

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

CONDOMINIUM PROJECT NAME	3760 AND 3770 MARIPOSA
Project Address	3758 Mariposa Drive, Honolulu, Hawaii 96816
Registration Number	7029 (partial conversion)
Effective Date of Report	October 15, 2010
Developer(s)	ARNOLD IVAN KIMMINAU and ALEXA DAWN KIMMINAU

Preparation of this Report

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

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

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

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

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

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

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

SPECIAL ATTENTION

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

The Developer has disclosed the following:

1. This is a CONDOMINIUM PROJECT, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated as a LIMITED COMMON ELEMENT and not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

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

3. Unit B is a spatial unit and it is anticipated that a single-family residence will be constructed within this spatial portion of the project in accordance with Section Q of the Declaration. Prospective purchasers of Unit B are urged to carefully review the requirements set forth in Section Q of the Declaration, and which are also set forth in Exhibit "B" attached to this public report.

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

5. This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure compliance with all applicable County codes, ordinances and subdivision requirements.

6. Each unit owner has to attend the Association meeting to have a quorum and the condominium is managed by 100% agreement (i.e. both owners).

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

TABLE OF CONTENTS

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

TABLE OF CONTENTS

	Page	
5.6	Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance	14
5.6.1	Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance.....	14
5.6.2	Purchaser Deposits Will Be Disbursed Before Closing.....	14
5.7	Rights Under the Sales Contract	16
5.8	Purchaser's Right to Cancel or Rescind a Sales Contract	16
5.8.1	Purchaser's 30-Day Right to Cancel a Sales Contract.....	17
5.8.2	Right to Cancel a Sales Contract if Completion Deadline Missed.....	17
5.8.3	Purchaser's Right to Rescind a Binding Sales Contract After a Material Change	17
6.	MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT.....	18
EXHIBIT A:	BOUNDARIES OF THE UNITS	
EXHIBIT B:	PERMITTED ALTERATIONS TO THE UNITS	
EXHIBIT C:	COMMON ELEMENTS	
EXHIBIT D:	LIMITED COMMON ELEMENTS	
EXHIBIT E:	ENCUMBRANCES AGAINST TITLE	
EXHIBIT F:	LETTER FROM CITY AND COUNTY OF HONOLULU	
EXHIBIT G:	RIGHTS OF THE DEVELOPER	
EXHIBIT H:	ESTIMATE OF INITIAL MAINTENANCE FEES	
EXHIBIT I:	SUMMARY OF SALES CONTRACT	
EXHIBIT J:	SUMMARY OF ESCROW AGREEMENT	

General Information On Condominiums

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

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

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

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

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

Operation of the Condominium Project

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

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

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

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

Fee Simple or Leasehold Project	<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	3758 Mariposa Drive, Honolulu, HI 96816
Address of Project is expected to change because	two separate addresses for the Units in project
Tax Map Key (TMK)	(1) 3-3-024-067
Tax Map Key is expected to change because	N/A
Land Area	8,147.0 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

1.2 Buildings and Other Improvements

Number of Buildings	1 building (Unit A-3770 Mariposa); spatial unit (Unit B)
Floors Per Building	Unit A-3770 Mariposa has two floors and a basement
Number of New Building(s)	1 spatial unit - Unit B-3760 Mariposa
Number of Converted Building(s)	1 (Unit A-3770 Mariposa)
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Unit A-3770 Mariposa - wood, concrete, asphalt shingle roofing

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
A-3770 Mariposa	1	4/3-1/2	2,250 sq. ft.		1,466 sq. ft.	3,716 sf
B-3760 Mariposa	1	N/A	N/A	N/A	spatial unit	N/A
See Exhibit "A"						

2	Total Number of Units
---	------------------------------

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

1.4 Parking Stalls

Total Parking Stall in the Project:	3 (Unit A-3770 Mariposa)
Number of Guest Stalls in the Project:	0
Number of Parking Stalls Assigned to Each Unit:	3 (Unit A-3770 Mariposa)
Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open).	
If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights.	

1.5 Boundaries of the Units

Boundaries of the unit: 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 "B"
--

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit _____ . As follows: Each Unit shall have appurtenant thereto an undivided fifty percent (50%) percentage interest in all common elements of the Project, for all purposes, including voting.

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 "C" _____.

Described as follows:

Common Element	Number
Elevators	0
Stairways	0
Trash Chutes	0

1.10 Limited Common Elements

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

Described in Exhibit "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: Residential purposes only, unless other uses are permitted by law
<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 1, 2010

Company that issued the title report: Stewart Title Guaranty Company

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

Uses Permitted by Zoning				
	Type of Use	No. of Units	Use Permitted by Zoning	Zoning
<input checked="" type="checkbox"/>	Residential	1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-5
<input type="checkbox"/>	Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Mix Residential/Commercial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Hotel		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Timeshare		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Ohana		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Industrial		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Agricultural		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input type="checkbox"/>	Recreational		<input type="checkbox"/> Yes <input type="checkbox"/> No	
<input checked="" type="checkbox"/>	Other (Specify): Spatial	1	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	R-5
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			N/A	

1.14 Other Zoning Compliance Matters

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

1.15 Conversions

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

1.16 Project In Agricultural District

<p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p>	<p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No 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 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)	<p>Name: ARNOLD IVAN KIMMINAU and ALEXA DAWN KIMMINAU</p> <p>Business Address: 3758 Mariposa Drive Honolulu, HI 96816</p> <p>Business Phone Number : (808) 381-2406</p> <p>E-mail Address:</p>
<p>Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary).</p>	
2.2 Real Estate Broker	<p>Name: Scott Fujiwara</p> <p>Business Address: 1016 Kapahulu Ave., #200, Hon, HI</p> <p>Business Phone Number: (808) 687-8008</p> <p>E-mail Address:</p>
2.3 Escrow Depository	<p>Name: First Hawaii Title Corporation</p> <p>Business Address: 201 Merchant St., #2000, Hon, HI</p> <p>Business Phone Number: 808 528-9228</p>
2.4 General Contractor	<p>Name: Raymond Bredemeyer</p> <p>Business Address: 91-1047 Lanakoi St., Kapolei, HI</p> <p>Business Phone Number: (808) 382-1711</p>
2.5 Condominium Managing Agent	<p>Name: Self-managed by the Association</p> <p>Business Address:</p> <p>Business Phone Number:</p>
2.6 Attorney for Developer	<p>Name: Reid A. Nakamura</p> <p>Business Address: 707 Richards St., #600, Hon, HI 96813</p> <p>Business Phone Number: (808) 533-3999</p>

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

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

3.1 Declaration of Condominium Property Regime

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	July 1, 2010	3978225

Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	August 29, 2010	3995506
Land Court	September 28, 2010	4005259

3.2 Bylaws of the Association of Unit Owners

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

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	July 1, 2010	3978226

Amendments to Bylaws of the Association of Unit Owners

Land Court or Bureau of Conveyances	Date of Document	Document Number

3.3 Condominium Map

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

Land Court Map Number	2059
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map:	

3.4 House Rules

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

The House Rules for this project:

Are Proposed	<input type="checkbox"/>	
Have Been Adopted and Date of Adoption	<input 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"/>	Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House Rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows: See Exhibit G

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

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

4.3 Utility Charges to be Included in the Maintenance Fee

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

4.4 Utilities to be Separately Billed to Unit Owner

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 checked="" type="checkbox"/>	Gas for the Unit only
<input checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input checked="" type="checkbox"/>	TV Cable
<input type="checkbox"/>	Other (specify)

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

<input checked="" type="checkbox"/>	Specimen Sales Contract Exhibit <u>I</u> 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: July 14, 2010 Name of Escrow Company: First Hawaii Title Corporation Exhibit <u>J</u> contains a summary of the pertinent provisions of the escrow agreement.
<input type="checkbox"/>	Other:

5.2 Sales to Owner-Occupants

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

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

5.3 Blanket Liens

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

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

Type of Lien	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage dated 4/25/05;	Buyer's interest may be terminated and Buyer may be entitled
Doc. No. 3261575; Mortgage dated	to a refund less any escrow cancellation fees
5/23/07, Doc. No. 3675104	

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:

<p>Building and Other Improvements:</p> <p>None. Units will be sold "as is".</p>
<p>Appliances:</p> <p>None. Units will be sold "as is".</p>

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

<p>Status of Construction:</p> <p>Unit A structure was constructed in 2009. The Unit B is a spatial portion of the condominium project.</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>N/A</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p> <p>N/A</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>
-------------------------------------	--

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):

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

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

5.7 Rights Under the Sales Contract

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

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

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

1. The following "de minimis structure position discrepancy" (as said term is defined in Chapter 669-11 to 13, Hawaii Revised Statutes, as amended), as shown on the survey map prepared by Dennis Hashimoto, Licensed Professional Land Surveyor, No. 5668, dated April 05, 2005:

- (a) The north boundary is evident by CRM wall #2 extends into the subject parcel by 0.2 ft. for 2.3 ft.
- (b) The south boundary is evident by Hollow tile wall #2 and CRM wall #5 that extend into the subject parcel by 0.3 ft., to 0.5 ft. for 3.3 ft.
- (c) The south boundary is evident by a HECO box which extends into the subject parcel by 0.3 ft., for 6.0 ft.

2. The following encroachment(s), as shown on the survey map prepared by Dennis Hashimoto, Licensed Professional Land Surveyor, No. 5668, dated April 05, 2005:

- (a) The west boundary is evident by conc. Walkway #1 and conc. Driveway that cross into the Mariposa Dr. right of way for 6.8 ft.
- (b) The west boundary is evident by loose rock wall #1 which extends into the Mariposa Dr. right of way for 2.0 ft.
- (c) The north boundary is evident by loose rock wall #2 which crosses the property line, inside the subject parcel for 1.7 ft. and inside parcel 66 for 3.3 ft.
- (d) The south boundary is evident by CRM wall #6 and conc. step that extends into the subject parcel by 0.5 ft., to 1.5 ft. and to 1.0 ft. for 47.5 ft.
- (e) The east boundary is evident by CRM wall #4 which extends into the subject parcel by 1.5 ft., to 3.0 ft. for 46.6 ft.

Prospective purchasers are advised that no agreements have been entered into with the neighboring property owners regarding the ownership of these encroachments or the responsibility for maintenance or repair work.

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

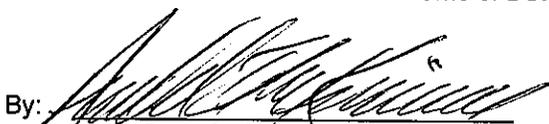
For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified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

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

ARNOLD IVAN KIMMINAU and ALEXA DAWN
KIMMINAU,

Printed Name of Developer

By:



Duly Authorized Signatory*

SEP 09 2010

Date

ARNOLD IVAN KIMMINAU and ALEXA DAWN KIMMINAU, Owner

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

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

EXHIBIT "A"
BOUNDARIES OF THE UNIT

Two (2) separate and distinct freehold estates delineated on the Condominium Map, deemed to include the entire structures and all improvements located therein plus the land area surrounding such structures. The structures are bounded by and including the decorated or finished surfaces of the exterior of the perimeter walls, including an exterior doors and windows, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the buildings in the Project, together with any entries, porches, steps, stairs, lanais, decks, laundry areas, carports, or other improvements physically attached to the building.

a. Unit A (3770 Mariposa) consists of approximately 2,750 square feet of land and contains a two-story structure with basement in which there consists of (1) a basement with a three car garage, (2) the first floor with family room, kitchen, laundry room, entry foyer, living room, covered lanai and one-half bath (3) the second floor with four bedrooms, two walk in closets, two closets, three bathrooms, hallway and a covered deck, as shown on said Condominium Map. The structure on Unit A contains a net living area of approximately 2,250 square feet and the garage floor, entry stairs and entry landing, covered lanai and deck for bedroom no. 1 contain approximately 1,466 square feet.

b. Unit B (3760 Mariposa) consists of approximately 5,397 square feet of land area and is a spatial portion of the condominium project designated for separate ownership or occupancy, with an exit to Mariposa Drive, as shown on said Condominium Map.

Each Unit shall also include all pipes, wires, conduits, and other utility and service lines contained wholly within such Unit and which are utilized exclusively by and serve only such Unit.

Should the descriptions and divisions set forth in this Declaration conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map is intended to show only the layout, number and dimensions of the units and elevations of the building(s) and is not intended and shall not be deemed to contain or make any other representation or warranty.

EXHIBIT "B"
PERMITTED ALTERATIONS TO THE UNITS

Section L of the Declaration provides that:

No work shall be done to the Units, the limited common elements appurtenant thereto, or any other part of the Project, by any owner of a Unit or any other person, which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement, as reasonably determined by the Board. No Unit owner may make or allow any material additions or alterations, or excavate a basement or cellar, without first obtaining: i) the written consent of sixty-seven percent (67%) of the Unit owners, ii) consent of all owners whose Units and/or limited common elements are directly affected thereby, and iii) the approval of the Board, which shall not be unreasonably withheld. Except as otherwise provided by law, and subject to the requirements and restrictions set forth in Section Q of the Declaration, all other additions to or alterations of any Unit or its appurtenant limited common elements by the owner of such Unit shall be permitted without restriction, provided that the owner or other person making such additions or alterations shall comply strictly with all applicable laws, ordinances, rules and regulations of any governmental entity, and shall also obtain all necessary permits, at such owner or person's sole expense.

In addition to the foregoing limitations, no owner shall also be allowed, without the express written consent of the other owners, to construct any addition or alteration which would cause structures on his or her Unit to exceed the proportionate share of the maximum allowable floor area and/or buildable area for the lot. **Said proportionate share shall be equal to the maximum floor area and/or buildable area for the Project multiplied by the proportionate area to such Unit, being 33.75% for Unit A and 66.25% for Unit B.**

Developer shall have the reserved right to convert and redesignate any limited common elements that are appurtenant to any of the Units that it owns from limited common elements to common elements of the Project. Notwithstanding anything to the contrary herein contained, Developer may amend this Declaration (and when appropriate the Condominium Map) without the approval, consent and joinder of any other person, including the Association, any Unit Owner or any mortgagee or lienholder, in any manner required to convert and redesignate any limited common elements that are appurtenant to Developer owned Units, to common elements. Such reassignment is hereby specifically declared not to constitute the material amendment of this Declaration or when appropriate, the Condominium Map. All costs of such reassignment shall be borne as determined by Developer.

The Association shall accept title to any property, including any Improvements thereon and personal property transferred to the Association by Developer (herein the "Common Area"), together with the responsibility to perform any and all duties associated therewith, which, upon conveyance or dedication to the Association, the Association shall maintain at its expense for the benefit of the members. Property

interests transferred to the Association by Developer may include, without limitation, any easements or roadways; provided, however, that any property or interest in property transferred to the Association by Developer shall be transferred to the Association "as-is," "where-is." Any property or interest in property transferred to the Association by Developer shall not impose any unreasonable or special burden on the Association other than the normal burdens of ownership and maintenance of property and the operation of facilities thereon; provided, however, such conveyance instrument may contain an indemnity of the Developer by the Association. Each Owner, by accepting title to any portion of the Property and becoming an Owner, is deemed to approve and accept the acquisition by the Association of Common Area as provided herein, and any Common Expenses which may relate thereto.

Section Q of the Declaration provides that:

OWNERS' RESERVED RIGHT TO CHANGE THE UNITS. Notwithstanding anything to the contrary contained herein, the owner of a Unit, including the Developer herein if an owner of a Unit, shall have the right, with the consent of any mortgagee affecting said Unit, to remove, redesign, improve, renovate, make additions to, enlarge, replace with a new Unit, or restore his or her Unit on the limited common elements appurtenant to such Unit at such Unit owner's sole option at any time and from time to time, without the consent of the Association, the other Unit owners, any lien holder(s) thereof, or anyone with an interest in the Project, and pursuant to plans, restrictions, and conditions set forth herein.

1. Rights With Respect to Construction. Subject to the provisions hereinabove, each owner, his or her contractors and subcontractors, and their respective employees and agents, shall have the right, and an easement therefore in favor of the owner and his or her successors and assigns, from time to time, to enter upon and use the common elements of the Project and to do all things reasonably necessary, desirable, or useful for designing, developing, constructing, or completing the removal, redesign, improvement, renovation, or rebuilding of his or her Unit, subject to the following terms and conditions:

a. Any redesign, improvement, renovation, addition or replacement to Unit B shall be made only in accordance with plans and specifications first approved in writing by the owner of Unit A, which approval shall be in said owner's sole and absolute discretion. If the owner of Unit B intends to redesign, improve, renovate, add to or replace and improvements on Unit B, in any manner whatsoever, the owner of Unit B shall submit the plans and specifications prepared in accordance with this Section Q to the owner of Unit A. The owner of Unit A shall have thirty (30) days from the date the plans are received to review such plans and to notify the owner of Unit B, in writing, whether such plans are acceptable or if changes are required. The owner of Unit B shall not begin construction until the owner of Unit A has approved in writing of said plans and specifications.

b. Any redesign, improvement, renovation, addition or replacement shall (i) be made in accordance with plans and specifications prepared by an architect duly licensed in the State of Hawaii, (ii) shall be made within the boundaries of such Unit and in compliance with any setback or easement areas, if any, and (iii) in compliance with all governmental

regulations, including but not limited to all applicable zoning and building codes and ordinances; provided, however, that such plans and specifications shall not provide for the alteration or demolition of any portion of any other Unit in the Project, the limited common elements appurtenant thereto, or any of the common elements;

c. All such removal, redesign, improvement, renovation, addition or replacement shall be at the sole cost and expense of the Unit owner and shall be completed expeditiously and in a manner that will not unreasonably interfere with the use or enjoyment of the Project by the other Unit owners and occupants thereof;

d. The owner removing, redesigning, improving, renovating, adding to or replacing his or her Unit shall maintain at his or her own expense builder's all-risk insurance in an amount not less than the estimated cost of construction and naming the Association and the owners of the other Unit as an additional insured;

e. The owner removing, redesigning, improving, renovating, adding to or replacing his or her Unit shall be required to install separate installations and meters or submeters for services, such as water, electricity, sewer, and any other utility or service to the Unit affected thereby, and shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for such services, and when applicable, to add, delete, relocate, realign, reserve, and grant easements and rights-of-way over, under and upon the common elements as necessary or desirable in connection therewith, subject to the requirements of subsection (g), hereinbelow, and provided that services used by the other Unit shall not be unreasonably and materially impaired;

f. The Unit owner, his or her contractors and subcontractors, and their respective employees and agents, shall not cause any interruption other than a temporary interruption in the service of utilities to the Project and shall use reasonable efforts, consistent with maintaining the progress of design, development, construction and completion of the rebuilding or redesigning of the Unit, so as to minimize interference with the use and enjoyment of the Project by the other Unit owners and occupants thereof, including, without limitation, the giving of reasonable notice of any such interruption;

g. Upon the removal, redesign, or replacement of the improvements on either Unit, all existing overhead utility or service lines, such as electricity, cable and telephone services, leading from Paula Drive to the Project shall be relocated underground and within the common element driveway and roadway areas described in Section A.2(c), above (unless underground placement is made impossible due to factors outside of the control of the Unit Owners, as determined in Developer's sole discretion), with the cost of such underground relocation to be allocated as follows: 1) removal of the existing utility or service lines to be equally shared by the owner of both Units; 2) relocation of the underground utility or service lines leading from Mariposa Drive and shared by both Units shall be equally allocated between the Units; 3) underground utility or service lines servicing only Unit A will be paid for by Unit A; and 4) underground utility or service lines servicing only Unit B shall be paid for by Unit B; and

h. No owner shall also be allowed, without the express written consent of the other Unit owners, to construct any addition or alteration which would cause the structure(s) on his or her Unit to exceed the proportionate share of the maximum allowable floor area and/or buildable area for the lot. Said proportionate share shall be equal to the maximum floor area for the lot multiplied by the percentage of common interest in the Project appurtenant to such Unit as defined in Section B, hereinabove.

2. Amendment to the Declaration and Condominium Map. If any owner removes, redesigns, improves, renovates, adds to or replaces his or her Unit, different in any respect from the description of said Unit in this Declaration or as shown on the Condominium Map, then, upon completion thereof, the owner shall amend this Declaration setting forth at least the following:

- (i) the number of stories in the Unit's structure,
- (ii) the layout, location, and numbers or other identifying information of the limited common elements, if any, of the new, redesigned or renovated Unit, and
- (iii) any such other matters as may be necessary or as may be required by law to effectuate the construction of the new, redesigned or renovated Unit and/or the operation of the property as a condominium project, but not inconsistent with the Condominium Property Act.

The Unit owner shall also amend the Condominium Map setting forth at least the following:

- a. a site plan depicting the location, layout and access for the Unit to a public road or to a common element leading to a public road,
- b. elevations and floor plans of the new, redesigned or renovated Unit's structures, showing the layout, location, boundaries and dimensions of the new, redesigned or renovated Unit's structures,
- c. plans showing the location, layout and stall numbers, if applicable, of any parking stalls for the new, redesigned or renovated Unit,
- d. the layout, location, and numbers or other identifying information of the limited common elements, if any, of the new, redesigned or renovated Unit, unless specifically described in the Declaration or any amendment thereto,
- e. bearing a statement of a licensed architect, engineer, or surveyor certifying that the plans are consistent with the plans of the new, redesigned or renovated Unit as filed with the government official having jurisdiction over the issuance of permits for the construction of buildings in the county in which the Project is located, and stating that to the best of the architect's, engineer's, or surveyor's knowledge, that the plans for the new, redesigned

or renovated Unit depict the layout, location, dimensions, and number of the Unit substantially as built, and

f. any such other matters as may be necessary or as may be required by law to effectuate the construction of the new, redesigned or renovated Unit and/or the operation of the property as a condominium project, but not inconsistent with the Condominium Property Act.

The amendment shall be signed by the Unit owner, recorded in the Land Court, as the case may be, and a copy of the recorded amendment, together with a copy of the plans recorded therewith, shall be provided to the Association promptly upon request thereof.

Each and every individual acquiring an interest in the Project, including the holder(s) of any lien(s) thereof, by such acquisition, consents to the removal, redesign, improvement, renovation, addition or replacement, according to the terms set forth herein and including any restrictions, and to the recording of any and all documents or instruments necessary to effectuate the same, including any amendment to the Declaration and/or the Condominium Map; and agrees to execute, deliver and record such documents and instruments and to do any and all such other things as may be necessary to effect the same. As to any removal, redesign, improvement, renovation, addition to or replacement of Unit A, the owner(s) of Unit B hereby appoint the owner(s) of Unit A, as his or her attorney-in-fact, with full power of substitution, to execute, deliver and record such documents and instruments and to do such things on his or her behalf, which grant of such power, being coupled with an interest, is irrevocable until December 31, 2026, and shall not be affected by the disability of such party or parties; and shall be binding upon every party's successors in interest and assigns.

The rights set forth in this Section for the benefit of a Unit owners, including the Developer if an owner of a Unit in the Project, may not be amended without the express written consent of such owner or the Developer, if an owner of a Unit in the Project.

EXHIBIT "C"

COMMON ELEMENTS

The common elements shall consist of all portions of the Project except the Units as described in the Declaration, and shall specifically include, but not be limited to:

- a. The Land in fee simple.
- b. All pipes, wires, conduits, and other utility and service lines which are utilized for or serve both Units.
- c. Any and all other apparatus and installations of common use, and all other parts of the Project necessary or convenient to its existence, maintenance, and safety, or normally in common use.
- d. All areas that are connected between the two (2) units and/or that share the limited common element boundary between the two (2) units.

EXHIBIT "D"

LIMITED COMMON ELEMENTS

Certain parts of the common elements are hereby set aside and reserved for the exclusive use of the Units and shall constitute limited common elements appurtenant thereto. Each Unit shall have an exclusive easement for the use of the limited common elements appurtenant thereto, except as otherwise provided herein. The cost of maintenance, repair, upkeep, and replacement of each limited common element shall be assessed to the owner of the Unit to which such limited common element is appurtenant. The limited common elements shall be appurtenant to each of the Units as follows:

a. Unit A (3770 Mariposa) will have access to Mariposa over its own driveway. Unit B (3760 Mariposa) consists of approximately 5,397 square feet of land area and is a spatial portion of the condominium project designated for separate ownership or occupancy, with an exit to Mariposa Drive, and until such time as Unit B (3760 Mariposa) is redesigned, improved, renovated, added, replaced or rebuilt as provided in Section Q in the Declaration, parking for said Unit is located anywhere within the land area of said Unit.

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

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes City and County of Honolulu

Tax Map Key No. **1-3-3-024-067-0000**

For more information, contact the City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. The following "de minimis structure position discrepancy" (as said term is defined in Chapter 669-11 to 13, Hawaii Revised Statutes, as amended), as shown on the survey map prepared by Dennis Hashimoto, Licensed Professional Land Surveyor, No. 5668, dated April 05, 2005:
- (a) The north boundary is evident by CRM wall #2 extends into the subject parcel by 0.2 ft. for 2.3 ft.
 - (b) The south boundary is evident by Hollow tile wall #2 and CRM wall #5 that extend into the subject parcel by 0.3 ft., to 0.5 ft. for 3.3 ft.
 - (c) The south boundary is evident by a HECO box which extends into the subject parcel by 0.3 ft., for 6.0 ft.
4. The following encroachment(s), as shown on the survey map prepared by Dennis Hashimoto, Licensed Professional Land Surveyor, No. 5668, dated April 05, 2005:
- (a) The west boundary is evident by conc. Walkway #1 and conc. Driveway that cross into the Mariposa Dr. right of way for 6.8 ft.
 - (b) The west boundary is evident by loose rock wall #1 which extends into the Mariposa Dr. right of way for 2.0 ft.
 - (c) The north boundary is evident by loose rock wall #2 which crosses the property line, inside the subject parcel for 1.7 ft. and inside parcel 66 for 3.3 ft.
 - (d) The south boundary is evident by CRM wall #6 and conc. step that extends into the subject parcel by 0.5 ft., to 1.5 ft. and to 1.0 ft. for 47.5 ft.
 - (e) The east boundary is evident by CRM wall #4 which extends into the subject parcel by 1.5 ft., to 3.0 ft. for 46.6 ft.

5. MORTGAGE

Loan No. 0143991149
Mortgagor: ARNOLD IVAN KIMMINAU and ALEXA DAWN
KIMMINAU, husband and wife
Mortgagee: WELLS FARGO BANK, N.A., a National Association organized
and existing under the laws of The United States of America

Dated: April 25, 2005
Document No. 3261575
Principal Sum: \$560,000.00

The present amount due should be determined by contacting the owner of the debt.

6. MORTGAGE

Account No. 650-650-5612502-1XXX
Mortgagor: ARNOLD IVAN KIMMINAU and ALEXA DAWN KIMMINAU, husband and wife
Mortgagee: WELLS FARGO BANK, N.A., a national bank organized and existing under the laws of the United States
Dated: May 23, 2007
Document No. 3675104
Principal Sum: \$199,999.00

The present amount due should be determined by contacting the owner of the debt.

7. The covenants, agreements, obligations, conditions, easements and other provisions as contained in the following:

DECLARATION OF CONDOMINIUM PROPERTY REGIME OF "3760 AND 3770 MARIPOSA"

Dated: July 1, 2010
Document No. 3978225

but omitting any covenants or restrictions if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.

Condominium Map No. 2059, to which reference is hereby made.

The foregoing Declaration was amended by the following:

Document No.	Dated
3995506	8/24/10

The units created by the foregoing instrument are as follows:

UNITS	INTEREST
A	50%
B	50%

8. BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS OF 3760 AND
3770 MARIPOSA

Dated: July 1, 2010
Document No. 3978226
to which reference is hereby made

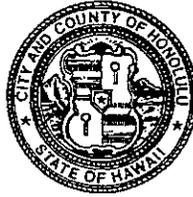
Tax Map Key No. **1-3-3-024-067-0000**

EXHIBIT "F"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET, 7TH FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 768-8000 • FAX: (808) 768-6041
DEPT. WEB SITE: www.honolulu.gov • CITY WEB SITE: www.honolulu.gov

KIRK W. CALDWELL
ACTING MAYOR



DAVID K. TANOUE
DIRECTOR

ROBERT M. SUMITOMO
DEPUTY DIRECTOR

2010/ELOG-868(LT)

August 26, 2010

Reid A. Nakamura, Esq.
Ogawa, Lau, Nakamura & Jew
600 Ocean View Center
707 Richards Street
Honolulu, Hawaii 96813

Dear Mr. Nakamura:

Subject: Condominium Conversion Project
3760 and 3770 Mariposa Drive
Tax Map Key: 3-3-024: 067

This is in response to your letter dated April 27, 2010, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that the two-story, with basement, single-family detached dwelling and three all-weather-surface off-street parking spaces met all applicable code requirements when it was constructed in 2008 on this 8,147-square-foot R-5 Residential-District-zoned lot.

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

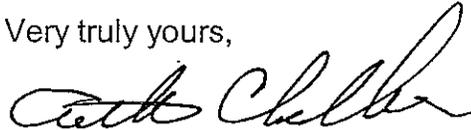
No variances or other permits were granted to allow deviations from any applicable codes.

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

Reid A. Nakamura, Esq.
Ogawa, Lau, Nakamura & Jew
August 26, 2010
Page 2

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

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue". The signature is fluid and cursive, with a large initial "D" and "T".

 David K. Tanoue, Director
Department of Planning and Permitting

DKT:ft
[794166]

EXHIBIT G

RIGHTS OF THE DEVELOPER

1. The Developer or any owner of a Unit has the reserved right to renovate or remove his or her Unit or a portion thereof, and to rebuild, renovate and/or add to said Unit as provided for in Section Q. in the Declaration.

Notwithstanding anything to the contrary contained herein, the Developer shall have, and hereby reserves, the absolute right to amend this Declaration and the Condominium Map without the consent or joinder of any unit owner or any other party (including any mortgagee) holding any interest in any unit of the Project, for the purpose of adjusting the plan or description of any unit which has not yet been actually constructed, completed and conveyed, upon the condition that no such amendment shall in any way alter any unit or common interest thereof which has been conveyed by the Developer prior to the filing of such amendment in the Office of the Assistant Registrar of the Land Court, State of Hawaii. Upon completion of the project, Developer shall file the "as built" verified statement as required by Section 514B-34.

2. The Developer reserves the right at any time prior to the Developer's closing of the last sale of a Unit in the Project: (1) to grant easements over, across, and under the common elements, including, without limitation, easements for utilities, sanitary and storm sewers, cable television, walkways, roadways and rights-of-way, and (2) to relocate or realign any existing easements and rights-of-way over, across, and under the common elements, including, without limitation, any existing utilities, sanitary and sewer lines, and cable television lines, and connect same, over, across, and under the common elements, provided that such easements and such relocations and connections of lines shall not materially impair or interfere with the use of any Unit.

3. Notwithstanding any provision to the contrary in this Declaration, so long as the Developer retains any ownership interest in the Project, the Developer reserves the right to modify the use of the Unit(s) in which the Developer owns an interest, to provide for group living facilities in accordance with all necessary governmental permits and requirements, all without the consent or joinder of any other Unit owner, the Association, any mortgagee, or any other party. Each and every party acquiring an interest in the Project shall, by virtue of such acquisition, consent to such modification by the Developer, which is specifically declared not to constitute a material amendment to this Declaration.

4. Developer shall have the reserved right to convert and redesignate any limited common elements that are appurtenant to any of the Units that it owns from limited common elements to common elements of the Project. Notwithstanding anything to the contrary herein contained, Developer may amend this Declaration (and when appropriate the Condominium Map) without the approval, consent and joinder of any other person, including the Association, any Unit Owner or any mortgagee or lienholder, in any manner required to convert and redesignate any limited common elements that are appurtenant to Developer owned Units, to common elements. Such reassignment is hereby specifically declared not to constitute the material amendment of this Declaration or when appropriate, the Condominium Map. All costs

of such reassignment shall be borne as determined by Developer.

The Association shall accept title to any property, including any Improvements thereon and personal property transferred to the Association by Developer (herein the "Common Area"), together with the responsibility to perform any and all duties associated therewith, which, upon conveyance or dedication to the Association, the Association shall maintain at its expense for the benefit of the members. Property interests transferred to the Association by Developer may include, without limitation, any easements or roadways; provided, however, that any property or interest in property transferred to the Association by Developer shall be transferred to the Association "as-is," "where-is." Any property or interest in property transferred to the Association by Developer shall not impose any unreasonable or special burden on the Association other than the normal burdens of ownership and maintenance of property and the operation of facilities thereon; provided, however, such conveyance instrument may contain an indemnity of the Developer by the Association. Each Owner, by accepting title to any portion of the Property and becoming an Owner, is deemed to approve and accept the acquisition by the Association of Common Area as provided herein, and any Common Expenses which may relate thereto.

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

At anytime prior to the first recording in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as the case may be, of a conveyance or transfer of a Unit in the Project to any person other than the Developer, the Developer may amend this Declaration, and any of the Exhibits hereto, the By-Laws, and/or the Condominium Map in any manner, without the consent of any purchaser or any other party. No amendment to this Declaration and/or the By-Laws which adversely impacts or negates, or attempts to negate any of the rights reserved by the Developer shall be valid without the expressed written consent of the Developer, Developer's successors and assigns, and contained in said amendment.

EXHIBIT "H"

ESTIMATE OF INITIAL MAINTENANCE FEES

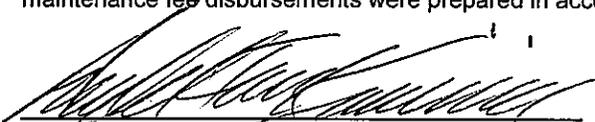
Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>	
Unit A (3770 Mariposa)	0	\$0
Unit B (3760 Mariposa)	0	\$0

Note: Reserves are not established for potential expenses to replace common elements such as pipes, wire and utility installations that serve both units and areas connected between both units, including the portion of the roof, fence, concrete slab, connected stairway and concrete cap over the concrete walls on the boundary between the two units, and there are no maintenance fees to cover the upkeep, maintenance and repair of these areas. The Association may need to establish a process and procedure to assess for these shared areas in the future.

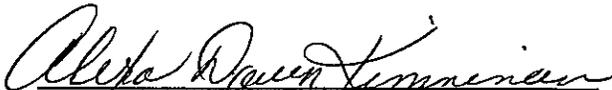
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

ARNOLD IVAN KIMMINAU and ALEXA DAWN KIMMINAU, the developers for the 3760 AND 3770 MARIPOSA 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.


ARNOLD IVAN KIMMINAU

SEP 09 2010

DATE


ALEXA DAWN KIMMINAU

SEP 09 2010

DATE

EXHIBIT "F"

SUMMARY OF SALES CONTRACT

The specimen Sales Contract contains, among other things, the following provisions:

1. Termination Due to Default. In the event that Buyer is in default for failure to perform Buyer's obligations under this Purchase Contract (Seller not being in default), Seller may terminate the Purchase Contract, and (a) bring an action for damages for breach of contract, or (b) retain the initial deposit and all additional deposits provided for herein. Buyer shall be responsible for any costs incurred in accordance with this Purchase Contract.

In the event Seller is in default for failure to perform Seller's obligations under this Purchase Contract (Buyer not being in default), Buyer may (a) bring an action for damages for breach of contract, and (b) seek specific performance of this Purchase Contract. Seller shall be responsible for any costs incurred in accordance with this Purchase Contract.

2. Mediation. If any dispute or claim arises out of this Purchase Contract during this transaction or at any time after closing between Buyer and Seller, or between Buyer and/or Seller and a Brokerage Firm and all its licensees assisting in this transaction, and the parties to such dispute or claim are unable to resolve the dispute, Buyer and Seller agree in good faith to attempt to settle such dispute or claim by non-binding mediation.

3. Seller's Obligation to Disclose. Under Hawaii law, Seller is obligated to fully and accurately disclose in writing to Buyer any fact, defect, or condition, past or present, that would be expected to measurably affect the value of the Property to a reasonable person. Within 10 days from the Acceptance Date, Seller shall provide Buyer with a written disclosure statement signed and dated by Seller within six (6) months before or ten (10) days after the Acceptance Date. Such Disclosure shall be prepared in good faith and with due care and shall disclose all material facts relating to the Property that: (i) are within the knowledge or control of Seller; (ii) can be observed from visible, accessible areas; or (iii) which are required by Section 508D-15 and Section 421J-2 of the Hawaii Revised Statutes.

4. Homeowner/Condominium/Subdivision/PUD Organizations. Seller, at Seller's expense shall furnish the Declaration and amendments, Bylaws and amendments and Developer's Public Report to Buyer within 10 days of Acceptance Date. If within 30 days of receipt of these documents Buyer does not accept the Property based on information contained in these documents, Buyer may terminate this Purchase Contract and the termination provisions of "Termination Due to Contingencies (paragraph C-29) shall apply.

EXHIBIT "J"
SUMMARY OF ESCROW AGREEMENT

Sales Contracts Deposited in Escrow. As and when Seller shall enter into a Sales Contract for the sale of a unit, Seller shall deliver an executed copy of such Sales Contract to Escrow. Each Sales Contract shall specify the correct name(s) and address(es) of the purchaser(s), shall require that all payments to be made thereunder shall be made to Escrow and shall be accompanied by the initial deposit required thereunder.

Disbursement of Funds In Escrow Prior to Closing. Escrow shall not disburse funds held in escrow prior to closing except:

(a) **Use of Purchaser's Funds - Payment of Project Costs.** A purchaser's funds may be taken out of the trust fund and used by Seller to pay project costs only if all the following have occurred and Escrow is provided sufficient documentation evidencing said occurrence:

(1) The State of Hawaii Real Estate Commission has issued an effective date for the Public Report;

(2) The purchaser has been given a copy of (a) the Public Report, together with a receipt and notice form which complies with Section 514B-87 of the Condominium Law, (b) the recorded Declaration and Bylaws of the Project, (c) the Project Rules and (d) the Condominium Map;

(3) The purchaser has signed the receipt and notice form and waived the purchaser's right to cancel or thirty (30) days have elapsed since the purchaser received a copy of the Public Report and receipt and notice form;

(4) Seller has submitted to the Real Estate Commission:

a. a project budget showing all costs that are required to be paid in order to complete the Project, including lease payments, real property taxes, construction costs, architectural, engineering and legal fees, and financing costs;

b. evidence satisfactory to the Real Estate Commission of the availability of sufficient funds to pay all costs required to be paid in order to complete the Project, that may include purchaser funds, equity funds, interim or permanent loan commitments, and other sources of funds; and

c. (1) a copy of the executed construction contract, (2) a copy of the building permit for the Project, and (3) satisfactory evidence of security for the completion of construction, which evidence may include, a completion or performance bond issued by a surety licensed in the State of Hawaii in an amount equal to one hundred per cent of the cost of construction, an irrevocable letter of credit issued by a federally-insured financial institution in an amount equal to one hundred per cent of the cost of construction, in each case, in form and

content approved by the Real Estate Commission, or other substantially similar instrument or security approved by the Real Estate Commission;

(5) Seller advises Escrow that the Sales Contract has become binding under Section 514B-86 of the Act, and the requirements of Section 514B-92 or Section 514B-93 of the Act, as applicable, have been met, as provided for in Section 514B-91 of the Act. Seller's instructions to Escrow to proceed with closing, or to otherwise disburse the purchaser's funds in accordance with this Section 2.3(a), shall constitute Seller's notification and advice to Escrow that the Sales Contract has become binding and the requirements of Section 514B-92 or Section 514B-93 of the Act, as applicable, have been met. Escrow shall not be responsible for the validity or sufficiency of any written certification provided by the Seller, if any, that the requirements of Section 514B-92 or Section 514B-93 of the Act, as applicable, have been met;

(6) The money is used to pay costs set forth in the project budget referenced in Section 2.3(a)(4) that are approved for payment by Seller's mortgagee or an otherwise qualified, financially disinterested person and the money to pay construction costs is disbursed in proportion to the valuation of the work completed by the contractor, as certified by a licensed architect or engineer;

(7) Seller shall have delivered to Escrow a certificate from Seller's architect stating that the Project is in compliance with the Federal Fair Housing Amendment Act of 1988, if applicable; and

(8) If the Project is registered with the Office of Interstate Land Sales Registration ("OILSR"), (a) OILSR has issued an effective date for the Property Report for the Project (the "Property Report"), (b) the purchaser has been given a copy of the Property Report for the Project, together with a receipt, agent certification and cancellation page which complies with 24 C.F.R. § 1710.118, and (c) the thirty (30) day period for rescission of the Sales Contract has lapsed.

Seller, or Seller's attorney, agrees to inform Escrow immediately in writing of the development of any event or occurrence which renders the statements and/or documents delivered by Seller, or Seller's attorney, pursuant to Section 2.3(a) untrue.

(b) Use of Purchaser's Funds – Material House Bond. Notwithstanding anything in this Agreement to the contrary, if Seller has submitted to the Real Estate Commission a material house bond securing the construction of improvements in the Project, the following provisions shall apply:

(1) The purchaser's money shall not be disbursed to pay for construction costs or other expenses of the Project until the unit to be conveyed has been completed and the Deed to purchaser has been recorded; and

(2) If closing is to occur prior to the expiration of the applicable mechanic's lien period, Seller shall provide the purchaser with a mechanic's lien endorsement to purchaser's owner's title insurance policy that protects the purchaser against all future mechanic's

and materialmen's liens. Further, Seller shall confirm to Escrow that Seller has provided the Real Estate Commission with a release by the general contractor of the contractor's lien rights.

(c) Remaining Monies of Purchaser. Any purchaser's money that is left in the trust fund after the construction costs have been paid, as well as any money paid by the purchase at closing as required in the Sales Contract, shall be paid to Seller or Seller's mortgagee as provided in Section 2.3(d) ("Seller's funds") when:

(1) The deed conveying the unit to purchaser has been recorded at the Bureau of Conveyances of the State of Hawaii; and

(2) The building or buildings have been completed and a title insurance company has given Escrow, in Escrow's reasonable discretion, satisfactory proof that all mechanics' and materialmen's liens have been cleared or Escrow holds one hundred fifty percent (or a reasonable amount satisfactory to Escrow and the title insurance company) of the amount needed to cover any mechanics' or materialmen's liens that may be filed.

(d) Seller's Funds. Subject to the limitation on the disbursement of Seller's funds contained in this Agreement, Escrow shall pay Seller's funds to Seller and Seller's mortgagee in those proportions and at those times specified in the instructions from Seller's mortgagee. Any disbursement of Seller's funds to Seller shall be approved in writing by Seller's mortgagee.

Return of Purchaser's Funds and Documents.

(a) Cancellation, Termination or Rescission. Unless otherwise provided in this Agreement, a purchaser shall be entitled to a return of such purchaser's funds held in escrow under a Sales Contract, and Escrow shall pay such funds to such purchaser, together with any interest which may have accrued to the credit of such purchaser, if any one of the following has occurred:

(1) Seller and purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held hereunder by Escrow; or

(2) Seller or purchaser shall have notified Escrow of Seller's or purchaser's exercise of an option to cancel the Sales Contract pursuant to any right of cancellation provided therein or otherwise available to Seller or purchaser; or

(3) The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to cancel or terminate the Sales Contract pursuant to HRS Section 514B-90; or

(4) The purchaser shall have notified Escrow of purchaser's exercise of purchaser's right to rescind the Sales Contract pursuant to HRS Section 514B-87.

(b) Refund; Cancellation Fee.

(1) In the event escrow receives notice of cancellation or termination of the Sales Contract pursuant to Section 2.4(a)(1), (2) or (3), Escrow shall, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee commensurate with the work done by Escrow prior to such cancellation and other costs associated with the purchase, up to a maximum of \$250.00); provided, however, that no refund shall be made to a purchaser at the purchaser's request prior to receipt by Seller of written notice from Escrow of Escrow's intent to make such refund.

(2) In the event Escrow receives notice of purchaser's election to rescind the Sales Contract pursuant to HRS Section 514B-87, Escrow shall return said funds to purchaser; provided, however, that no refund shall be made to a purchaser at the purchaser's request prior to receipt by Seller of written notice from Escrow of Escrow's intent to make such refund.

Purchaser's Default.

If the purchaser fails to make such payment to Escrow on or before the due date thereof or if the purchaser fails to perform in any matter that is being handled by Escrow, Escrow shall promptly notify Seller of any such failure on the part of the purchaser. If Seller subsequently certifies in writing to Escrow that Seller has terminated the Sales Contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's Sales Contract as funds of Seller and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Seller. Upon written request by Seller, Escrow shall pay such funds to Seller, less any escrow cancellation fee. Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser. The terms of this provision shall be included in the escrow agreement entered into between Escrow, Seller and any purchaser in connection with a Sales Contract between Seller and such purchaser for a unit in the Project.