

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

CONDOMINIUM PROJECT NAME	KUALA BUSINESS PARK CONDOMINIUM
Project Address	1255 Kuala Street Pearl City, Hawaii 96782
Registration Number	6776
Effective Date of Report	March 30, 2009
Developer(s)	IRRIGATION SYSTEMS, INC. 343 LLC 353 LLC

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.]

DECLARATION SECTION 13. SUBDIVISION AND TERMINATION.

At the request of the owner of any unit and if subdivision is permitted under applicable laws without expense for subdivision improvements or compensation to the County for impacts on public facilities, the unit owner(s) shall proceed promptly, diligently, cooperatively and in good faith to subdivide the Property into five (5) lots with the boundaries and areas conforming to those of the limited Common Element land area(s) and with appropriate easements defined for the use, operation, maintenance, repair and replacement of any water, electrical, phone and cable television lines, and appurtenances and all other utilities of one owner crossing land of the other, if any. In said effort, all unit owners will act cooperatively and in good faith, will respond promptly and with an open mind to inquiries and communications from the other(s) will execute such authorizations and applications and will take all actions (as unit owners and as members of the Association) with the mutual objective of implementing said subdivision (or consolidation and re-subdivision), efficiently and as soon as reasonably possible. The cost of said action shall be paid for by the unit owners with each unit bearing an a share in proportion to their respective common interest, as and when incurred, including all filing fees, on-site infrastructure costs if any, engineering and legal costs, and the like. The engineer shall be a person approved by a 67% majority of owners.

Promptly upon the issuance of final subdivision approval by the City and County of Honolulu, the unit owners agree to execute all necessary documents to (a) terminate this condominium; (b) convey the fee simple title to the subdivided areas to their respective former unit owners; (c) establish necessary easements described above, and (d) release each fee simple property being conveyed to a former unit owner from the encumbrance of each mortgage and lien which is the debt of the other unit owner so that each unit owner shall receive good and marketable title to its land free and clear of this condominium and all liens and encumbrances except the encumbrances which existed immediately prior to the recording of this Declaration of Condominium Property Regime and the easements referred to in clause (c) above.

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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 Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit)
Developer is the Fee Owner	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No
Fee Owner's Name if Developer is not the Fee Owner	
Address of Project	1255 Kuala Street, Pearl City, Hawaii 96782
Address of Project is expected to change because	
Tax Map Key (TMK)	(1) 9-7-024-052
Tax Map Key is expected to change because	Units may be assigned separate Tax Map Key Numbers.
Land Area	6.771 acres
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)	1
Number of Converted Building(s)	0
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Concrete

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
Spatial	1			625 sf	71,607 sf	625 sf
Building	1			21,965 sf	101,296 sf	21,965sf
Spatial	1			625 sf	68,430 sf	625 sf
Spatial	1			625 sf	29,344 sf	625 sf
Spatial	1			625 sf	7,938 sf	625 sf
See Exhibit <u> A </u> .						

5	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:	N/A
Number of Guest Stalls in the Project:	
Number of Parking Stalls Assigned to Each Unit:	
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.	
Each Unit Owner, when developing a building on its Unit, will meet any parking stall requirements within its Unit Boundaries, consistent with City and County of Honolulu requirements	

1.5 Boundaries of the Units

Boundaries of the unit: See 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 "C"
--

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit _____ .
As follows: Unit 1 26% Unit 5 2.5% Unit 2 36% Unit 3 25% Unit 4 10.5%

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

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

1.9 Common Elements

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

Described in Exhibit "B" _____.

Described as follows:

Common Element	Number
Elevators	
Stairways	
Trash Chutes	

1.10 Limited Common Elements

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

Described in Exhibit "D" _____.

Described as follows:

1.11 Special Use Restrictions

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

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: Unilateral Agmt. and Decl. for Cond. Zoning, Doc. No. 2001-143124 (Sept. 10, 2001)
<input type="checkbox"/>	There are no special use restrictions.

1.12 Encumbrances Against Title

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

Exhibit "E" _____ describes the encumbrances against title contained in the title report described below.

Date of the title report: September 19, 2008

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

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input type="checkbox"/>	Residential		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input checked="" type="checkbox"/>	Commercial	5	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	IMX-1
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input checked="" type="checkbox"/>	Industrial	5	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	IMX-1
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input checked="" type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input checked="" 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 Declaration 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

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	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Structures	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>
Lot	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>

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

<p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p>	<p><input type="checkbox"/> Applicable</p> <p><input checked="" type="checkbox"/> 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>Developer's statement of the expected useful life of each item reported above:</p>	
<p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p>	
<p>Estimated cost of curing any violations described above:</p>	

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

1.16 Project In Agricultural District

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

1.17 Project with Assisted Living Facility

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

2. PERSONS CONNECTED WITH THE PROJECT

2.1 Developer(s)	Name: Irrigation Systems, Inc.; 343 LLC; 353 LLC Business Address: See Attached Business Phone Number : See Attached E-mail Address: See Attached
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).	See Attached
2.2 Real Estate Broker	Name: None selected, see page 18a Business Address: Business Phone Number: E-mail Address:
2.3 Escrow Depository	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, HI 96813 Business Phone Number: (808) 521-0219
2.4 General Contractor	Name: Quality General, Inc. Business Address: 99-1245 Wailua Street Aiea, Hawaii 96701 Business Phone Number: (808) 487-3614
2.5 Condominium Managing Agent	Name: Self managed by the Association Business Address: 368 Lehuakona Street Kahului, Maui, Hawaii 96733 Business Phone Number: (808) 871-5459
2.6 Attorney for Developer	Name: Gilbert S.C. Keith-Agaran Business Address: 24 N. Church St. Ste. 409 Wailuku, Maui, Hawaii 96793 Business Phone Number: (808) 242-4049

ATTACHMENT:

2. PERSONS CONNECTED WITH THE PROJECT

<p>2.1 Developer(s)</p>	<p>Name: IRRIGATION SYSTEMS, INC. Business Address: 368 Lehuakona Street, Kahului, Hawaii 96732 Business Phone Number: (808) 871-5459 E-Mail Address: ken.ota@isihawaii.com</p> <p>Name: 343 LLC Business Address: 1721 Wili Pa Loop, Suite 103 Wailuku, Hawaii 96793 Business Phone Number: (808) 244-0667 E-Mail Address: ing.cpa@hawaiiantel.net</p> <p>Name: 353 LLC Business Address: 1721 Wili Pa Loop, Suite 103 Wailuku, Hawaii 96793 Business Phone Number: (808) 244-0667 E-Mail Address: ing.cpa@hawaiiantel.net</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 sheets if necessary)</p>	<p>IRRIGATION SYSTEMS, INC., A Hawaii Corporation Mitch Ota President/Director Ken S. Ota Secretary/Treasurer/Director</p> <p>343 LLC, A Hawaii Limited Liability Company Ken Ota Manager Patrick Ing Manager</p> <p>353 LLC, A Hawaii Limited Liability Company Patrick Ing Member-Manager Ken Ota Member-Manager</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	May 20, 2008	2008-106783

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	July 14, 2008	2008-114770
Bureau of Conveyances	October 13, 2008	2008-161865
Bureau of Conveyances	January 21, 2009	2009-007538
Bureau of Conveyances	February 6, 2009	2009-017144

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	May 20, 2008	2008-106784

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	March 18, 2009	2009-041081

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	4671

Dates of Recordation of Amendments to the Condominium Map:

February 6, 2009 & March 18, 2009

ATTACHMENT

3.1 cont./

Amendments to Declaration of Condominium Property Regime
--

Land Court or Bureau of Conveyances	Date of Document	Document Number
Bureau of Conveyances	March 18, 2009	2009-041082

3.4 House Rules

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

The House Rules for this project:

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

3.5 Changes to the Condominium Documents

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

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

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

<input 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"/>	<p>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:</p> <p>The Declarant reserves the right to grant to the City and County of Honolulu, utility providers or other parties easements over the condominium Land as reasonably required from time to time to facilitate the development and construction of Unit 2's building and related improvements, a building and other improvements within Units 1, 3, 4 or 5, and the parking and driveway areas and other improvements needed for the needed use and operation of the condominium. Said easements shall contain normal and commercially reasonable terms and conditions. However, no such easement shall be authorized without the consent of the owner(s) of a unit (or its limited common element) if said easement would have a material adverse effect on use or operation of the building, grounds, parking or driveway areas comprising, or appurtenant to, said unit for its intended use. For the purposes of this reservation, the words "material adverse impact" shall be deemed to include (but shall not be limited to) any impact or modification to any curb cuts, access ways or drive aisles and/or any impact or change to the number, location, configuration or size of the parking spaces or drive aisles of that particular owner's property, and for Units 1, 3 and 4, any material affect on the visibility of the owner's property to Kuala Street.</p>

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):	
<input type="checkbox"/>	Not affiliated with the Developer
<input checked="" type="checkbox"/>	None (self-managed by the Association)
<input type="checkbox"/>	The Developer or an affiliate of the Developer
<input type="checkbox"/>	Other (explain)

4.2 Estimate of the Initial Maintenance Fees

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 "G" contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

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

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<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: November 3, 2008 Name of Escrow Company: Title Guaranty Escrow Services, Inc. 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.

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
See Exhibit "F"	

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 paragraph 6, p. 18, regarding construction defects.
Appliances: N/A

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

<p>Status of Construction: Building for Unit 2 completed on August 20, 2008; Certificate of Occupancy [Exhibit "K"] issued on September 29, 2008</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

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

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

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

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

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

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

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

5.7 Rights Under the Sales Contract

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

1.	Developer's Public Report
2.	Declaration of Condominium Property Regime (and any amendments)
3.	Bylaws of the Association of Unit Owners (and any amendments)
4.	Condominium Map (and any amendments)
5.	House Rules, if any
6.	Escrow Agreement
7.	Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted.
8.	Other: Unilateral Agreement and Declaration for Conditional Zoning, etc. & Items 10, 11, 12 & 13 of Exh. E

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

Responsibilities. The owner(s) of Units 1, 2 and 3 will be responsible for all care, maintenance, control and operation of Common Element 1, and all costs and obligations associated therewith, provided that the owner(s) of Units 1 and 3 will be responsible for all care, maintenance, control of operation of the landscaping and other County required improvements adjacent to Kuala Street within the limited common elements associated with those respective Units.

The owner(s) of Unit 1 will be responsible for all care, maintenance, control and operation of Unit 1 and all structures therein and of the Land associated with Unit 1 (which is limited common element as provided above) and all costs and obligations associated therewith, including the obligation to maintain appropriate casualty insurance on all structures erected within said Unit and appropriate liability insurance covering all acts, omissions and conditions occurring within said Unit and Limited Common Element 1. The owner(s) of Unit 1 will be specifically responsible for all care, maintenance, control of operation of the landscaping and other County required improvements adjacent to Kuala Street within Limited Common Element 1. The owner(s) of Unit 1 will indemnify the owner(s) and occupant(s) of the other units against all loss, liability and expense of every kind (including attorneys' fees) which the indemnified owner(s) and occupant(s) may suffer or incur as a result of any condition within, the use of, or any acts or omissions of any persons within Unit 1 and the Land located within the boundaries of Unit 1 (other than the acts or omissions of the indemnified owner(s) or occupant(s) themselves or their guests, licensees or invitees).

The owner(s) of Unit 2 will be responsible for all care, maintenance, control and operation of Unit 2 and all structures therein and the Land associated with Unit 2 (which is a limited common element as provided above) and all costs and obligations associated therewith, including the obligation to maintain appropriate casualty insurance on all structures erected within said Unit and appropriate liability insurance covering all acts, omissions and conditions occurring within said Unit and Limited Common Element 2. The owner(s) of Unit 2 will indemnify the owner(s) and occupant(s) of the other units against all loss, liability and expense of every kind (including attorneys' fees) which the indemnified owner(s) and occupant(s) may suffer or incur as a result of any condition within, the use of, or any acts or omissions of any persons within Unit 2 and Limited Common Element 2 (other than the acts or omissions of the indemnified owner(s) or occupant(s) themselves or their guests, licensees or invitees).

The owner(s) of Unit 3 will be responsible for all care, maintenance, control and operation of Unit 3 and all structures therein and of the Land associated with Unit 3 (which is a limited common element as provided above) and all costs and obligations associated therewith, including the obligation to maintain appropriate casualty insurance on all structures erected within said Unit 3 and appropriate liability insurance covering all acts, omissions and conditions occurring within said Unit 3 and Limited Common Element 3. The owner(s) of Unit 3 will be specifically responsible for all care, maintenance, control of operation of the landscaping and other County required improvements adjacent to Kuala Street within Limited Common Element 3. The owner(s) of Unit 3 will indemnify the owner(s) and occupant(s) of the other units against all loss, liability and expense of every kind (including attorneys' fees) which the indemnified owner(s) and occupant(s) may suffer or incur as a result of any condition within, the use of, or any acts or omissions of any persons within Unit 3 and Limited Common Element 3 (other than the acts or omissions of the indemnified owner(s) or occupant(s) themselves or their guests, licensees or invitees).

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT
cont/

The owner(s) of Unit 4 and 5 will be responsible for all care, maintenance, control and operation of Units 4 and 5 and all structures therein and land associated with Units 4 and 5 respectively (which are limited common element as provided above) and all costs and obligations associated therewith, including the obligation to maintain appropriate casualty insurance on all structures erected within said Unit and appropriate liability insurance covering all acts, omissions and conditions occurring within said Unit and Limited Common Elements 4 and 5. The owner(s) of Units 4 and 5 will indemnify the owner(s) and occupant(s) of the other units against all loss, liability and expense of every kind (including attorneys' fee) which the indemnified owner(s) and occupant(s) may suffer or incur as a result of any condition within, the use of, or any acts or omissions of any persons within Units 4 and 5 and Limited Common Element 4 and 5 (other than the acts or omissions of the indemnified owner(s) or occupant(s) themselves or their guests, licensees or invitees).

The owner(s) of Unit 4 shall have the right and authority to enforce the terms and conditions of the Access Easement Agreement. In the event the owner(s) of Unit 4 desire to re-locate Easement R-1, such re-location shall not change, alter or otherwise impinge on the boundaries of Limited Common Elements 3 and 5 without the consent of the owner(s) of the affected Unit(s) associated with such Limited Common Elements, and all expenses for such change or alteration shall be borne by the owner(s) of Unit 4. Upon such a change, the owner(s) of Unit 4 shall amend this Declaration as provided in Section 12.2 of the Declaration.

DISCLOSURE RE: NON-SELECTION OF REAL ESTATE BROKER

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

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

ACCESS EASEMENT AGREEMENT:

Common Element 2, a roadway providing access to Kuala Street for Units 3, 4 and 5 and providing access to the City and County of Honolulu's park and subject to that certain Agreement Re Access Easement dated September 1, 2006, recorded in the State of Hawaii Bureau of Conveyances as Document No. 2006-161747 ("Access Easement Agreement"). The Access Easement Agreement, among other things, imposes certain maintenance requirements on the City and County of Honolulu for as long as Common Element 2 is used to access the park, allows ISI to relocate or to reconfigure the Access Easement under certain conditions, and allows ISI an easement for eight (8) parking stalls on the City park parcel.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT
cont/

USE OF UNITS:

Light industrial and all other lawful purposes.

The five (5) Units in the Project may be occupied and used only for light industrial purposes and all other lawful purposes permitted by the State of Hawaii statutes and the City and County of Honolulu ordinances. The units are subject to additional restrictions on their use as set forth in (i) the Third Amendment to and Restated Declaration of Condominium Property Regime for Kuala Business Park Condominium, (ii) the Second Amendment to Third Amendment to and Restated Declaration of Condominium Property Regime of Kuala Business Park Condominium, (iii) the Amendment to and Restatement of By-Laws of the Association of Unit Owners of Kuala Business Park Condominium, (iv) the Deed for the individual Units, and (v) the Reservation, Deposit Receipt and Sales Contract for the individual Units. Copies of the foregoing are on file with the Real Estate Commission of the State of Hawaii.

WARRANTIES:

THE DEVELOPER MAKES NO WARRANTIES, EXPRESSED OR IMPLIED, WITH RESPECT TO THE UNIT, COMMON ELEMENTS OR OTHER PRODUCTS, OR ANYTHING INSTALLED IN OR UPON THE PREMISES OR USED IN CONNECTION WITH THE PROJECT IN ANY MANNER, INCLUDING BUT NOT LIMITED TO, WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR PURPOSE OR USE.

As set forth in the Reservation, Deposit Receipt and Sales Contract, the Developer shall require from the general contractor for the project a written warranty with respect to any defects in the Buyer's unit and the common elements due to faulty materials and/or workmanship which are discovered and reported within one (1) year from the "Date of Substantial Completion" as defined in the construction contract. The Developer makes no warranties itself; however, the execution, delivery and recordation of the Buyer's Unit Deed shall constitute the assignment by the Developer to the Buyer of any and all warranties given the assignment by the Developer to the Buyer of any and all warranties given the Developer by the general contractor for the project, and by any subcontractors or materialmen, and the benefit of such warranties shall accrue to the Buyer on closing without further instruments or documents. The Developer agrees to cooperate with the Buyer during the effective period of any such warranties in asserting any claims based on such warranties. The Developer does not adopt the contractor's or manufacturer's warranties, if any, and the Developer is not acting as co-warrantor, but is merely attempting to pass to the Buyer the benefit of such warranties, if any, and the Buyer expressly acknowledges and agrees to this. The Buyer acknowledges that the Developer has made no other warranties, express or implied, with respect to the property or any common element or anything installed therein.

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 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.

IRRIGATION SYSTEMS, INC.,
A Hawaii Corporation

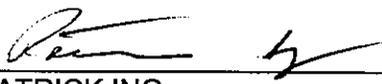
By 

KEN S. OTA
Its Secretary

343, LLC,
A Hawaii Limited Liability

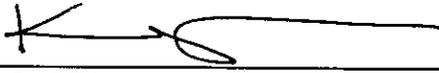
By 

KEN S. OTA
Its Manager

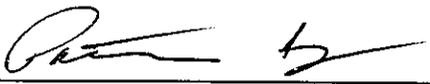
By 

PATRICK ING
Its Manager

353, LLC,
A Hawaii Limited Liability

By 

KEN S. OTA
Its Member-Manager

By 

PATRICK ING
Its Member-Manager

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

EXHIBIT "A"

Boundaries of Units

Unit 2 includes the entire structure of the building comprising Unit 2 including all foundations, structural and non-structural elements, exterior surfaces, roof, windows and doors. Units 1, 3, 4 and 5 consist of the entire air space within vertical planes which, where they intersect the ground, are described on the Condominium Map, and includes all structures, materials and improvements contained or to be constructed within the spatial boundaries of said unit. The lower limit of Units 1, 3, 4 and 5 shall be a plane at the natural existing grade of the Land within the respective Unit and the upper limit shall be 25 feet above the finished grade of the land.

EXHIBIT "B"

Common Elements

The common elements include all other elements of the Project not included with any unit, including but not limited to:

- (a) The Land in fee simple as described in Exhibit "H";
- (b) (b) Common Element 1, a roadway providing access to Kuala Street for Units 1, 2 and 3;
- (c) Common Element 2, a roadway providing access to Kuala Street for Units 3, 4 and 5 and providing access to the City and County of Honolulu's park and subject to that certain Agreement Re Access Easement dated September 1, 2006, recorded in the State of Hawaii Bureau of Conveyances as Document No. 2006-161747 ("Access Easement Agreement");
- (d) The limited common elements described in Section 5.2 of the Third Amendment to and Restated Declaration of Condominium Property Regime of Kuala Business Park Condominium;
- (e) All pipes, wires, ducts, conduits or other utility service lines running through any unit which are utilized by or serve more than one unit;
- (f) Easement U-1 for utility purposes as shown on the Condominium Map, as amended;
- (g) Easement U-2 for electrical and drainage purposes as shown on the Condominium Map, as amended;
- (h) Easement U-3 for sanitary sewer purposes as shown on the Condominium Map, as amended;
- (i) Easement U-4 for sanitary sewer and water purposes as shown on the Condominium Map, as amended;
- (j) Easement U-5 for fire hydrant purposes as shown on the Condominium Map, as amended;
- (k) other portions of the condominium not included within the limits of ownership of any unit.

EXHIBIT "C"

Expansion and Alteration of a Unit

DECLARATION excerpt

12.2 Expansion and Alteration of a Unit. The owner(s) of Units 1, 3, 4 and 5 shall have the specific right to construct and build a commercial, retail or light industrial building within the boundaries of the respective unit in accordance with these provisions, and as may be allowed by applicable City and County of Honolulu ordinances, Building Code and applicable State law.

Prior to submitting development and/or construction plans for a structure or alteration on Units 1, 3 and/or 4 to the City and County of Honolulu, the owner(s) of Units 1, 3 and/or 4 shall obtain the consent in advance for such development or construction from the owner(s) of Unit 2.

The owner(s) of Unit 1, upon completion or alteration of any structure within Unit 1 or Limited Common Element 1, shall have the right and the obligation to unilaterally amend this Declaration and the Condominium Map to redefine Unit 1 as encompassing and comprising only the structure itself, and leaving the remaining Land, previously contained within the spatial boundaries of Unit 1, as a limited common element for the exclusive use of Unit 1.

The owner(s) of Unit 2 shall have the right and the obligation, to unilaterally amend this Declaration and the Condominium Map to redefine Unit 2 as a spatial unit in which Unit 2 consists of the entire air space within vertical planes which, where they intersect the ground, are described on the Condominium Map at the boundaries that are currently the boundaries of the limited common element of Unit 2, and that includes all structure, materials and improvements contained or to be constructed within the spatial boundaries of said unit. In the event that the Declaration is so amended, the lower limit of Unit 2 shall be a plane at the existing grade of the Land within Unit 2 and the upper limit shall be 25 feet above the finished grade of the Land.

The owner(s) of Unit 3, upon completion or alteration of any structure within Unit 3 or Limited Common Element 3, shall have the right and the obligation, to unilaterally amend this Declaration and the Condominium Map to redefine Unit 3 as encompassing and comprising only the structure itself, and leaving the remaining Land, previously contained within the spatial boundaries of Unit C, as a limited common element for the exclusive use of Unit 3.

The owner(s) of Unit 4, upon completion or alteration of any structure within Unit 4 or Limited Common Element 4, shall have the right and the obligation, to unilaterally amend this Declaration and the Condominium Map to redefine Unit 4 as encompassing and comprising only the structure itself, and leaving the remaining Land, previously contained within the spatial boundaries of Unit 4, as a limited common element for the exclusive use of Unit 4.

The owner(s) of Unit 5, upon completion or alteration of any structure within Unit 5 or Limited Common Element 5, shall have the right and the obligation, to unilaterally amend this Declaration and the Condominium Map to redefine Unit 5 as encompassing and comprising only the structure itself, and leaving the remaining Land, previously contained within the spatial boundaries of Unit 5, as a limited common element for the exclusive use of Unit 5.

If the owner(s) of Units 1, 2, 3, 4 and/or 5 shall expand, relocate or reconstruct its unit from time to time within its limited common element, any such alteration or expansion outside of the unit boundaries shall be a limited common element for the exclusive use and control of the owner of said unit; and said owner(s) shall have the right and the obligation, upon completing such expansion, relocation or reconstruction, to unilaterally amend this Declaration and the Condominium Map to conform the unit boundaries to the new or expanded structure. In any such case, each such amendment shall define the changed unit boundaries so as to include all exterior surfaces of all exterior walls, doors, windows, roofs and appurtenant structures of the unit as so as to include all exterior surfaces of all exterior walls, doors, windows, roofs and appurtenant structures of the unit as so expanded, relocated or reconstructed as well as all foundations and interior and exterior structural and non-structural components of the structure containing said unit.

Each such amendment will be executed and recorded by the owner(s) of said unit and any mortgagee thereof who shall have reserved the right to approve any such amendment and will not require the consent or approval of the Board of Directors, the Association or the owner(s) of the other unit which is not affected by the amendment. Each such amendment will be executed and recorded by said owner(s) at no cost or expense to the owner(s) of the other units in the condominium.

This Section 12.2 shall be deemed to be a reservation by and for the benefit of each unit separately to amend the Declaration and Condominium Map to set forth the above-described modifications, pursuant to Section 514B-32(12) of the Act, including the power to implement such amendments without requiring the vote or approval of the owner(s) of the other unit. Further, said right and authority shall be deemed to be appurtenant to said unit and shall be deemed to be transferred and assigned to subsequent transferees of said unit automatically upon subsequent transfers of fee simple title of said unit. Notwithstanding the fact that such owner(s) in any case shall not have amended the Declaration as provided above with respect to any expanded, relocated or modified structure, said owner(s) shall nevertheless have the exclusive use, possession, enjoyment and control of said structure and the sole responsibility with respect thereto in all respects as if said structure were wholly within the unit boundaries.

END OF EXHIBIT "C"

EXHIBIT "D"

LIMITED COMMON ELEMENTS

DECLARATION excerpt

5.2 Limited Common Elements.

(a). Unit 1. As shown on the Condominium Map, all structures and other elements within Unit 1 are incorporated within the ownership limits of said unit. Certain parts of the common elements referred to as "Limited Common Element 1", are hereby designated and set aside for the exclusive use of Unit 1. Limited Common Element 1 is shown on the Condominium Map as approximately 71,607 square feet. The ground itself, which is part of the Land, shall be deemed to be a limited common element appurtenant to and for the exclusive use and benefit of Unit 1, and subject to the Unit 1 owner's right to grade, excavate, landscape, and construct structures on, over and below the ground as may be allowed under the City and County of Honolulu Revised Ordinances, Building Code and other regulations and restrictions of record, and applicable state statutes.

(b) Unit 2. Certain parts of the common elements referred to as "Limited Common Element 2", are hereby designated and set aside for the exclusive use of Unit 2. Limited Common Element 2 is shown on the Condominium Map as approximately 101,296 square feet. Unit 2 shall have the exclusive use, possession and control of the land included in limited Common Element 2, for all purposes including but not limited to landscaping, parking, utilities and the construction, maintenance, repair, replacement and use of any commercial building, driveway, parking area, accessory building or other appurtenant facility.

(c). Unit 3. As shown on the Condominium Map, all structures and other elements within Unit 3 are incorporated within the ownership limits of said unit. Certain parts of the common elements referred to as "Limited Common Element 3", are hereby designated and set aside for the exclusive use of Unit 3. Limited Common Element 3 is shown on the Condominium Map as approximately 68,430 square feet. The ground itself, which is part of the Land, shall be deemed to be a limited common element appurtenant to and for the exclusive use and benefit of Unit 3, and subject to the Unit 3 owner's right to grade, excavate, landscape, and construct structures on, over and below the ground as may be allowed under the City and County of Honolulu Revised Ordinances, Building Code and other regulations and restrictions of record, and applicable state statutes.

(d). Unit 4. As shown on the Condominium Map, all structures and other elements within Unit 4 are incorporated within the ownership limits of said unit. Certain parts of the common elements referred to as "Limited Common Element 4", are hereby designated and set aside for the exclusive use of Unit 4. Limited Common Element 4 is shown on the Condominium Map as approximately 29,334 square feet. The

ground itself, which is part of the Land, shall be deemed to be a limited common element appurtenant to and for the exclusive use and benefit of Unit 4, and subject to the Unit 4 owner's right to grade, excavate, landscape, and construct structures on, over and below the ground as may be allowed under the City and County of Honolulu Revised Ordinances, Building Code and other regulations and restrictions of record, and applicable state statutes. The parking spaces provided by the City and County of Honolulu pursuant to the Access Easement Agreement shall be deemed a limited common element appurtenant to and for the exclusive use and benefit of Unit 4.

(e). Unit 5. As shown on the Condominium Map, all structures and other elements within Unit 5 are incorporated within the ownership limits of said unit. Certain parts of the common elements referred to as "Limited Common Element 5", are hereby designated and set aside for the exclusive use of Unit 5. Limited Common Element 5 is shown on the Condominium Map as approximately 7,938 square feet. The ground itself, which is part of the Land, shall be deemed to be a limited common element appurtenant to and for the exclusive use and benefit of Unit 5, and subject to the Unit 5 owner's right to grade, excavate, landscape, and construct structures on, over and below the ground as may be allowed under the City and County of Honolulu Revised Ordinances, Building Code and other regulations and restrictions of record, and applicable state statutes.

END OF EXHIBIT "D"

EXHIBIT "E"

Encumbrances Against Title

1. Real Property taxes which may be due and owing. Reference is made to the Tax Assessor's Office, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Easement R-1, as shown on map prepared by Wilfred Y.K. Chin, Land Surveyor, with Controlpoint Surveying, dated April 6, 1999, last revised May 3, 2000.
4. Terms, provisions, reservations, covenants, conditions and restrictions, but deleting any of the aforementioned indicating a preference, limitation or discrimination based on race, color, religion, sex, handicap, familial status, national origin, sexual orientation, marital status, ancestry, source of income or disability, to the extent such covenants, conditions or restrictions violate Title 42, Section 3604 (c) of the United States Code, or Chapter 515 of the Hawaii Revised Statutes.
5. Unilateral Agreement and Declaration for Conditional Zoning dated September 10, 2001 and recorded in the Bureau of Conveyances of the State of Hawaii, as Document No. 2001-143124.
6. All customary and traditional rights, of native Hawaiians as provided for by law, for subsistence, cultural and religious purposes, which rights may involve access to the subject property.
7. Regular System Condominium Map No. 4671, as amended on February 6, 2009 and March 18, 2009.
8. The terms and provisions in or incorporated by reference in the Declaration of Condominium Property Regime for Kuala Business Park Condominium, as amended, recorded July 1, 2008 in said Bureau of Conveyances as Document No. 2008-106783.

First Amendment to Declaration of Condominium Property Regime of Kuala Business Park Condominium, recorded July 17, 2008 in said Bureau of Conveyances as Document No. 2008-114770.

Second Amendment to Declaration of Condominium Property Regime of Kuala Business Park Condominium, recorded October 21, 2008 in said Bureau of Conveyances as Document No. 2008-161865.

Third Amendment to and Restated Declaration of Condominium Property Regime of Kuala Business Park Condominium, recorded January 21, 2009 in said Bureau of Conveyances as Document No. 2009-007538.

Amended Third Amendment to and Restated Declaration of Condominium Property Regime of Kuala Business Park Condominium, recorded February 6, 2009 in said Bureau of Conveyances as Document No. 2009-017144.

Second Amendment to Third Amendment to and Restated Declaration of Condominium Property Regime of Kuala Business Park Condominium, recorded March 18, 2009 in said Bureau of Conveyances as Document No. 2009-041082.

9. The terms and provisions contained in or incorporated by reference in the By-Laws of the Association of Unit Owners of Kuala Business Park Condominium, as may be amended, recorded July 1, 2008 in said Bureau of Conveyances as Document No. 2008-106784.

Amended and Restated By-Laws of the Association of Unit Owners of Kuala Business Park Condominium, recorded March 18, 2009 in said Bureau of Conveyances as Document No. 2009-041081.

10. The terms and provisions in or incorporated by reference in the Declaration of Restrictions, dated August 9, 2004, recorded in said Bureau of Conveyances as Document No. 2004-162542.

11. The terms and provisions in or incorporated by reference in the Declaration of Restrictions, as amended, dated August 9, 2004, recorded in said Bureau of Conveyances as Document No. 2004-162543.

Said Declaration was amended by instruments dated December 16, 2005, recorded as Document No. 2005-257608, and dated as of September 1, 2006, recorded as Document No. 2006-161745.

12. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the AGREEMENT RE ACCESS EASEMENT by and between the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, and IRRIGATION SYSTEMS, INC., a Hawaii corporation, dated September 1, 2006, recorded in said Bureau as Document No. 2006-161747.

13. Reservation in favor of the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, its successors and assigns, a perpetual, non-exclusive easement for purposes of access across and through the land described herein to the adjacent park owned by the CITY AND COUNTY OF HONOLULU, designated as Easement R-1, as shown on the map prepared by Wilfred Y.K. Chin, Land Surveyor, with Controlpoint Surveying, Inc., dated April 6, 1999, last revised

May 3, 2000; as reserved in LIMITED WARRANTY DEED AND RESERVATION OF EASEMENT dated September 1, 2006, recorded as Document No. 2006-161746.

14. Encroachments or any other matters as shown on survey map prepared by Wilfred Y.K. Chin, Land Surveyor, with Controlpoint Surveying, Inc., dated May 11, 2006.

15. Financing Statement with IRRIGATION SYSTEMS, INC., a Hawaii corporation, as debtor, and CENTRAL PACIFIC BANK, as secured party, recorded on September 1, 2006 in said Bureau as Document No. 2006-161749.

16. MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, with IRRIGATION SYSTEMS, INC., a Hawaii corporation, 343 LLC, a Hawaii limited liability company, and 353 LLC, a Hawaii limited liability company, as Mortgagors, and CENTRAL PACIFIC BANK, a Hawaii corporation, as Mortgagee, dated May 12, 2008 and recorded in said Bureau as Document No. 2008-084139.

17. ASSIGNMENT OF LESSOR'S INTEREST IN LEASES AND RENTS with IRRIGATION SYSTEMS, INC., a Hawaii corporation, 343 LLC, a Hawaii limited liability company, and 353 LLC, a Hawaii limited liability company, as Assignors, and CENTRAL PACIFIC BANK, as Assignee, dated May 12, 2008 and recorded as Document No. 2008-084141.

18. As an undivided 3.98% interest, MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, with 353 LLC, a Hawaii limited liability company, as Mortgagor, and IRRIGATION SYSTEMS, INC., a Hawaii corporation, as Mortgagee, dated April 11, 2007 and recorded in said Bureau as Document No. 2007-071234.

SUBORDINATION AGREEMENT dated May 12, 2008, recorded as Document No. 2008-094140, re: subordinate Mortgage recorded as Document No. 2007-071234 to Central Pacific Bank's \$3,600,000.00 mortgage.

19. GRANT from Irrigation Systems, Inc. to Hawaiian Electric Company, Inc. and Hawaiian Telcom Inc. for a perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove for the transmission and distribution of electricity, dated April 9, 2008 and recorded as Document No. 2008-059320.

20. LEASE (UNRECORDED) with IRRIGATION SYSTEMS, INC., a Hawaii corporation, 343 LLC, a Hawaii limited liability company, and 353 LLC, a Hawaii limited liability company, as Lessors, and 1255, LLC, a Hawaii limited liability company, as Lessee.

Said Lease is subject to MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, with 1255, LLC, a Hawaii limited liability

company, as Mortgagor, and CENTRAL PACIFIC BANK, a Hawaii corporation, as Mortgagee, dated May 12, 2008 and recorded in said Bureau as Document No. 2008-084143.

END OF EXHIBIT "E"

EXHIBIT "F"

Blanket Liens

Type of Liens:

1. Financing Statement with IRRIGATION SYSTEMS, INC., a Hawaii corporation, as debtor, and CENTRAL PACIFIC BANK, as secured party, recorded on September 1, 2006 in said Bureau as Document No. 2006-161749.
2. As an undivided 3.98% interest, MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, with 353 LLC, a Hawaii limited liability company, as Mortgagor, and IRRIGATION SYSTEMS, INC., a Hawaii corporation, as Mortgagee, dated April 11, 2007 and recorded in said Bureau as Document No. 2007-071234.

SUBORDINATION AGREEMENT dated May 12, 2008, recorded as Document No. 2008-094140, re: subordinate Mortgage recorded as Document No. 2007-071234 to Central Pacific Bank's \$3,600,000.00 mortgage.

3. MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, with IRRIGATION SYSTEMS, INC., a Hawaii corporation, 343 LLC, a Hawaii limited liability company, and 353 LLC, a Hawaii limited liability company, as Mortgagors, and CENTRAL PACIFIC BANK., a Hawaii corporation, as Mortgagee, dated May 12, 2008 and recorded in said Bureau as Document No. 2008-084139.

Effect on Buyer's Interest and Deposit if Developer Defaults or Liens are Foreclosed Prior to Conveyance:

Present blanket liens will be released and satisfied prior to conveyance of first unit to Buyer.

A lender has priority over a buyer's rights under a sales contract and has a right to terminate a sale contract upon foreclosure of its mortgage before a unit sale is closed. If foreclosed, the Buyer's deposit shall be refunded (less any escrow cancellation fees) and the sales contract between Seller and Buyer shall be cancelled.

EXHIBIT "G"

KUALA BUSINESS PARK CONDOMINIUM

ESTIMATED MAINTENANCE FEES AND RESERVES

ESTIMATED MAINTENANCE FEES:

The breakdown of estimated initial fees and maintenance fee disbursements for KUALA BUSINESS PARK CONDOMINIUM has been prepared for the Developer as of October 31, 2008, and is subject to revision based on actual cost for the items enumerated. The Developer can make no assurances regarding the estimated maintenance fees and maintenance fee disbursements. Variables such as inflation, uninsured casualty loss or damages, increased or decreased services from those contemplated by the Developer, unit owner delinquencies and other factors may cause the actual maintenance fees to be greater or lesser than the estimated maintenance fees.

Purchasers become obligated to pay maintenance fees after closing on the purchase of a unit.

NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF THE MAINTENANCE FEES ARE ACCURATELY ESTIMATED, SUCH FEES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE FEES CAN VARY DEPENDING ON SERVICES DESIRED BY UNIT OWNERS. THE BUYERS SHOULD CHECK THE ATTACHED MAINTENANCE FEE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED THEREIN. THE INTIAL ESTIMATES HAVE BEEN MADE WELL IN ADVANCE OF THE COMPLETION OF THE PROJECT AND MAY BE SUBJECT TO SUBSTANTIAL REVISION PRIOR TO OR UPON COMPLETION.

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees

<u>Unit</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
1 (26%)	\$ 227.50	\$ 2,730.00
2 (36%)	\$ 315.00	\$ 3,780.00
3 (25%)	\$ 218.75	\$ 2,625.00
4 (10.5%)	\$ 91.88	\$ 1,102.50
5 (2.5%)	\$ 21.88	\$ 262.50
	<hr/>	<hr/>
	\$ 875.00	\$10,500.00

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

Estimate of Maintenance Fee Disbursements

	<u>Monthly x 12 months = Yearly Total</u>	
Utilities and Services		
Air Conditioning	\$ 0.00	\$ 0.00
Electricity		
<input checked="" type="checkbox"/> common elements only	\$ 250.00	\$ 3,000.00
<input type="checkbox"/> common elements and units		
Refuse Collection	\$ 0.00	\$ 0.00
Telephone	\$ 0.00	\$ 0.00
Water [common elements only]	\$ 0.00	\$ 0.00
Maintenance, Repairs and Supplies		
Buildings	\$ 0.00	\$ 0.00
Grounds	\$ 83.33	\$ 1,000.00
Miscellaneous Costs	\$ 0.00	\$ 0.00
Insurance	\$ 416.67	\$ 5,000.00
Reserves(*)	\$ 125.00	\$ 1,500.00
Taxes and Government Assessments	\$ 0.00	\$ 0.00
Audit Fees	\$ 0.00	\$ 0.00
Other	\$ 0.00	\$ 0.00
TOTAL	\$ 875.00	\$10,500.00

IRRIGATION SYSTEMS, INC., 343 LLC and 353 LLC, the developers for the KUALA BUSINESS PARK 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.

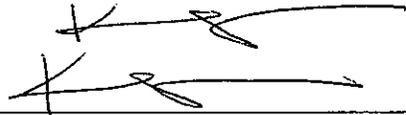
*RESERVES

The Developer of KUALA BUSINESS PARK CONDOMINIUM conducted a reserves study in 2008 in accordance with §514B-148, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended, to estimate the remaining useful lives and the replacement costs of the common elements. The Developer has estimated the funding for such major repairs and replacements over the estimated useful lives of the common elements based on the study's estimates of current replacement costs. Actual expenditures, however, may vary from the estimated amounts and the

variations may be material. Therefore, amounts designated for future repairs and replacements may not be adequate to meet future needs. If additional funds are needed, the Board of Directors of the Association of Owners does have the right, subject to owners' approval, to increase regular assessments or levy special assessments, or it may delay major repairs and replacements until funds are available.

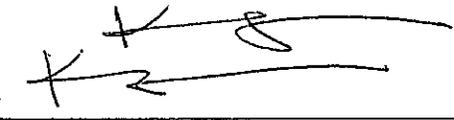
DEVELOPER:

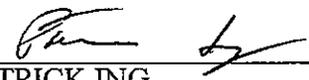
IRRIGATION SYSTEMS, INC.,
A Hawaii Corporation

By 
KEN S. OTA
It's Secretary

DEVELOPER:

343 LLC,
A Hawaii Limited Liability Company

By 
KEN S. OTA
Its Manager

By 
PATRICK ING
Its Manager

DEVELOPER:

353 LLC,
A Hawaii Limited Liability Company

By 

KEN S. OTA
Its Member-Manager

By 

PATRICK ING
Its Member-Manager

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

Pursuant to §514B-148, HRS, a new association need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "H"

Land Description

All of that certain parcel of land (being portions of the land(s) described in and covered by Royal Patent Grant Number 2060 to J. Raymond and L. Bernard), situate, lying and being at Waiawa and Manana-Uka, District of Ewa, City and County of Honolulu, State of Hawaii, being LOT 5-D of the MANANA INFRASTRUCTURE IMPROVEMENTS (Spine Road Subdivision) and thus bounded and described:

Beginning at the south corner of this parcel of land, the coordinates of said point of beginning referred to Government Survey Triangulation Station "EWA CHURCH" being 3,158.84 feet north and 3,527.47 feet east, shown on Division of Land Survey and Acquisition Parcel Map File No. 18-3-2-110, and running by azimuths measured clockwise from true South:

1. 112° 00' 642.31 feet along remainder of Grant 2060 to J. Raymond and L. Bernard;
2. 224° 54' 119.31 feet along the south side of Kuala Street;
3. Thence along same, on a curve to the right with a radius of 1154.00 feet, the chord azimuth and distance being:

 246° 30' 35.5" 850.00 feet;
4. 22° 00' 716.07 feet along the remainder of Grant 2060 to J. Raymond and L. Bernard to the point of beginning and containing an area of 6.771 acres, more or less.

Being the premises acquired as follows:

1. By IRRIGATION SYSTEMS, INC., a Hawaii corporation, as to an undivided 73.81% interest, by LIMITED WARRANTY DEED AND RESERVATION OF EASEMENT of CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, as Grantor, dated September 1, 2006, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2006-161746;

2. By 343 LLC, a Hawaii limited liability company, as to an undivided 17.06% interest, by WARRANTY DEED of IRRIGATION SYSTEMS, INC., a Hawaii corporation, as Grantor, dated June 4, 2007, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2007-102361;

3. By 353 LLC, a Hawaii limited liability company, as to undivided 3.98% interest, by WARRANTY DEED of IRRIGATION SYSTEMS, INC., a Hawaii corporation, as Grantor, dated March 19, 2007, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2007-071233; and

4. By 353 LLC, a Hawaii limited liability company, as to undivided 5.15% interest, by WARRANTY DEED of IRRIGATION SYSTEMS, INC., a Hawaii corporation, as Grantor, dated June 19, 2007, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2007-116628

SUBJECT, HOWEVER, to the following:

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

2. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the UNILATERAL AGREEMENT AND DECLARATION FOR CONDITIONAL ZONING dated September 10, 2001, recorded in said Bureau as Document No. 2001-143124.

3. Easement R-1, as shown on map prepared by Wilfred Y.K. Chin, Land Surveyor, with Controlpoint Surveying, Inc., dated April 6, 1999, last revised May 3, 2000.

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the DECLARATION OF RESTRICTIONS dated August 9, 2004, recorded in said Bureau as Document No. 2004-162542.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the DECLARATION OF RESTRICTIONS dated August 9, 2004, recorded in said Bureau as Document No. 2004-162543.

Said Declaration was amended by instruments dated December 16, 2005, recorded in said Bureau as Document No. 2005-257608, and dated as of September 1, 2006, recorded in said Bureau as Document No. 2006-161745.

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the AGREEMENT RE ACCESS EASEMENT by and between the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, and IRRIGATION SYSTEMS, INC., a Hawaii corporation, dated September 1, 2006, recorded in said Bureau as Document No. 2006-161747.

7. Reservation in favor of the CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, its successors and assigns, a perpetual, non-exclusive easement for purposes of access across and through the land described herein to

the adjacent park owned by the CITY AND COUNTY OF HONOLULU, designated as Easement R-1, as shown on the map prepared by Wilfred Y.K. Chin, Land Surveyor, with Controlpoint Surveying, Inc., dated April 6, 1999, last revised May 3, 2000; as reserved in LIMITED WARRANTY DEED AND RESERVATION OF EASEMENT dated September 1, 2006, recorded as Document No. 2006-161746.

8. Encroachments or any other matters as shown on survey map prepared by Wilfred Y.K. Chin, Land Surveyor, with Controlpoint Surveying, Inc., dated May 11, 2006.

9. Financing Statement with IRRIGATION SYSTEMS, INC., a Hawaii corporation, as debtor, and CENTRAL PACIFIC BANK, as secured party, recorded on September 1, 2006 in said Bureau as Document No. 2006-161749.

10. As an undivided 3.98% interest, MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, with 353 LLC, a Hawaii limited liability company, as Mortgagor, and IRRIGATION SYSTEMS, INC., a Hawaii corporation, as Mortgagee, dated April 11, 2007 and recorded in said Bureau as Document No. 2007-071234. The terms and provisions in or incorporated by reference in the Declaration of Restrictions, dated August 9, 2004, recorded in said Bureau of Conveyances as Document No. 2004-162542.

SUBORDINATION AGREEMENT dated May 12, 2008, recorded as Document No. 2008-094140, re: subordinate Mortgage recorded as Document No. 2007-071234 to Central Pacific Bank's \$3,600,000.00 mortgage.

11. MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, with IRRIGATION SYSTEMS, INC., a Hawaii corporation, 343 LLC, a Hawaii limited liability company, and 353 LLC, a Hawaii limited liability company, as Mortgagors, and CENTRAL PACIFIC BANK, a Hawaii corporation, as Mortgagee, dated May 12, 2008 and recorded in said Bureau as Document No. 2008-084139.

12. ASSIGNMENT OF LESSOR'S INTEREST IN LEASES AND RENTS with IRRIGATION SYSTEMS, INC., a Hawaii corporation, 343 LLC, a Hawaii limited liability company, and 353 LLC, a Hawaii limited liability company, as Assignors, and CENTRAL PACIFIC BANK, as Assignee, dated May 12, 2008 and recorded as Document No. 2008-084141.

13. GRANT from Irrigation Systems, Inc. to Hawaiian Electric Company, Inc. and Hawaiian Telcom Inc. for a perpetual right and easement to construct, reconstruct, operate, maintain, repair and remove for the transmission and distribution of electricity, dated April 9, 2008 and recorded as Document No. 2008-059320.

14. LEASE (UNRECORDED) with IRRIGATION SYSTEMS, INC., a Hawaii corporation, 343 LLC, a Hawaii limited liability company, and 353 LLC, a Hawaii limited

liability company, as Lessors, and 1255, LLC, a Hawaii limited liability company, as Lessee.

Said Lease is subject to MORTGAGE, SECURITY AGREEMENT, ASSIGNMENT OF RENTS AND FINANCING STATEMENT, with 1255, LLC, a Hawaii limited liability company, as Mortgagor, and CENTRAL PACIFIC BANK, a Hawaii corporation, as Mortgagee, dated May 12, 2008 and recorded in said Bureau as Document No. 2008-084143.

END OF EXHIBIT "H"

EXHIBIT "I"

Summary of Sales Contract

1. The sales contract contains the price and other terms and conditions under which a buyer will agree to buy a unit the project, including the amount and treatment of deposits and the total price.
2. The sales contract also provides the buyer the right to inspect the project and the unit for thirty (30) days, at the buyer's sole cost and expense, to conduct such independent inspections and investigations, including soils tests, surveys, environmental site assessments, including a hazardous waste survey, and other customary engineering tests and physical examinations of the Property, use, development or other permit approval analyses and feasibility studies as Purchaser deems necessary or appropriate concerning buyer's ownership and intended use or development of the Property or the suitability of the Property for use or development.,
3. The sales agreement provides for the buyer to get a copy of certain legal documents that buyer should closely examine, including the developer's public report for the project. The developer's public report includes the report itself, the condominium project's recorded declaration and bylaws, and a letter-sized condominium project map, and all amendments.
4. The sales agreement provides that buyer has until midnight of the thirtieth (30th) day after signing the sales agreement to cancel the transaction. Buyer may waive the right to cancel, or shall be deemed to have waived the right to cancel, by:
 - (a) Checking the waiver box on the CANCELLATION NOTICE and delivering it to the developer;
 - (b) Letting the thirty-day cancellation period expire without taking any action to cancel; or
 - (c) Closing the purchase of the unit before the cancellation period expires.Upon any cancellation the buyer shall be entitled to a prompt and full refund of all moneys paid, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.
5. The sales agreement provides that buyer shall have a thirty-day right to rescind this Agreement for the purchase of a unit from Seller if there is a material change in the project. Upon delivery by Seller to buyer of

a description of the material change on a RECISSION FORM, the Purchaser may waive the Purchaser's rescission right by:

(a) Checking the waiver box on the option to rescind sales contract instrument, signing it, and delivering it to the seller;

(b) Letting the thirty-day rescission period expire without taking any action to rescind; or

(c) Closing the purchase of the unit before the thirty-day rescission period expires. In order to be valid, the RECISSION FORM form must be signed by all buyers of the affected unit, and postmarked no later than midnight of the thirtieth calendar day after the date that the Buyers received the rescission form from the Seller.

In the event of a valid exercise of a buyer's right of rescission pursuant to this section, the Purchasers shall be entitled to a prompt and full refund of any moneys paid.

6. The sales agreement provides for severe penalties if buyer fails to comply with the terms and conditions of the agreement, including in the event Purchaser defaults and Seller is not also be in default in the performance of any obligation or covenant under this Agreement, Seller is released from any obligation to sell or otherwise convey a unit to Purchaser and Seller shall be entitled to retain the Deposit paid by Purchaser, including all accrued interest, as liquidated damages for such default as Seller's sole and exclusive remedy, the parties acknowledging and agreeing in the sales agreement that the amount of Seller's actual damages in such circumstance would be difficult, if not impossible, to determine.
7. The sales agreement provides that if Seller defaults and Purchaser is not also be in default, Purchaser, at its election, may: (i) seek the equitable remedy of specific performance; or (ii) terminate this Agreement by written notice to Seller, whereupon Purchaser shall be entitled to a refund of the Deposit, together with all accrued interest; or (iii) to pursue any and all other remedies available to it at law or in equity.
8. The sales agreement allows either Seller and Purchaser to structure the sale and acquisition of the unit as a part of a tax-deferred exchange(s) pursuant to Section 1031 of the Internal Revenue Code of 1986, as amended, and Seller and Purchaser agree to cooperate and to execute such documents as may be reasonably requested by either Party in order to effectuate such exchange(s); provided, that, neither Party shall be subject to any additional loss, liability or expense as a result of any such exchange(s) structured by the other Party.

9. The buyer must complete the purchase of the apartment by a certain date and pay closing costs, in addition to the purchase price.
10. The buyer's money will be held in escrow under the terms of the Escrow Agreement for the project.
11. The sales agreement and the rights of the buyer under the sales agreement is subordinate to the lien of mortgages on the property.
12. The sales agreement provides that in any court action at law or equity between Seller and Purchaser occasioned by a default hereunder, the prevailing (winning) party shall be entitled to collect its reasonable attorney's fees and court costs actually incurred in the action from the non-prevailing (losing) party.
13. The Developer is making no warranties or representations in connection with the sale of any of the apartments, except for its written limited warranty as set forth in this report.

This is merely a summary of a few of the terms and conditions of the sales agreement, and the buyer should carefully read and review all the terms and conditions of the sales agreement before signing.

EXHIBIT "J"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the payments which a purchaser makes under a sales agreement will be held by a neutral party ("Escrow"). Under the Escrow Agreement these things will or may happen:

- (a) Escrow will let purchasers know when payments are due.
- (b) Escrow will arrange for purchasers to sign all necessary documents.
- (c) The Escrow Agreement provides a refund will be made to a purchaser when (1) both seller and purchaser request in writing that Escrow return purchaser's funds; (2) seller notifies Escrow that seller is exercising an option to cancel or rescind the sales contract; (3) purchaser notifies Escrow that purchaser is exercising purchaser's right to cancel pursuant to Haw. Rev. Stat. sec. 514B-86 (thirty-day right to cancel); or (4) purchaser notifies Escrow that purchaser is exercising purchaser's right to rescind pursuant to Haw. Rev. Stat. sec. 514B-87. The refund may be less a cancellation fee of a maximum \$250 commensurate with work done by Escrow prior to the cancellation.
- (d) The Escrow Agreement provides that upon purchaser's default, when seller certifies in writing that seller has terminated the sales contract in accordance with its terms and provides Escrow with copies of all notices of termination sent to purchaser, Escrow shall thereafter treat all purchaser's funds paid on account as funds of seller.

EXHIBIT "K"

Building Permit Certificate of Completion;
Certificate of Occupancy from City and County of Honolulu



DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET * HONOLULU, HAWAII 96813
 Phone: (808) 768-8220 * Fax: (808) 768-6111

BUILDING PERMIT CERTIFICATE OF COMPLETION

PERMIT NUMBER: 631044

ISSUE DATE: 08/20/2008

TAX MAP KEY: 9-7-024: 052

LOT SIZE:

PRIMARY ADDRESS: 1255 KUALA ST

Site Address (if other than primary):

PROJECT: (BP #631044) [TMK: 97024052] 8/38 IRRIGATION SYSTEMS INC -- NEW WAREHOUSE STRUCTURE

Proposed Use: Warehouse

Floor Level: -

APPLICANT: Kaya, Nancy K., (see also) dba Kaya's Permit Processing

OWNER: IRRIGATION SYSTEMS INC.

PLAN MAKER: SATO RICHARD M.

CONTRACTORS:

GENERAL: QUALITY GENERAL INC

ELECTRICAL: ELECTRICIANS INC

PLUMBING: NAKAMURA R M PLG & M

Accepted Value of Work: 3,150,000

PERMIT FEE: \$16,515.00

NATURE OF WORK:

New Building Y
 Fire Sprinkler Y

Electrical Work Y
 Air Conditioning Y

Plumbing Work Y

Type of Construction	No. of Stories	Flood Hazard Dist.	Floor Area (Sq. Ft.)
Minimum: II N	Existing:		Existing:
Actual: II N	Final: 2	Exempt: N Complied: N	New: 31,375 Total: 31,375

Occupancy Group: S-1 Moderate hazard storage
 occ/storage of combustible material

Occupancy Class: 07 - Industrial

Structure Code: 39 - OTHER

Ownership: 01 - Private

INSPECTIONS: Building Inspection: Required Electrical Inspection: Required Plumbing Inspection: Required

Process Description	Outcome	Date completed	Assigned staff
Bldg Insp conduct BP site insp	Complete	9/29/2008	IAYAU
Elec Insp conduct BP site insp	Complete	9/29/2008	WFUJIMOTO
Plumb Insp conduct BP site insp	Complete	9/26/2008	BASATO1

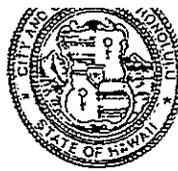
Work under the above mentioned building permit has been completed, to the best of our knowledge, in conformance with applicable building codes and regulations.

U. Mane Ryan

 Signature

9-29-08

 Date



CERTIFICATE OF OCCUPANCY
CITY AND COUNTY OF HONOLULU
DEPARTMENT OF PLANNING AND PERMITTING
BUILDING DIVISION

IRRIGATION SYSTEMS INCORPORATED WAREHOUSE
NAME AND/OR DESCRIPTION OF STRUCTURE

OWNER Irrigation Systems Incorporated ADDRESS 1255 Kuala Street

BUILDING ADDRESS 1255 Kuala Street

TAX MAP KEY 9-7-024: 052 MAJOR OCCUPANCY GROUP S-1

USE ZONE IMX-1, Industrial-Commercial
Mixed Use District TYPE OF CONSTRUCTION II-N

PERMIT NO. 631044 DATE 08/20/08

REMARKS:

ALLOWANCE FOR: Automatic Sprinkler System
 Separation on _____ Sides
 Area Separation Wall

The above-described structure has been inspected and the following occupancy thereof is hereby authorized:

OCCUPANCY		Floor Area (Sq. Ft.)	Maximum Allowable Occupant Load (Persons)
1 st Floor	B, Offices, Kitchen M, Retail S-1, Storage	24,307	
2 nd Floor	B, Offices, *Training Room S-1, Storage	7,428	*16

By:
OCCUPANCY EXAMINER

SEP 29 2008
DATE

Approved: 9/29/08
for DIRECTOR DATE

This certificate must be posted and permanently maintained in a conspicuous place at or close to the entrance of the building or structure referred to above.