the purchaser then being held hereunder by Escrow;

(b) Seller notifies Escrow in writing of Seller's exercise of the option to cancel or rescind the Purchase Agreement pursuant to any right of cancellation or rescission stated therein or otherwise available to Seller; or

(c) Purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to cancel the Purchase Agreement pursuant to Section 514B-86 of the Hawaii Revised Statutes (thirty-day right to

cancel) or, if applicable, Section 514B-89 of the Hawaii Revised Statutes (failure to complete construction before specified completion deadline); or

(d) Seller shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the Purchase Agreement pursuant to Section 514B-87 of the Hawaii Revised Statutes, by a valid rescission signed by all purchasers of the affected unit and postmarked no later than midnight of the thirtieth calendar day after the date that purchasers received the notice of rescission from Seller.

Upon the cancellation of any Purchase Agreement as specified above, Escrow shall be entitled to a cancellation fee up to a maximum of \$250.00, plus all costs incurred by Escrow, which shall be paid by the purchaser unless otherwise provided in the Agreement.

6. Except as otherwise provided by law, Escrow shall give each purchaser entitled to a return of his or her funds notice thereof by certified, registered or regular, postage prepaid, mail, addressed to such purchaser at his address shown on the Purchase Agreement or any address later made known in writing to Escrow by such purchaser. If such purchaser shall not have claimed such refund within sixty (60) days from the date said notice is mailed, Escrow, shall deposit such funds into a special account in a bank or other depository selected by Escrow in the name of Seller, as trustee for the benefit of such purchaser. After notifying the purchaser of the foregoing acts, Escrow shall thereupon be released from further liability hereunder with respect to such funds and such purchaser.

7. If the purchaser fails to make any payment on or before the due date thereof or if the purchaser does or fails to do any act which would constitute a default under the Purchase Agreement, Seller shall promptly give to such purchaser and to Escrow written notice of default. If purchaser has failed to cure the default after the delivery of notice by Escrow, or if the purchaser fails to perform in any matter that is being handled by Escrow, and such default continues after the expiration of any grace period, Escrow shall promptly notify Seller. If Seller shall thereafter certify in writing to Escrow: (a) that Seller has elected to terminate the Purchase Agreement and has notified the purchaser, and provides to Escrow copies of all such notices of termination sent to purchaser, or (b) that purchaser is otherwise in default, then, and in either event, Escrow, subject to the provisions relating to dispute and conflicting demands hereinafter set forth in Section 13 of the Escrow Agreement, shall thereafter treat all funds of the purchaser paid under such Purchase Agreement, less Escrow's cancellation fee, as funds of Seller and not of the purchaser. Thereafter, such funds shall be held free of the escrow established by this Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds (less Escrow's cancellation fee).

\* \* \* \* \*

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

**EXHIBIT "K"**

**SUMMARY OF SPECIMEN UNIT DEED**

Capitalized terms have the same meaning ascribed to such terms in the unit Deed.

The specimen Limited Warranty Unit Deed, Encumbrances, Reservation of Rights and Power of Attorney for Pu'uohonu Professional Building ("Unit Deed") contains, among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

1. The premises conveyed comprise a portion of the Pu'uohonu Professional Building condominium property regime ("Project") situate at South Hilo, Island and County of Hawaii, State of Hawaii.

2. The Developer ("Developer") is the lawful Owner of the fee simple interest in the real property and the rights to be transferred to the Purchaser; the same are free and clear of and from all encumbrances except as identified in the Unit Deed and except for the lien of real property taxes not yet by law required to be paid; the Developer has good right and title to sell and convey said real property in the manner set forth in the Deed; and the Developer will WARRANT AND DEFEND the same unto the Purchaser forever against the lawful claims and demands of all persons, except as mentioned in the Unit Deed.

3. Purchaser agrees and consents to the exercise by Developer of any of its reserved rights set forth in the Unit Deed and in the Declaration. Purchaser does hereby further appoint the Developer and its assigns his attorney-in-fact with full power of substitution to execute, deliver, file and record such documents and instruments and to do such things on Purchaser's behalf to effect such reserved rights, which grant of such power, being coupled with an interest, is irrevocable for the term of said reserved rights, and shall not be affected by the disability of such party or parties, and which means that the grant of such power will be binding upon any person or entity to which Purchaser transfers the Property, and will be considered automatically granted anew by any such person or entity upon such transfer of any interest therein, whether by deed, mortgage, or any other instrument of conveyance

4. Purchaser agrees, for the benefit of all other Owners of the other units in the Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Declaration, the Bylaws and the House Rules as any of the same exist or may hereafter be amended in accordance with law, and accepts and approves of the Declaration, Bylaws and House Rules.

\* \* \* \* \*

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

## EXHIBIT "L"

### SPECIAL USE RESTRICTIONS

Capitalized terms have the same meaning ascribed to such terms in the Declaration.

1. **UNITS.** The Units shall be operated and used for those uses permitted in the CN-Neighborhood Commercial District light industrial in accordance with Section 25-5-102 of the Hawaii County Code, as the same may be amended, and for no other purpose.

2. **OWNERS' RIGHT TO LEASE UNITS.** Subject to those certain prohibitions on uses set forth in the Declaration, the Owners of the respective Units shall have the absolute right to lease such Units subject to all provisions of this Declaration, the Bylaws, the House Rules and the Design Standards; provided, however, that (i) all leases shall be in writing, signed by the Owner or Owner's representative and the tenant, (ii) all leases shall have a term of not less than thirty (30) days, (iii) no leasing of less than an entire Unit shall be allowed, and (iv) Owner gives notice in writing to the Association that such Owner's Unit is being leased out.

3. **OWNER'S RIGHT TO SELL UNITS.** The Owners of the respective Units shall have the absolute right to sell or otherwise transfer such Units subject to all provisions of the Act, the Declaration, the Bylaws, the House Rules and the Master Declaration.

4. **SEPARATE MORTGAGES.** Each Owner shall have the right to mortgage or to otherwise encumber all, but not less than all, of such Owner's Unit as security for repayment of a loan. Any mortgage shall be subordinate to all of the provisions of the Project Documents and, in the event of foreclosure, the provisions of the Project Documents shall be binding upon any Owner whose title is derived through foreclosure by private power of sale, judicial foreclosure or otherwise. Notwithstanding any other provision of the Project Documents, no breach of the provisions herein contained, nor the enforcement of any lien created pursuant to the provisions hereof, shall impair, defeat or render invalid the priority of the lien of any mortgage encumbering a Unit or encumbering Developer's interest in the Project.

5. **PROHIBITION ON ACTIVITIES WHICH JEOPARDIZE THE PROJECT.** No Unit Owner shall do or suffer or permit anything to be done or kept on or in any Unit or appurtenant Limited Common Element or elsewhere on the Project which will: (1) injure the reputation of the Project, (2) jeopardize the safety or soundness of the Project, (3) create a nuisance or interfere with or unreasonably disturb the rights of other Owners and occupants, (4) reduce the value of the Project, (5) result in the cancellation of insurance applicable to the Project or adversely affect the right of recovery thereunder or result in reputable companies refusing to provide insurance as required or permitted by the Bylaws, (6) increase the rate of insurance applicable to the Units or the contents thereof, or to the Project, or (7) violate any applicable law, ordinance, statute, rule or regulation of any local, county, state or federal government or agency thereof. Notwithstanding the foregoing, Developer may, through the exercise of any of its reserved rights herein, inadvertently cause one or more of the above.

6. **OWNERS TO MAINTAIN UNITS AND LIMITED COMMON ELEMENTS IN GOOD ORDER.** The Owner of a Unit shall keep the interior of his or her Unit and any and all appliances, plumbing, electrical and other fixtures and appurtenances constituting a part of the Unit and the Limited Common Elements appurtenant thereto in good order and repair, and shall be responsible for any damage or loss caused by his or her failure to do so. Decisions on repairs or modifications to the Limited Common Elements shall be made by the Owners of Units to which such Limited Common Elements are appurtenant, subject to the provisions of Article VI, Section F of the Declaration, and subject to any additional provisions stated in the Bylaws. Unit Owners shall be responsible for any damage or loss caused by such Owner's tenants, guests, or invitees to any of the Common Elements and Limited Common Elements.

7. **DEVELOPER'S RIGHT TO USE.** Notwithstanding anything provided in the Declaration to the contrary, as long as there are unsold Units in the Project, Developer shall have the right to use any Unit which it owns and any Limited Common Elements appurtenant thereto for promotion purposes. Additionally, the Developer

will have the right to utilize Units which it owns or any Limited Common Element which is appurtenant to any Unit which it owns as sales offices or as a place which is utilized to provide services to the Owners or other occupants of the Project, to the extent such use or uses are permitted under applicable law.

8. **SEVERANCE OF COMMON ELEMENTS FROM UNIT.** No Owner shall be entitled to sever his or her Unit, or any portion thereof, from his or her undivided interest in the Common Elements, in any easement interests appurtenant thereto or licenses granted under the Declaration. Neither may such component interests be severally sold, conveyed, leased, encumbered, hypothecated or otherwise dealt with, and any such attempt to do so in violation of this provision shall be void and of no effect. Developer and its successors, assigns and grantees and each Owner each covenant and agree that the Units and the corresponding undivided interest in the Common Elements and the easements, licenses and other interests appurtenant thereto, shall not be separated or separately conveyed, and (1) each such undivided interest in the Common Elements and any easements appurtenant to a Unit shall be deemed to be conveyed or encumbered with its respective Unit even though the description in the instrument of conveyance or encumbrance may refer only to title to the Unit, and (2) each such Unit shall be deemed to be conveyed or encumbered with its respective undivided interest in the Common Elements and in any easements, licenses or other interests appurtenant thereto even though the description in the instrument of conveyance or encumbrance may refer only to the title to the respective undivided interest.

9. **SEPARATION, COMBINATION OF UNITS; TRANSFER OF INTEREST.** No Owner may partition or separate a Unit or the legal rights comprising ownership of a Unit from any other part thereof, nor shall an Owner combine a Unit with another or any portion of another Unit, without the consent of Developer. No Owner shall sell, assign, convey, transfer, gift, devise, bequeath, hypothecate or encumber anything other than a single, complete Unit; provided, however, that nothing herein contained shall (1) limit the right of Developer and its successors and assign to sell Units as contemplated herein, or (2) restrict the manner in which title to Unit may lawfully be held under Hawaii law (e.g., joint tenants, tenants in common, or the like). Except as provided in clause (1) above, every sale, assignment, conveyance, transfer, gift, devise, bequest, hypothecation, encumbrance or other disposition of a Unit or any part thereof shall be presumed to be a disposition of the entire Unit, together with all appurtenant rights and interests created by law or by the Project Documents and the Master Declaration. The transfer of any Unit shall operate to the new owner of the Unit the interest of the prior owner in all funds held by the Association even though not expressly mentioned or described in the instrument of transfer, and without any further instrument or transfer.

Notwithstanding the foregoing, for as long as Developer owns a Unit, Developer shall have the right to (1) relocate the boundaries of and between two adjoining Units, (2) physically combine a part of or combination of parts of the space of one Unit with a part of or combination of parts of the space within one or more adjoining Units, or (3) subdivide a Unit or part of a Unit to create additional Units (in each case, provided that the affected Units are owned by Developer or the Owners of the affected Units otherwise consent). Before exercising its rights herein, Developer must obtain all necessary approvals from any governmental authority having jurisdiction over the Units. The cost and expense incurred for legal, architectural and/or engineering fees and all other costs and expenses incurred by the Association in connection with Developer's exercise of rights under the Declaration shall be borne by Developer. Developer shall be permitted to execute and record any amendment to the Declaration or Condominium Map, or both, effectuating the relocation of boundaries of, combination or subdivision, or redesignation of Units. If Developer requires, whether for title purposes, governmental approvals or otherwise, the Board shall ratify the action in connection with effectuating such relocation of boundaries, combination or subdivision, or redesignation of Units, and take such necessary actions in connection therewith if the requirements in the Declaration have been satisfied. The rights reserved to Developer under the Declaration shall not apply to a Unit after Developer first conveys such Unit to an unaffiliated third-party purchaser.

10. **CHANGES TO BUILDING AND UNITS.** No Unit Owner shall, without the written approval and continuing consent of the Board, change the exterior appearance of any Building or Unit in any manner. The Board may delegate the foregoing responsibility to the Managing Agent. No Unit Owner shall, without the written approval and continuing consent of the Board, change the exterior appearance of a Unit in any manner.

11. **USE OF COMMON ELEMENTS.** Each Unit Owner may use the Common Elements in accordance with the purpose for which they were intended without hindering or encroaching upon the lawful rights of the other

Unit Owners, subject always to the rights reserved to the Developer in the Declaration and the Master Declaration, and further subject to the provisions of the Act.

12. **NON-APPLICABILITY TO DEVELOPER.** Notwithstanding anything of the Declaration provided herein to the contrary, as long as there are unsold Units in the Project, the provisions of Article VI shall not apply to the Units owned by Developer or the Limited Common Elements appurtenant thereto, or to any improvements proposed or made by Developer in connection with its development, construction, promotion, marketing, sales, or leasing of any Unit or any portion of the Project.

\* \* \* \* \*

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL USE RESTRICTIONS CONTAINED IN THE DECLARATION, BYLAWS, HOUSE RULES AND OTHER CONDOMINIUM DOCUMENTS. WHILE A PURCHASER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF SUCH USE RESTRICTIONS, PURCHASERS SHOULD REFER TO THE CONSTITUENT DOCUMENTS OF THE PROJECT TO DETERMINE ALL OF THE USE RESTRICTIONS THAT MAY APPLY. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DECLARATION, BYLAWS, HOUSE RULES OR OTHER DOCUMENTS OF THE PROJECT, SUCH DOCUMENTS WILL CONTROL.

**EXHIBIT "M"**

**SUMMARY OF DUE DILIGENCE REPORTS**

Seller has obtained the following reports regarding the condition of the structures and the Project:

Architectural Due Diligence for Pu'uuhonu Association Medical Building dated February 2007 prepared by Ushijima Architects, Inc. ("Architect Report"); and

Structural Due Diligence Report for Pu'uuhonu Association Medical Building dated January 29, 2007 prepared by Iwamoto & Associates, LLC ("Structural Report"); and

Mechanical Due Diligence Report for Pu'uuhonu Association Medical Building regarding observations on January 9, 2007 prepared by Mechanical Enterprises, Inc. ("Mechanical Report"); and

Electrical Due Diligence Report for Pu'uuhonu Association Medical Building dated February 12, 2007 prepared by RR Consulting ("Electrical Report").

The aforementioned property reports were based on a limited visual observation of the Project and/or review of the 1991 construction drawings ("Construction Drawings"), and collectively such property reports shall be referred to as the "Due Diligence Reports." Developer makes no warranty or representation whatsoever that Developer has provided all studies, reports, tests or other written investigations that may pertain to the condition of the units or any other areas of the Project. To the extent that Developer may have hired or commissioned any study, test or other investigation of the condition, useful life, legal compliance or any other matter relating to the units, the Project, the land underlying the Project, or any furnishings, fixtures, appliances or other consumer products or anything else installed, attached, affixed or otherwise contained in the units, the Project or the land underlying the Project, and to the extent Developer may make the results of any such study, test or investigation available to Owner in connection with the offer or sale of a unit in the Project, Developer disclaims and makes no warranty or promise regarding the accuracy, reliability or value of any statement or opinion expressed by such third-party. OWNER AGREES THAT OWNER'S USE OR CONSIDERATION OF ANY SUCH INFORMATION IN CONNECTION WITH THE OFFER OR SALE OF THE UNIT SHALL BE AT OWNER'S SOLE RISK.

According to the Due Diligence Reports, generally, the present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of the units are in adequate to good condition. Owners are also referred to the following additional disclosure items regarding the Units:

1. **GENERAL CONDITION OF THE PROJECT.** The Project was originally constructed in 1993 and currently functions as a commercial/office building, and in general, the Project is in good condition relative to its years. Developer does not anticipate renovating the Project, and as such, Owners should not expect that the Units being offered for sale, nor any components of the Project, will be like new-construction condition. Further, the Project is subject to weathering, corrosion, earthquake, floods, heavy rain and similar occurrences or conditions which may alter the Project's condition or affect its suitability for any proposed use. Developer shall have no responsibility or liability for or with respect to any such occurrence or condition.

2. **GENERAL CONDITION OF THE UNITS AND INTERIOR AMENITIES OF THE PROJECT.** The Architect Report provides that the units were originally constructed in 1993, and typical wear of the walls, flooring and carpeting of the units and hallways is evident. The following is a description of the general condition of the units and the interior amenities of the Project.

a. **UNITS.** The interior improvements to the units were undertaken and the responsibility of each tenant. The Architect Report provides that the use of the space and the interior improvements of the observed units appear to be in compliance with the Project's intended use and appears to be properly maintained.

b. **INTERIOR HALLWAYS.** Overall the interior hallways are in good condition relative to the years of the building and appear to have been properly maintained. The hallway on the first floor, however, appears to have slight separation to the existing vinyl composition tiles in certain areas that may be caused by differential settlement. The separation should be monitored to verify whether settlement is occurring.

c. **INTERIOR STAIRWELLS.** The interior stairwells appear to be in good condition relative to the years of the building. However, although the Architect Report is not intended to be a report regarding compliance with the American Disability Act ("ADA"), the handrail heights were not sufficient to comply with the requirements of the Americans with Disabilities Act Accessible Guidelines ("ADAAG").

d. **RESTROOMS.** The men's and women's restrooms appear in good condition relative to the years of the building and appear to have been properly maintained. However, although the Architect Report is not intended to be a report regarding the ADA, the height of the urinals in the men's restrooms are not in compliance with the ADAAG.

e. **ELECTRIC ROOM.** The electric room appears in good condition relative to the years of the building.

3. **GENERAL CONDITION OF THE EXTERIOR AMENITIES AND EXTERIOR OF BUILDING.** Developer does not anticipate undertaking general repairs to the exterior of the building or other exterior amenities of the Project, and Owners should be aware that general weather conditions and typical use of the Project have caused normal wear and tear to exterior of the building and exterior amenities, and Owner should anticipate repairs as necessary.

a. **PARKING LOT.** According to the Architect Report, overall the exterior asphalt and paving of the parking lot is in good condition relative to its years and use, however, due to the heavy rain and typical weathering, the driveway and parking lot may need to be re-stripped and sealed in the near future. Owners should anticipate repairs as necessary.

b. **ROOF.** According to the Architect Report the roof appears in good condition, however, the paint application appears faded due to normal environmental impacts. The northeast corner of the gutter system exhibits corrosion damage, and will need to be repaired in the near future to avoid further corrosion damage. Owners should anticipate roof repairs in the near future as necessary.

4. **STRUCTURAL CONDITION OF THE PROJECT.** According to the Structural Report, overall, the observed areas of the Project appear to be in adequate condition. There appeared to be cracks in the VCT floor tile in the center corridor area and transverse cracks in the exterior concrete walkway at the first floor entry area. Also, there appeared to be moisture stains in the file in the center corridor area, as well as water stains and moisture infiltration around an electrical cabinet in the ground floor electrical room. Owners should anticipate repairs as necessary, including, but not limited to, further investigation and removal of the floor tiles, replacement of the electrical cabinet, and surfacing and repair of the cracks to the exterior concrete walkway.

5. **MECHANICAL SYSTEMS; VENTILATION SYSTEM AND AIR-CONDITIONING SYSTEM.** According to the Mechanical Report, the Project's ventilation system generally consists of ceiling cabinet exhaust fans for the electrical room, janitor's closet and the interior toilets within the tenant units. The common area restrooms are naturally ventilated with operable windows and do not have exhaust fans. The existing exhaust fans appear to be the original installation and are in satisfactory condition and in operational order. As to the existing exhaust fan in the electrical room, there appears to be a lot of dust accumulation, and the grille needs to be cleaned and maintained.

The air-conditioning systems servicing the Units are ducted split system air conditioning units. As it appears that each tenant is responsible for their own air conditioning unit, there are various manufacturers of air conditioning units as it depends on when such systems were originally installed or replaced. The existing air conditioning units are various manufacturers of ducted split systems with outdoor air cooled condensing units located in the back of the building and a fan coil unit within the Units or in the ceiling. There is ductwork provided

from the fan coil units to multiple air devices located throughout the Unit, with the ductwork consisting of one of the following: (i) galvanized sheetmetal with duct liner, (ii) wrapped ductwork or (iii) fiberglass ductboard. The majority of the air conditioning systems are in fairly good condition, with only a few air cooled condensing units in fairly poor condition that will need to eventually be replaced. The majority of the indoor fan coil units appear to be in fairly good condition and the majority of the ductwork and air distributions systems are in good condition.

**6. PLUMBING SYSTEM; PLUMBING FIXTURES; SANITARY DRAINAGE AND VENT SYSTEM.** The Units are serviced by a domestic cold water distribution system consisting of a copper line with a pressure reducing valve, and water is supplied throughout the building via crawl space with multiple risers, stubouts in the utility closets, branch lines and hose bibs. Although the construction drawings indicate a backflow preventer, according to the Mechanical Report, however, such backflow preventer was not installed. According to the Mechanical Report the domestic cold water distribution system appears to be in fairly good condition. consisting of a backflow water preventer and a main water line that runs into the main chiller plant, however, the Mechanical Report recommends installing the backflow preventer.

According to the Mechanical Report the plumbing fixtures observed appear to be originally installations. The common area men's restrooms contain the following plumbing fixtures: (i) one (1) water closet, (ii) one (1) urinal, (iii) one (1) lavatory, (iv) one (1) hose bib and (v) one (1) floor drain. The common women's restroom contains the following plumbing fixtures: (i) two (2) water closets, (ii) one (1) lavatory, (iii) one (1) hose bib and (iv) one (1) floor drain. Each floor of the building contains an electrical water cooler the ground floor contains a mop sink in the janitor's closet. According to the Mechanical Report, the common area restroom plumbing fixtures and electrical water cooler are in fairly good condition, however, the existing urinal installation does not meet the ADA mounting height requirements, and the urinals may need to be lowered. As the observed plumbing fixtures appear to be originally installed at the time of the Project's construction, such plumbing fixtures may not have been installed with low-flow plumbing fixtures, and as such, replacement of any plumbing fixtures in the future will be required to comply with current low-flow requirements. Further, tenants also installed their own plumbing fixtures, including sinks, sink with emergency eye wash station and a tank type water closet. As to the few tenant installed plumbing fixtures that were reported in the Mechanical Report, such tenant installed plumbing fixtures that were observed appear to be properly maintained and operational.

The Project's sanitary system is located below a crawl space and consists of a total of four (4) branch lines of cast iron pipe that run along the building. There are three (3) sanitary risers located in the utility closets with stubouts for each tenant to connect their sanitary lines. Additionally, the vent lines are also located in the utility closets with stubouts for tenants to connect their cast iron vent lines with each vent riser terminating with a vent thru roof. According to the Mechanical Report the existing sanitary and vent lines observed appear to be in fairly good condition.

**7. ELECTRICAL COMPONENTS; TELEPHONE SERVICE.** According to the Electrical Report, overall the exterior and interior lighting appear to be in good condition. The electrical service for the Project is provided by three (3) 50 KVA pole-mounted transformers located at the entrance of the Project, with the service equipment located next to the front entrance on the second floor of the building, with the electrical power being routed to a meter bank in an electrical room on the first floor of the building. Due to the location of the service equipment, as well as the normal weather conditions, water has leaked into the service conduits and the exterior of the conduits show signs of rusting. According to the Electrical Report, necessary action should be taken to alleviate the rusting of the exterior conduits. The metering equipment is in excellent condition.

The telephone service is provided from the same utility pole as the electrical power in the electrical room. According to the Electrical Report, water has leaked in through the conduit and caused severe rusting to occur in the telephone cabinet. Owners should anticipate the replacement of the telephone cabinet.

**8. FIRE AND LIFE SAFETY SYSTEMS.** According to the Electrical Report a fire alarm system is provided for the building consisting of audio-visual fire alarm devices in the hallway and the pull stations at the ends of the hallways as required by the Uniform Fire Code, 1997. The Units that were inspected had the required audio-visual fire alarm devices.

THE FOREGOING IS NOT AN EXHAUSTIVE LIST OF THE ITEMS DISCUSSED IN THE DUE DILIGENCE REPORTS, AND THE FOREGOING MERELY HIGHLIGHTS AND SUMMARIZES SOME OF THE ITEMS DISCUSSED IN THE DUE DILIGENCE REPORTS. OWNER IS AGAIN ADVISED THAT OWNER'S USE OR CONSIDERATION OF ANY OF THE FOREGOING INFORMATION IN CONNECTION WITH THE OFFER OR SALE OF THE UNIT SHALL BE AT OWNER'S SOLE RISK.

EXHIBIT "N"

VERIFIED STATEMENT OF COUNTY OFFICIAL



**BUILDING DIVISION – DPW**

COUNTY OF HAWAII – 25 Aupuni Street – Hilo, Hawai'i 96720  
Hilo Office (808) 961-8331 • Fax (808) 961-8410 Kona Office (808) 327-3520 • Fax (808) 327-3509

January 4, 2008

Imanaka, Kudo and Fujimoto  
745 Fort Street Mall, 17<sup>th</sup> Floor  
Honolulu, HI 96813

SUBJECT: CONDOMINIUM CONVERSION  
TMK: 2-3-035-035

This is to inform you that our records on file, relative to the status of the subject, discloses that:

- No \_\_\_\_\_ permit was issued for work done on the premise.
- No building permit was issued for the change of occupancy.
- At the time of completion, the subject complied to all building regulations that were in effect.
- Variance from any building regulation (Building, Electrical, Plumbing, or Sign) was/was not granted.
- The following violation(s) still outstanding:
  - Building  Electrical  Plumbing  Sign
- Others: Enclosed please find a status of all building, plumbing and electrical permits issued to the subject tax map key. There are no known violations.

This status report reflects Building Division records only and does not include information from other agencies or departments. You should check directly with any other agency or department that has jurisdiction in this matter.

Should you have any questions regarding matters contained herein, please feel free to contact us.

*Brian Kajakawa*  
for BRIAN KAJIKAWA, Division Chief  
Building Division

KM:km.

*Hawai'i County is an Equal Opportunity Provider and Employer*

SUMMARY FOR TRK: 230350050000

BUILDING	ELECTRICAL	PLUMBING	CLASS	OWNER	OCCUPANCY/USE
B2004-0661H			Alteration	FU'UHONU ASSOCIATES	OFFICE
032444			Alteration	FU'UHONU PROFESSIONAL CENTER	OFFICE
none	E940160		Addition	GELOCAG	OFFICE
none	E940042		Alteration	FUJIOKA, CRAIG K.	DENTAL OFFIC
none	E940043		Alteration	FU'UHONU ASSOCIATES	MEDICAL OFFI
none		M940008	Alteration	FU'UHONU ASSOCIATES	
none		M940006	Alteration	FUJIOKA, CRAIG K.	
none	E931958		Alteration	FU'UHONU ASSOCIATION	MEDICAL OFFI
951318	E951189	M950929	Alteration	FU'UHONU ASSOCIATES	VACANT SPACE
941287	E941363	M941013	Alteration	FU'UHONU ASSOCIATES	LOFT SPACE
940133		M940160	Addition	GELOCAG	VACANT MEDIC
932988			Alteration	FUJIOKA, CRAIG K.	SHELL
932976			Alteration	FU'UHONU ASSOCIATES	VACANT
932245		M931451	Alteration	FU'UHONU ASSOCIATION	VACANT OFFIC
932058	E931766	M931388	Alteration	FU'UHONU ASSOCIATION	SHELL OF OFF
921858	E922162	M930915	New	FU'UHONU ASSOCIATES	

BUILDING PERMIT: B2004-0661H Issue Date: 4/6/2004

Tax Map Key: 2-3-035-035-0000

Flood Zone:

Owner: FU'UHONU ASSOCIATES

Lessee: HAWAII MEDICAL SERVICE ASSOCIATION/HEALTHPASS OFFICE

Plans by: KEVIN M MACHIDA

SE: AR: CE:

Contractor: 00190 HEIDE & COOK LTD

Class of Work: Alteration, Repair

Plumb: Elect:

Construction Site: 75 FU'UHONU PL

Occupancy/Use: OFFICE

Stories: 2 Major Floor Area: Other Floor Area:

Description: (ORIGINAL BP921859 - B-2 - IIN) REMOVAL & REPLACEMENT OF AIR COOLED CONDENSING UNITS & FAN COIL UNITS, INCLUDING REMOVAL & REPLACEMENT OF REFRIGERANT PIPING, DUCTWORK & RELATED ELECTRICAL WORK

INSPECTIONS:

1) End Date: 5/18/2004 Reason: COMPLETED

BUILDING PERMIT: 032444

Issue Date: 12/05/2003

Tax Map Key: 2-3-035-035-0000

Flood Zone:

Owner: FU'UHONU PROFESSIONAL CENTER

Plans by: MATSUSHITA-SAITO & ASSOCIATES

SE: AR: X CE:

Contractor: 01035 ISEMOTO CONTR CO LTD

Class of Work: Alteration

Plumb: Elect:

Construction Site: 75 FU'UHONU PLACE

Occupancy/Use: OFFICE

Stories: 2 Major Floor Area: 0 Other Floor Area: 0

Description: RENOVATIONS TO SUITES 101, 103, 105 & 107 (GROUND FLOOR)

INSPECTIONS:

1) End Date: 12/15/2003 Reason: COMPLETED

ELECTRICAL PERMIT: E940160

Issue Date: 02/02/94

Tax Map Key: 2-3-035-035-0000

Flood Zone:

Owner: GELOCAG

Lessee: HAWAII MEDICAL SERVICE ASSN.

Contractor: 11998

Class of Work: Addition Supp to:

Construction Site: 75 FU'UHONU PLACE

Description:

NO INSPECTIONS.

Created: 01/04/2008

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ELECTRICAL PERMIT: E940042 Issue Date: 01/11/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: FUJIOKA, CRAIG K.  
Contractor: 11998  
Class of Work: Alteration Supp to:  
Construction Site: 75 PU'UHONU PLACE, SUITE 104  
Description:

NO INSPECTIONS.

-----  
ELECTRICAL PERMIT: E940043 Issue Date: 01/11/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Lessee: EBESUGAWA, IAN S.  
Contractor: 11998  
Class of Work: Alteration Supp to:  
Construction Site: 75 PU'UHONU PLACE  
Description:

NO INSPECTIONS.

-----  
PLUMBING PERMIT: M940008 Issue Date: 01/05/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Lessee: EBESUGAWA, IAN S.  
Contractor: 16111  
Class of Work: Alteration  
Construction Site: 75 PU'UHONU PLACE  
Connection with: Septic System  
Sinks: 2  
Sinks, Bar: 0  
Description:

INSPECTIONS:  
1) End Date: 3/10/1994 Reason: COMPLETED

-----  
PLUMBING PERMIT: M940006 Issue Date: 01/04/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: FUJIOKA, CRAIG K.  
Contractor: 06859  
Class of Work: Alteration  
Construction Site: 75 PU'UHONU PLACE, SUITE 104  
Connection with: Septic System  
Sinks: 5  
Sinks, Bar: 0  
Description:

INSPECTIONS:  
1) End Date: 12:00:00 A Reason: COMPLETED

-----  
ELECTRICAL PERMIT: E931958 Issue Date: 11/16/93  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATION  
Lessee: SCAZZOLA, JOSEPH V.  
Contractor: 11998  
Class of Work: Alteration Supp to:  
Construction Site: PU'UHONU PLACE  
Description:

NO INSPECTIONS.

Created: 01/04/2008

2

-----  
BUILDING PERMIT: 951318 Issue Date: 09/01/95  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Plans by: RONALD H. NAGATA  
SE: AR: X CE:  
Contractor: 15149  
Class of Work: Alteration Plumb: X Elect: X  
Construction Site: 75 PU'UHONU PLACE  
Occupancy/Use: VACANT SPACE  
Stories: 0 Major Floor Area: 490 Other Floor Area: 0  
Description: TENANT IMPROVEMENT IN EXISTING BLDG. - CONF. RM, OFFICE AND WAITING ROOM. UPPER LEVEL  
(ORIGINAL BP 921859)

INSPECTIONS:  
1) End Date: 9/29/1995 Reason: COMPLETED

-----  
ELECTRICAL PERMIT: 895189 Issue Date: 09/05/95  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Lessee: THE QUEEN'S HEALTH CARE PLAN  
Contractor: 11620  
Class of Work: Alteration Supp to:  
Construction Site: 75 PU'UHONU PLACE  
Associated to Building Permit: 951318  
Description:

INSPECTIONS:  
1) End Date: 9/25/1995 Reason: COMPLETED

-----  
PLUMBING PERMIT: M950929 Issue Date: 09/11/95  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Lessee: THE QUEEN'S HEALTH CARE PLAN  
Contractor: 16111  
Class of Work: Alteration  
Construction Site: 75 PU'UHONU PLACE  
Connection with: Public Sewer\*  
Sinks: 1  
Sinks, Bar: 0  
Associated to Building Permit: 951318  
Description:

INSPECTIONS:  
1) End Date: 9/22/1995 Reason: COMPLETED

-----  
BUILDING PERMIT: 941287 Issue Date: 09/08/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Plans by: SANSKI ARCHITECTS INC.  
SE: AR: X CE:  
Contractor: 16835 Plumb: X Elect: X  
Class of Work: Alteration  
Construction Site: 75 PU'UHONU PLACE  
Occupancy/Use: LOFT SPACE  
Stories: 2 Major Floor Area: 600 Other Floor Area: 600  
Description: NEW OFFICE SPACE IN EXISTING BLDG. PARTITIONS, PLBG. AND AC/VENTILATION. (RECEPTION,  
WAITING, LUNCH, DRAWING AND PROCESSING ROOMS)

INSPECTIONS:  
1) End Date: 11/15/1994 Reason: COMPLETED

Created: 01/04/2008

3

-----  
ELECTRICAL PERMIT: E941363 Issue Date: 09/13/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Lessee: DIAGNOSTIC LAB SERVICES, INC.  
Contractor: 11998  
Class of Work: New Supp to:  
Construction Site: 75 PUUHONU PLACE  
Associated to Building Permit: 941287  
Description:

INSPECTIONS:  
1) End Date: 11/7/1994 Reason: COMPLETED

-----  
PLUMBING PERMIT: M941013 Issue Date: 09/09/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Lessee: DIAGNOSTIC LAB SERVICES, INC.  
Contractor: 16111  
Class of Work: New  
Construction Site: 75 PUUHONU PLACE  
Connection with: Septic System

Sinks: 2  
Sinks, Bar: 0  
Associated to Building Permit: 941287  
Description:

INSPECTIONS:  
1) End Date: 11/1/1994 Reason: COMPLETED

-----  
BUILDING PERMIT: 940133 Issue Date: 01/31/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: GELOCAG  
Plans by: MATSUSHITA SAITO & ASSOC.

SE: AR: CE:  
Contractor: 05825  
Class of Work: Addition PLUMB: X Elect:  
Construction Site: 75 PUUHONU PLACE  
Occupancy/Use: VACANT MEDICAL OFFICE  
Stories: 1 Major Floor Area: 2476 Other Floor Area: 0  
Description: GROUND FLOOR TENANT SPACE IMPROVEMENT CONSISTING OF OFFICERS, TRAINING ROOM, WAITING ROOM, CONF. RM. RECEPTION, LAB. 1 EXAM RM., LOUNGE W/SINK, STORAGE RMS. NOTE SINK W/IN LAB. 2 MECH. RMS.

INSPECTIONS:  
1) End Date: 4/14/1994 Reason: COMPLETED

-----  
PLUMBING PERMIT: M940160 Issue Date: 02/02/94  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: GELOCAG  
Lessee: HAWAII MEDICAL SERVICE ASSN.  
Contractor: 13345  
Class of Work: Addition  
Construction Site: 75 PUUHONU PLACE  
Connection with: Septic System

Sinks: 2  
Sinks, Bar: 0  
Associated to Building Permit: 940133  
Description:

INSPECTIONS:  
1) End Date: 4/14/1994 Reason: COMPLETED

Created: 01/04/2008

4

-----  
 BUILDING PERMIT: 932988 Issue Date: 12/27/93  
 Tax Map Key: 2-3-035-035-0000 Flood Zone:  
 Owner: FUJIOKA, CRAIG K.  
 Plans by: TONI A. FASI, AIA  
 SE: AR: X CE:  
 Contractor: 05825  
 Class of Work: Alteration Plumb: Elect:  
 Construction Site: 75 PU'UHONU PLACE, SUITE 104  
 Occupancy/Use: SHELL  
 Stories: 0 Major Floor Area: 0 Other Floor Area: 0  
 Description: INTERIOR ALTERATIONS WITHIN EXISTING BUILDING-BUSINESS OFC, WAIT-:ING RM, DR'S OFC, 2  
 OPERATORIES, HYGIENIST'S RM, STERILIZATION RM;LAB, KITCHENETTE, X-RAY RM, & 1/2 BATH;ORIG  
 B921859,ITN,B2;\*\*\*\*91 UBC  
 INSPECTIONS:  
 1) End Date: 4/14/1994 Reason: COMPLETED

-----  
 BUILDING PERMIT: 932976 Issue Date: 12/20/93  
 Tax Map Key: 2-3-035-035-0000 Flood Zone:  
 Owner: PU'UHONU ASSOCIATES  
 Plans by: RONALD H. NAGATA  
 SE: AR: X CE:  
 Contractor: 16835  
 Class of Work: Alteration Plumb: Elect:  
 Construction Site: 75 PU'UHONU PLACE  
 Occupancy/Use: VACANT  
 Stories: 2 Major Floor Area: 1875 Other Floor Area: 0  
 Description: 3 EXAM ROOMS, 2 STORAGE ROOMS, 2 WAITING ROOMS, 5 OFFICE SPACES,;2 LAB ROOMS, 1 LOUNGE  
 AND 3 BATHROOMS. (ORIGINAL B.P. 921859 FOR;SHELL ONLY, UNDER CONSTRUCTION) \*\*\*91 UBC  
 INSPECTIONS:  
 1) End Date: 3/17/1994 Reason: COMPLETED

-----  
 BUILDING PERMIT: 932245 Issue Date: 10/26/93  
 Tax Map Key: 2-3-035-035-0000 Flood Zone:  
 Owner: PU'UHONU ASSOCIATION  
 Plans by: RONALD H. NAGATA  
 SE: AR: X CE:  
 Contractor: 16835  
 Class of Work: Alteration Plumb: X Elect:  
 Construction Site: PU'UHONU PLACE  
 Occupancy/Use: VACANT OFFICE  
 Stories: 0 Major Floor Area: 1372 Other Floor Area: 0  
 Description: 2 OFFICE ROOMS, 1 STORAGE ROOM, 2 EXAM ROOMS, 1 SURGERY ROOM, 1;BATHROOM AND 1 WAITING  
 ROOM (ORIGINAL B.P. 921859)  
 INSPECTIONS:  
 1) End Date: 2/14/1994 Reason: COMPLETED

-----  
 PLUMBING PERMIT: M931451 Issue Date: 10/29/93  
 Tax Map Key: 2-3-035-035-0000 Flood Zone:  
 Owner: PU'UHONU ASSOCIATION  
 Lessee: SCAZZOLA, JOSEPH V.  
 Contractor: 16111  
 Class of Work: Alteration  
 Construction Site: PU'UHONU PLACE  
 Connection with: Septic System  
 Sinks: 5  
 Sinks, Bar: 0  
 Associated to Building Permit: 932245  
 Description:  
 INSPECTIONS:  
 1) End Date: 2/3/1994 Reason: COMPLETED

Created: 01/04/2008

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-----  
BUILDING PERMIT: 932058 Issue Date: 10/12/93  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATION  
Plans by: RONALD H. NAGATA  
SE: AR: X CE:  
Contractor: 16835  
Class of Work: Alteration Plumb: X Elect: X  
Construction Site: 75 PU'UHONU PLACE  
Occupancy/Use: SHELL OF OFFICE  
Stories: 2 Major Floor Area: 1876 Other Floor Area: 0  
Description: 3 OFFICE ROOMS, 3 EXAM ROOMS, 2 BATHS, 1 STORAGE AND 1 WAITING ROOM.

INSPECTIONS:  
1) End Date: 12/22/1993 Reason: COMPLETED

-----  
ELECTRICAL PERMIT: E931766 Issue Date: 10/14/93  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATION  
Lessee: KUROHARA, KEVIN  
Contractor: 11998  
Class of Work: New Supp to:  
Construction Site: 75 PU'UHONU PLACE  
Associated to Building Permit: 932058  
Description:

INSPECTIONS:  
1) End Date: 12/16/1993 Reason: COMPLETED

-----  
PLUMBING PERMIT: M931398 Issue Date: 10/19/93  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATION  
Lessee: KUROHARA, KEVIN  
Contractor: 16111  
Class of Work: Alteration  
Construction Site: 75 PU'UHONU PLACE  
Connection with: Septic System  
Sinks: 4  
Sinks, Bar: 0  
Associated to Building Permit: 932058  
Description:

INSPECTIONS:  
1) End Date: 12/16/1993 Reason: COMPLETED

-----  
BUILDING PERMIT: 921859 Issue Date: 08/28/92  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Plans by: RONALD H. NAGATA  
SE: AR: X CE:  
Contractor: 16835  
Class of Work: New Plumb: X Elect: X  
Construction Site: 75 PU'UHONU PLACE  
Occupancy/Use:  
Stories: 2 Major Floor Area: 6820 Other Floor Area: 0  
Description: SHELL ONLY - 1ST LEVEL - 4 FUTURE MEDICAL OFFICES, MEN'S & WOMEN'S RESTRMS., ELEC.  
EQUIPMENT RM., COVERED ENTRY; 2ND LEVEL - 4; FUTURE MEDICAL OFFICES, MEN'S & WOMEN'S RESTRMS.,  
COVERED ENTRY.

INSPECTIONS:  
1) End Date: 12/3/1993 Reason: COMPLETED

Created: 01/04/2008

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-----  
ELECTRICAL PERMIT: E922162 Issue Date: 12/14/92  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Contractor: 11998  
Class of Work: New Supp to:  
Construction Site: 75 PU'UHONU PLACE  
Associated to Building Permit: 921859  
Description:

INSPECTIONS:  
1) End Date: 12/2/1993 Reason: COMPLETED

-----  
PLUMBING PERMIT: M930915 Issue Date: 07/26/93  
Tax Map Key: 2-3-035-035-0000 Flood Zone:  
Owner: PU'UHONU ASSOCIATES  
Contractor: 16111  
Class of Work: New  
Construction Site: 75 PU'UHONU PLACE  
Connection with: Septic System  
Sinks: 0  
Sinks, Bar: 0  
Associated to Building Permit: 921859  
Description:

INSPECTIONS:  
1) End Date: 12/3/1993 Reason: COMPLETED

Created: 01/04/2008

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Harry Kim  
Mayor



Christopher J. Yuen  
Director  
Brad Kurokawa, ASLA  
LEEDS AP  
Deputy Director

County of Hawaii  
PLANNING DEPARTMENT  
101 Panahi Street, Suite 3 • Hilo, Hawaii 96720-4224  
(808) 961-8288 • FAX (808) 961-8742

September 20, 2007

Imanaka, Kudo & Fujimoto  
Attn: Mitchell A. Imanaka  
TOPA Financial Center  
Fort Street Tower  
745 Fort Street, 17<sup>th</sup> floor  
Honolulu, HI 96813

Dear Mr. Imanaka:

**SUBJECT: Zoning Verification – Proposed Condominium Conversion Project**  
75 Pu'uhonu Place, Hilo, HI 96720  
**Tax Map Key: (3) 2-3-035:035**

Thank you for your letter dated August 13, 2007 requesting information on the Pu'uhonu Associates building.

The subject property's 1.18 acre of land is zoned Neighborhood Commercial District (CN-10). The abutting properties are zoned similar to the subject property. To the best of our knowledge, the Pu'uhonu Associates Building conforms to all applicable requirements of the Zoning Code.

Final Plan Approval for the office complex was issued on April 7, 1992 with revisions to the driveway and air-conditioning/electrical systems in 1992 and 2004, respectively.

Pu'uhonu Associates Building is, to the best of our knowledge, in compliance with the requirements of the Zoning Code and there are no known Zoning Code violations or nonconforming issues.

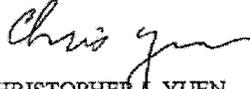
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*Hawai'i County is an Equal Opportunity Provider and Employer.*

Imanaka, Kudo & Fujimoto  
Attn: Mitchell Imanaka  
Page 2  
September 20, 2007

Please feel free to contact us (808) 961-8228 should you have any further questions and/or concerns.

Sincerely,



CHRISTOPHER J. YUEN  
Planning Director

JG/DSA: cd  
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