DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM

CONDOMINIUM PROJECT NAME	HUALUKINI PLACE
Project Address	45-624 Hualukini Place Kaneohe, Hawaii 96744
Registration Number	6759 (Conversion)
Effective Date of Report	May 4, 2009
Developer(s)	DELFIN TOLENTINO and LEANNE TOLENTINO

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

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

The Developer has disclosed the following:

1. This is a CONDOMINIUM PROJECT, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated as a part of the Unit, but is not a legally subdivided lot. The dotted lines on the Condominium Map and the metes and bound description contained in the Declaration bounding the designated number of square feet in each Unit's land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

2. No warranties are given to the purchaser as to the construction, materials or workmanship of the Project. The Project is being sold in "as is, where is" condition.

3. A prospective purchaser of a Unit in the Project who wishes to improve or modify his or her residence or change its use, should be aware that he or she will be required to comply with the building codes, land use laws (LUO) and other county laws and ordinances. The LUO, for example, contains restrictions relating to the permissible use of the land, the number of dwelling units permitted, and the amount of total development permitted on the entire Project land area. Before buying a Unit in the Project, a prospective purchaser, together with an architect or professional builder is urged to review the LUO and all other applicable County ordinances which may affect the Purchaser's use of his or her Unit and to review their intended plans with the appropriate County officials. The Developer disclaims all warranties with respect to Purchaser's being able to use the Unit for his or her intended purposes.

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

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

TABLE OF CONTENTS

Page

Preparation of this Report 1

General Information On Condominiums 2

Operation of the Condominium Project 2

1. THE CONDOMINIUM PROJECT 3

1.1 The Underlying Land 3
1.2 Buildings and Other Improvements 3
1.3 Unit Types and Sizes of Units 3
1.4 Parking Stalls 4
1.5 Boundaries of the Units 4
1.6 Permitted Alterations to the Units 4
1.7 Common Interest 4
1.8 Recreational and Other Common Facilities 4
1.9 Common Elements 5
1.10 Limited Common Elements 5
1.11 Special Use Restrictions 5
1.12 Encumbrances Against Title 5
1.13 Uses Permitted by Zoning and Zoning Compliance Matters 6
1.14 Other Zoning Compliance Matters 6
1.15 Conversions 7
1.16 Project In Agricultural District 8
1.17 Project with Assisted Living Facility 8

2. PERSONS CONNECTED WITH THE PROJECT 9

2.1 Developer 9
2.2 Real Estate Broker 9
2.3 Escrow Depository 9
2.4 General Contractor 9
2.5 Condominium Managing Agent 9
2.6 Attorney for Developer 9

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS 10

3.1 Declaration of Condominium Property Regime 10
3.2 Bylaws of the Association of Unit Owners 10
3.3 Condominium Map 10
3.4 House Rules 11
3.5 Changes to the Condominium Documents 11
3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents 11

4. CONDOMINIUM MANAGEMENT 12

4.1 Management of the Common Elements 12
4.2 Estimate of the Initial Maintenance Fees 12
4.3 Utility Charges to be Included in the Maintenance Fee 12
4.4 Utilities to be Separately Billed to Unit Owner 12

5. SALES DOCUMENTS 13

5.1 Sales Documents Filed with the Real Estate Commission 13
5.2 Sales to Owner-Occupants 13
5.3 Blanket Liens 13
5.4 Construction Warranties 13
5.5 Status of Construction, Date of Completion or Estimated Date of Completion 14

TABLE OF CONTENTS

Page

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance 14
5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance 14
5.6.2 Purchaser Deposits Will Be Disbursed Before Closing 14
5.7 Rights Under the Sales Contract 16
5.8 Purchaser's Right to Cancel or Rescind a Sales Contract 16
5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract 17
5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed 17
5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change 17

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT 18

EXHIBIT A: Boundaries of Units
EXHIBIT B: Encumbrances
EXHIBIT C: Verified Statement from a County Official
EXHIBIT D: Developer's reserved right to change Declaration, By-Laws, and Condominium Map
EXHIBIT E: Limited Common Elements
EXHIBIT F: Estimate of Annual Maintenance Fees
EXHIBIT G: Summary of Sales Contract
EXHIBIT H: Summary of Escrow Agreement

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. In addition, certain requirements and approvals of the county in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

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

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

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first that the Developer will effectively control the affairs of the Association. It is frequently necessary for the Developer to do so during the early stages of development and the Developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	☒ Fee Simple ☐ Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	☒ Yes ☐ No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	45-624 Hualukini Place Kaneohe, Hawaii 96744
Address of Project is expected to change because	
Tax Map Key (TMK)	(1) 4-5-083-050
Tax Map Key is expected to change because	Individual CPR numbers will be assigned to each Unit.
Land Area	10,387 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	2
Floors Per Building	Unit 45-624 - 2 floors; Unit 45-624A - 1 floor
Number of New Building(s)	1
Number of Converted Building(s)	1
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood on a concrete slab.

1.3 Unit Types and Sizes of Units

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
45-624	1	3/2	1,531.5 sq. ft.	512.5 sq. ft.	Garage	2,044 sqft
45-624A	1	3/3	1,738 sq. ft.	520/52 sq. ft.	Lanai, carport	2,310 sqft

See Exhibit _____ .

2	**Total Number of Units**

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

1.4 Parking Stalls

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

1.5 Boundaries of the Units

Boundaries of the unit:
The boundaries of the Units are delineated in Exhibit A attached hereto and incorporated herein by reference. The Units will include the land described in said Exhibit A.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
See Exhibit B attached hereto and incorporated herein by reference.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in Exhibit _____.

As follows:

Each Unit has a Common Interest of fifty percent (50%).

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

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

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit _____.

Described as follows:
(a) The land in fee simple.
(b) Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit E.

Described as follows:

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

☐	Pets:
☐	Number of Occupants:
☒	Other: Residential purposes and shall not be used for transient or vacation rentals.
☐	There are no special use restrictions.

1.12 Encumbrances Against Title

An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit B describes the encumbrances against title contained in the title report decribed below.

Date of the title report: December 23, 2008

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

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
☒	Residential	2	☒ Yes ☐ No	R-5
☐	Commercial		☐ Yes ☐ No	
☐	Mix Residential/Commercial		☐ Yes ☐ No	
☐	Hotel		☐ Yes ☐ No	
☐	Timeshare		☐ Yes ☐ No	
☐	Ohana		☐ Yes ☐ No	
☐	Industrial		☐ Yes ☐ No	
☐	Agricultural		☐ Yes ☐ No	
☐	Recreational		☐ Yes ☐ No	
☐	Other (Specify):		☐ Yes ☐ No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			☒ Yes ☐ No	
Variances to zoning code have been granted.			☐ Yes ☒ No	
Describe any variances that have been granted to zoning code				

1.14 Other Zoning Compliance Matters

Conforming/Non-Conforming Uses, Structures and Lots

In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.

A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.

	Conforming	Non-Conforming	Illegal
Uses	☒	☐	☐
Structures	☒	☐	☐
Lot	☒	☐	☐

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

1.15 Conversions

Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.	☒ **Applicable** ☐ **Not Applicable**

Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:

In accordance with the Engineer's Inspection Report of Roscoe O. Ford, Licensed Professional Engineer No. 3731-S, the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of Unit 45-624 are in good condition commensurate with their age.

Developer's statement of the expected useful life of each item reported above:
The Developer makes no representation regarding the expected useful life of the structural components and/or the mechanical and electrical installations.

List of any outstanding notices of uncured violations of any building code or other county regulations:
None.

Estimated cost of curing any violations described above:
None.

Verified Statement from a County Official

Regarding any converted structures in the project, attached as Exhibit C is a verified statement signed by an appropriate county official which states that either:

(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:
- (i) Any variances or other permits that have been granted to achieve compliance;
- (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and
- (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;

or

(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.

Other disclosures and information:
None.

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: DELFIN TOLENTINO and LEANNE TOLENTINO Business Address: 45-624 Hualukini Place Kaneohe, Hawaii 96744 Business Phone Number : (808) 222-9649 E-mail Address:
Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).	
2.2 Real Estate Broker	Name: *The Real Estate Resource, LLC Business Address: 3465 Waialae Ave., Suite 210 Honolulu, HI 96816 *dba Prudential Advantage Realty Business Phone Number: (808) 218-9196 E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen St., First Floor Honolulu, Hawaii 96813 Business Phone Number: (808) 521-0211
2.4 General Contractor	Name: Young's Pacific Builders Business Address: 1320 Kalani St. #215 Honolulu, Hawaii 96817 Business Phone Number: (808) 845-0400
2.5 Condominium Managing Agent	Name: None. Self-managed by the Association. Business Address: Business Phone Number:
2.6 Attorney for Developer	Name: Ken Harimoto Business Address: 1188 Bishop Street, Suite 3302 Honolulu, Hawaii 96813 Business Phone Number: (808) 526-9546

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 16, 2008	2008-192820

Amendments to Declaration of Condominium Property Regime		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 17, 2009	2009-049646
Bureau of Conveyances	April 13, 2009	2009-055925

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 16, 2008	2008-192821

Amendments to Bylaws of the Association of Unit Owners		
Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	February 17, 2009	2009-049647

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	4752

Dates of Recordation of Amendments to the Condominium Map:
April 2, 2009.

3.4 House Rules

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

The House Rules for this project:		
Are Proposed	☐	
Have Been Adopted and Date of Adoption	☐	
Developer does not plan to adopt House Rules	☒	

3.5 Changes to the Condominium Documents

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

Document	Minimum Set by Law	This Condominium
Declaration	67%	75%
Bylaws	67%	67%

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

☐	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
☒	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: See Exhibit D attached hereto and incorporated herein by reference.

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

Management of the Common Elements: The Association of Unit Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.
The initial Condominium Managing Agent for this project is (check one):

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

4.2 Estimate of the Initial Maintenance Fees

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

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:	
☒	Electricity for the Unit only
☐	Gas for the Unit only
☒	Water
☒	Sewer
☒	TV Cable
☐	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

☒	Specimen Sales Contract Exhibit G contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer.
☒	Escrow Agreement dated: June 12, 2008 Name of Escrow Company: Title Guaranty Escrow Services, Inc. Exhibit H contains a summary of the pertinent provisions of the escrow agreement.
☐	Other:

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

☐	There are no blanket liens affecting title to the individual units.
☒	There are blanket liens that may affect title to the individual units.

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Purchaser's interest may be terminated and Purchaser may be entitled
	to a refund, less escrow cancellation fees.

5.4 Construction Warranties

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

Building and Other Improvements:

None. Units will be sold "as-is".

Appliances:

None. Units will be sold "as-is".

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

Status of Construction: Unit 45-624 was completed in 1962. Unit 45-624A was completed in 2007.
Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.
Completion Deadline for any unit not yet constructed, as set forth in the sales contract:
Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

☐	The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project. *If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.*

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

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

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

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

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

5.7 Rights Under the Sales Contract

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

1.	**Developer's Public Report**
2.	**Declaration of Condominium Property Regime (and any amendments)**
3.	**Bylaws of the Association of Unit Owners (and any amendments)**
4.	**Condominium Map (and any amendments)**
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Affidavit dated February 6, 2004, recorded as Document No. 2004-025998, a copy of which is available for inspection upon request. Grant of Easement in favor of Hawaiian Electric Company, Inc. and Hawaiian Telcom, Inc., recorded as Document No. 2007-113670. Copy is available for inspection upon request.

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

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access rules: www.hawaii.gov/dcca/har

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

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

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

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

(1) The purchaser has signed the sales contract.

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

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

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

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

(b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or

(c) Closes the purchase of the unit before the 30-day cancellation period expires.

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

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

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

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

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

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

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

(1) Checking the waiver box on the rescission form; or

(2) Letting the 30-day rescission period expire, without taking any action to rescind; or

(3) Closing the purchase of the unit before the 30-day rescission period expires.

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

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

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

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

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

LEAD WARNING STATEMENT: Pursuant to federal law, 42, U.S.0 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."

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

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

The Developer hereby certifies that all the information contained in this report and the exhibits attached to this report and all documents to be furnished by the Developer to purchasers concerning the project have been reviewed by the Developer and are, to the best of the Developer's knowledge, information and belief, true, correct and complete. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

DELFIN TOLENTINO and LEANNE TOLENTINO

Printed Name of Developer

By: _____ 4-27-09
Duly Authorized Signatory* Date

DELFIN TOLENTINO and LEANNE TOLENTINO
Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"

Boundaries of Units

The project is comprised of two (2) single family dwellings, each constituting a Unit.

Unit 45-624 consists of a two-story structure, without a basement, and contains a driveway, one (1) bedroom, a recreation room, laundry area, one (1) bathroom, a stairway leading to the second floor, an entry, and a garage on the first floor, and a Master Bedroom, with a closet, two (2) bedrooms, each containing a closet, one (1) bathroom, a living room, dining area, a kitchen, hallway, and a stairway leading to the first floor, on the second floor, and contains a net living area of approximately 1,531.5 square feet, including the garage, which contains an area of approximately 512.5 square feet. As is set forth in Exhibit "C" attached hereto, said Unit is located upon a Privacy Area containing an area of 3,539 square feet, which Privacy Area is a limited common element appurtenant to said Unit 45-624.

Unit 45-624A consists of a one-story structure, without a basement, and contains a driveway, a living, room, dining area, kitchen, Master Bedroom with Master Bath, water closet and a lanai, one (1) guest room, two (2) bedrooms, each with a closet, two (2) bathrooms, a hallway, main entry, 2-car carport, storage area, laundry area, main entry, and contains a net living area of approximately 1,738 square feet, together with the 2-car carport, which contains an area of approximately 520 square feet, the lanai adjacent to the Master Bedroom which contains an area of approximately 52 square feet, and the driveway, which contains an area of approximately 1,000 square feet. As is set forth in Exhibit "C" attached hereto, said unit located upon a Privacy Area containing an area of 6,848 square feet, which Privacy Area is a limited common element appurtenant to said Unit 45-624A.

Description of Privacy Areas

Note: The following metes and bounds descriptions are provided solely to augment the lines delimiting these areas on the Condominium Map. The two (2) Privacy Areas are appurtenant to the Units, respectively, as limited common elements, but do not constitute separate subdivided lots.

Unit 45-624

Being a portion of Lot 164, Keapuka Subdivision Unit 1-C (File Plan 832), at Kaneohe, Koolaupoko, Oahu, Hawaii.

Beginning at the North corner of this parcel of land on the southerly side of

Hualukini Place, thence running by azimuths measured clockwise from true South:

1.	302°	49'	30"	46.56	feet along the remainder of Lot 164 of Keapuka Subdivision Unit 1-C (File Plan 832);
2.	334°	18'		23.27	feet along the remainder of Lot 164 of Keapuka Subdivision Unit 1-C (File Plan 832);
3.	64°	18'		79.87	feet along the remainder of Lot 164 of Keapuka Subdivision Unit 1-C (File Plan 832);
4.	181°	37'	10"	74.86	feet along the East side of Lot 165 of Keapuka Subdivision Unit 1-C (File Plan 832);
					Thence along the southerly side of Hualukini Place on a curve to the left with a radius of 35.00 feet, the chord azimuth and distance being:
5.	253°	44'	36"	21.50	feet to the point of beginning and containing an area of 3,539 square feet.

Unit 45-624A

Being a portion of Lot 164, Keapuka Subdivision Unit 1-C (File Plan 832), at Kaneohe, Koolaupoko, Oahu, Hawaii.

Beginning at the North corner of this parcel of land, being the West corner of Lot 163 of Keapuka Subdivision Unit 1-C (File Plan 832), thence running by azimuths measured clockwise from true South:

1.	302°	49'	30"	131.69	feet along the South side of Lots 163 and 162 of Keapuka Subdivision Unit 1-C (File Plan 832);
2.	64°	18'		105.00	feet along the North side of Lots 156 and 155 of Keapuka Subdivision Unit 1-C (File Plan 832);

3.	72°	50'	30"	50.00	feet along the North side of Lot 154 of Keapuka Subdivision Unit 1-C (File Plan 832);
4.	181°	37'	10"	43.66	feet along the East side of Lot 165 of Keapuka Subdivision Unit 1-C (File Plan 832);
5.	244°	18'		79.87	feet along the remainder of Lot 164 of Keapuka Subdivision Unit 1-C (File Plan 832);
6.	154°	18'		23.27	feet along the remainder of Lot 164 of Keapuka Subdivision Unit 1-C (File Plan 832);
7.	122°	49'	30"	46.56	feet along the remainder of Lot 164 of Keapuka Subdivision Unit 1-C (File Plan 832);
					Thence along the southerly side of Hualukini Place on a curve to the left with a radius of 35.00 feet, the chord azimuth and distance being;
8.	227°	10'	29"	10.55	feet to the point of beginning and containing an area of 6,848 square feet.

END OF EXHIBIT A

EXHIBIT B

Encumbrances

1. For real property taxes due and owing, reference is made to the Director of Finance, City and County of Honolulu.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. The terms and provisions contained in AFFIDAVIT dated February 6, 2004, recorded in said Bureau of Conveyances as Document No. 2004-025998, by GEORGE KAIMIOLA, DELFIN V. TOLENTINO and LEANNE C. TOLENTINO, in consideration of the issuance by the Building Department, City and County of Honolulu, of a building permit.

4. GRANT in favor of HAWAIIAN ELECTRIC COMPANY, INC. and HAWAIIAN TELCOM, INC., a Hawaii corporation, dated June 20, 2007, recorded in said Bureau of Conveyances as Document No. 2007-113670, granting a perpetual right and easement for utility purposes.

5. That certain MORTGAGE dated March 21, 2008, recorded in said Bureau of Conveyances as Document No. 2008-050217, executed by DELFIN TOLENTINO and LEANNE TOLENTINO, husband and wife, as Mortgagor, in favor of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., solely as nominee for CENTRAL PACIFIC HOMELOANS, INC., a Hawaii corporation, as Mortgagee.

6. That certain Declaration of Condominium Property Regime of Hualukini Place dated December 16, 2008, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2008-192820, as amended by Amended Declaration of Condominium Property Regime of Hualukini Place dated February 17, 2009, recorded in said Bureau of Conveyances as Document No. 2009-049646, which said Amended Declaration of Condominium Property Regime of Hualukini Place was amended by First Amendment to Declaration of Condominium Property Regime of Hualukini Place dated April 13, 2009, recorded in said Bureau of Conveyances as Document No. 2009-055925.

7. By-Laws of the Association of Apartment Owners of Hualukini Place dated December 16, 2008, recorded in said Bureau of Conveyances of the State of Hawaii as Document No. 2008-192821, as amended by the Amended By-Laws of the Association of Unit Owners of Hualukini Place dated February 17, 2009, recorded in said Bureau of Conveyances as Document No. 2009-049647.

8. Condominium Map No. 4572, recorded in said Bureau of Conveyances, as amended.

END OF EXHIBIT B

EXHIBIT C

Statement of County Official

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
TELEPHONE: (808) 768-8000 • FAX: (808) 527-6743
INTERNET: www.honolulu.gov • DEPT. WEB SITE: www.honoluludpp.org

MUFI HANNEMANN
MAYOR

HENRY ENG, FAICP
DIRECTOR

DAVID K. TANOUE
DEPUTY DIRECTOR

2007/ELOG-1378 (LT)

December 19, 2007

Ken Harimoto, Esq.
Attorney at Law
Century Square, Suite 3302
1188 Bishop Street
Honolulu, Hawaii 96813-3313

Dear Mr. Harimoto:

Subject: Condominium Conversion Project
45-624 & 45-624A Hualukini Place
Tax Map Key (TMK): 4-5-083: 050

This is in response to your letter dated May 11, 2007, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story single-family detached dwelling with two (2) all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 1962 on this 10,387-square-foot R-5 Residential District zoned lot.

Investigation also revealed the following:

1. An affidavit was required with the issuance of Building Permit No. 561081 on February 9, 2004, for an alteration to an existing two-story single-family dwelling. It states that "Upon completion, the entire structure shall be maintained as a single family dwelling containing only one kitchen. An interior connection shall be provided as shown on the approved plans."

2. On August 29, 2006, Building Permit No. 601312 was issued for a new one-story single-family detached dwelling with four (4) all-weather-surface off-street parking spaces. This building permit is still active.

3. On July 20, 2007, a subdivision (File No. 2007/SUB-181) was accepted for a designation of a public utility easement (for a 2kv overhead and underground power line in favor of HECO) affecting Lot 164 (TMK: 4-5-083: 050) of the Keapuka Subdivision, Unit 1-C, File Plan 832.

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

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

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

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-Family Code Enforcement Branch at 768-8151.

Very truly yours,

Henry Eng, FAICP, Director
Department of Planning and Permitting

HE:dkk

doc587336

EXHIBIT D

Developer's Reserved Rights to Change Declaration, By-Laws and Condominium Map

Section 7.03 of the Declaration provides that, while the Developer continues to hold an ownership interest in any of the Units in the Project, the Developer reserves the right, but not the obligation, at Developer's sole discretion, to: (1) grant easements over, across, and under the common elements, including, without limitation, easements for utilities, sanitary and storm sewers, cable television, walkways, roadways and rights-of-way, and (2) relocate or realign any existing easements and rights-of-way over, across, and under the common elements, including, without limitation, any existing utilities, sanitary and sewer lines, and cable television lines, and connect same, over, across, and under the common elements, provided that such easements and such relocations and connections of lines shall not materially impair or interfere with the use of any Unit. The rights reserved by the Developer herein shall automatically cease upon the transfer of title of the Developer's last ownership interest in a Unit in the Project.

Section 19.02 of the Declaration provides that: Notwithstanding any other provisions hereof, Developer expressly reserves the right to successively amend this Declaration without the consent or joinder of persons then owning or leasing the units, (i) by filing an amendment to this Declaration pursuant to the provisions of Section 514B-12 of the Act after completion of the improvements described herein, by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, unit numbers and dimensions of the units as built; (ii) as may be required by law, the Real Estate Commission of the State of Hawaii, any title insurance company issuing a title insurance policy on the project, or any institutional lender lending funds on the security of the project or any of the units thereof.

Section 19.08 of the Declaration provides that: Any provision of this Declaration to the contrary notwithstanding, and notwithstanding the sale and conveyance of any Unit in the Project, while the Developer retains any interest in the Project, the Developer may, without the consent or joinder of any Unit owner, lienholder thereof, or other person or entity, amend this Declaration, the By-Laws, and/or the Condominium Map to effect any changes or amendments required by law, any title insurance company, or any institutional mortgagee, or as may be required by any governmental or quasi-governmental agency. Each and every party acquiring an interest in the Project, shall, by virtue of such acquisition, consent to such amendments by the Developer, and agrees to execute and deliver such documents and instruments and do all such things necessary and/or convenient to effect the same, and hereby appoints the Developer and its assigns as his or her attorney-in-fact, with full power of substitution to execute, deliver and record such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable for the term of such reserved rights and shall not be affected by any disability of the party or parties.

EXHIBIT E

Limited Common Elements

(a) That certain piece or parcel of real property, containing an area of 3,539 square feet, more or less, of the real property of the Project which includes the real property upon which Unit 45-624 is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, shall constitute a limited common element appurtenant to and for the exclusive use of Unit 45-624.

(b) That certain piece or parcel of real property, containing an area of 6,848 square feet, more or less, of the real property of the Project which includes the real property upon which Unit 45-624A is situated, as shown on said Condominium Map, inclusive of the airspace located above such area, shall constitute a limited common element appurtenant to and for the exclusive use of Unit 45-624A.

(c) All pipes, wires, conduits, and other utility and service lines not contained within a Unit but used by and servicing only one (1) Unit shall be a limited common element appurtenant to and for the exclusive use of the Unit using and serviced exclusively by such pipes, wires, conduits, and other utility and service lines.

END OF EXHIBIT E

EXHIBIT F

Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements

Estimate of Initial Maintenance Fees:

Unit	Monthly Fee x 12 months = Yearly Total
Unit 45-624	$0 x 12 = $0*
Unit 45-624A	$0 x 12 = $0*

* NOTE: **Utilities for the Units are separately metered or otherwise charged.**

The Developer has not conducted a reserve study in accordance with Section 514B, Hawaii Revised Statutes, as amended, and the replacement reserve rules, Subchapter 5, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

A purchaser shall be obligated to commence paying maintenance fees as of the date of recordation of the Apartment Deed.

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months = Yearly Total

Utilities and Services

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

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

Reserves(*)

Taxes and Government Assessments

Audit Fees

Other

TOTAL $0.00

We, Delfin Tolentino and Leanne Tolentino, as Developer of the HUALUKINI PLACE condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

x _____ x 4-27-02

Signature Date

EXHIBIT G
Summary of Terms of Sales Contract

Binding Effect. The sales contract will become binding after buyer have received the Developer's Public Report for the project, buyer has signed a receipt for that report, and buyer has signed a written waiver of his or her rights to rescind the purchase. The sales contract will also become binding if the buyer does not execute a receipt and waiver within thirty days after receipt of the Developer's Public Report and has not notified the seller of the decision to cancel in a timely fashion as provided by law.

Payments. The sales contract provides for two payments. Payment A is the deposit payable upon the execution of the contract. Payment B is the balance of the purchase price and is payable at closing.

Closing. If seller accepts the sales contract more than forty-five days before the project architect has certified that the apartment is ready for occupancy, the closing date will be selected by seller. The date selected will be within sixty days after the certificate of occupancy is issued. Buyer will be given written notice of that date of closing. By mutual agreement of the seller and buyer, a different closing date may be chosen, but in no event more than ninety days after seller accepts the contract.

Preclosing. The sales contract allows the seller to "pre-close," sixty days before the estimated date of closing. Pre-closing entails execution of the documents needed to close the sale and making that portion of Payment C that is not being financed through a mortgage lender.

Other Matters.

The risk of loss passes to the buyer upon closing.

The seller makes no warranties, express or implied, with respect to the apartment, common elements, or anything installed in or upon the premises. In particular, the seller makes no warranties of merchantability or fitness for particular purpose. Nevertheless, standard contractors' and manufacturers' warranties will be assigned without recourse to the buyer.

Remedies.

In the event of default by the buyer or seller, the non-defaulting party will have the rights available under general contract principles for breach of contract. The sales contract also expressly states that seller's remedies may include (1) termination of the contract, (2) retention of all payments then to date by the buyer, plus interest, as liquidated damages, and (3) damages as provided by law in lieu of liquidated damages.

THIS IS MERELY A BRIEF SUMMARY OF THE TERMS OF THE SALES CONTRACT. YOU ARE ADVISED TO READ THE SALES CONTRACT FOR FULL DETAILS.

EXHIBIT H
Summary of Terms of Escrow Agreement

Under the terms of the escrow agreement Title Guaranty Escrow Services, Inc., 235 Queen Street, Honolulu, Hawaii 96813, will serve as escrow agent for the sales transaction.

As the escrow agreement indicates, the buyer's funds will not be used to finance construction.

The buyer's funds will be held by escrow and no interest will accrue on those funds.

Section 6 of the escrow agreement govern the disbursement of funds to the developer. Section 5 provides that unless a refund is due the buyer under Section 6 of the escrow agreement, the buyer's funds will be disbursed to the seller either at closing or upon the seller's certification in writing that the buyer has defaulted under the terms of the sales contract and Seller has terminated the sales contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the buyer. Section 5 sets forth the conditions that must be satisfied before the seller is entitled to disbursements out of escrow. Those conditions include, but are not limited to, receipt by escrow of a copy of the final public report issued by the Real Estate Commission and the waiver by Buyer of Buyer's rescission rights, as set forth in Section 514B-86(c), Hawaii Revised Statutes, as amended.

Section 6 sets forth the conditions under which a refund of the buyer's funds must be made. Only one of the conditions in the escrow agreement (condition (a)) can apply because the final public report will issue without any prior preliminary report and because no funds will be solicited until after the final public report has issued. Under condition (a) a refund must be made if the buyer has so requested and the seller authorizes the refund.

THIS IS MERELY A BRIEF SUMMARY OF THE TERMS OF THE ESCROW AGREEMENT. YOU ARE ADVISED TO READ THE ESCROW AGREEMENT FOR FULL DETAILS.