

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

CONDOMINIUM PROJECT NAME	MARIPOSA RESIDENCES AT 3745
Project Address	3745 Mariposa Drive Honolulu, Hawaii 96816
Registration Number	7330 (conversion)
Effective Date of Report	<b>March 21, 2013</b>
Developer(s)	ASH TAWFIK and SOHIR KHALIL TAWFIK

**Preparation of this Report**

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

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

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

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

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

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

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

### **SPECIAL ATTENTION**

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

### **SPECIAL NOTICE**

This is a condominium project, not a subdivision, and the project does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a limited common element and is not a legally subdivided lot. The dashed 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.

Facilities and improvements normally associated with county approved subdivisions may not necessarily be provided for and services such as county street maintenance and trash collection may not be available for interior roads.

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

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

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## **General Information On Condominiums**

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

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

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

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

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

## **Operation of the Condominium Project**

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

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

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

**1. THE CONDOMINIUM PROJECT**

**1.1 The Underlying Land**

Fee Simple or Leasehold Project	<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	3745 Mariposa Drive, Honolulu, Hawaii 96816
Address of Project is expected to change because	No change
Tax Map Key (TMK)	(1) 3-3-024-055
Tax Map Key is expected to change because	Each unit will be assigned a new Tax Key Number
Land Area	7,800 square feet
Developer's right to acquire the Property if Developer is not the Fee Owner (describe)	

**1.2 Buildings and Other Improvements**

Number of Buildings	1
Floors Per Building	2
Number of New Building(s)	0
Number of Converted Building(s)	1
Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.)	Wood, concrete, glass and other allied materials

**1.3 Unit Types and Sizes of Units**

Unit Type	Quantity	BR/Bath	Net Living Area	Net Other Areas	Other Areas (lanai, garage, etc)	Total Area
See Exhibit	A					

2	<b>Total Number of Units</b>
---	------------------------------

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

**1.4 Parking Stalls**

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

**1.5 Boundaries of the Units**

Boundaries of the unit:  See Exhibit B
--

**1.6 Permitted Alterations to the Units**

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

**1.7 Common Interest**

<u>Common Interest:</u> Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by unit owners. The common interest for each unit in this project, as described in Declaration, is:
Described in Exhibit _____ .
As follows:  Unit A - 61% Unit B - 39%

**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  D .

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  E .

Described as follows:

**1.11 Special Use Restrictions**

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

<input type="checkbox"/>	Pets:
<input type="checkbox"/>	Number of Occupants:
<input checked="" type="checkbox"/>	Other: See Exhibit F
<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  G  describes the encumbrances against title contained in the title report described below.

Date of the title report: December 12, 2012

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

**1.13 Uses Permitted by Zoning and Zoning Compliance Matters**

Uses Permitted by Zoning					
	Type of Use	No. of Units	Use Permitted by Zoning		Zoning
<input checked="" type="checkbox"/>	Residential	2	<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 type="checkbox"/>	Other (Specify):		<input type="checkbox"/> Yes	<input type="checkbox"/> No	
Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?			<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No	
Variances to zoning code have been granted.			<input type="checkbox"/> Yes	<input checked="" type="checkbox"/> No	
Describe any variances that have been granted to zoning code					

**1.14 Other Zoning Compliance Matters**

Conforming/Non-Conforming Uses, Structures and Lots			
<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><b>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</b></p>	<p><input checked="" type="checkbox"/> <b>Applicable</b></p> <p><input type="checkbox"/> <b>Not Applicable</b></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>Subject to normal wear and tear commensurate with its age, each of the buildings appear to be in fair to good structural condition consistent with their age; Subject to normal wear and tear, the electrical and plumbing systems are operable and in fair working order. Also see Exhibit L.</p>	
<p>Developer's statement of the expected useful life of each item reported above:</p> <p>No statement is made.</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><b>Verified Statement from a County Official</b></p>
<p>Regarding any converted structures in the project, attached as Exhibit <u>  H  </u> is a verified statement signed by an appropriate county official which states that either:</p> <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> <li>(i) Any variances or other permits that have been granted to achieve compliance;</li> <li>(ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and</li> <li>(iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance;</li> </ul> <p 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><b>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii?</b>  <b>If answer is "Yes", provide information below.</b></p>	<p><input type="checkbox"/> Yes  <input checked="" type="checkbox"/> No</p>
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p>	
<p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p>	
<p>Other disclosures and information:</p>	

**1.17 Project with Assisted Living Facility**

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

## 2. PERSONS CONNECTED WITH THE PROJECT

<b>2.1 Developer(s)</b>	Name: ASH TAWFIK and SOHIR KHALIL TAWFIK  Business Address: 3745 Mariposa Drive Honolulu, Hawaii 96816  Business Phone Number : (808) 218-0864 E-mail Address: ash@hawaiiicps.com
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).	
<b>2.2 Real Estate Broker</b>	Name: See Exhibit M Business Address:  Business Phone Number: E-mail Address:
<b>2.3 Escrow Depository</b>	Name: Title Guaranty Escrow Services, Inc. Business Address: 235 Queen Street, 1st Floor Honolulu, HI 96813  Business Phone Number: (808) 521-0211
<b>2.4 General Contractor</b>	Name: Business Address:  Business Phone Number:
<b>2.5 Condominium Managing Agent</b>	Name: Self-managed by the association Business Address:  Business Phone Number:
<b>2.6 Attorney for Developer</b>	Name: Jeremy A. Grad Business Address: 841 Bishop Street, Suite 1800 Honolulu, HI 96813  Business Phone Number: (808) 521-4757

### 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	December 21, 2012	T-8397473

#### Amendments to Declaration of Condominium Property Regime

Land Court or Bureau of Conveyances	Date of Document	Document Number
Land Court	February 26, 2013	T-84733349

#### 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	December 21, 2012	T-8397474

#### 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	2188
Bureau of Conveyances Map Number	
Dates of Recordation of Amendments to the Condominium Map: January 29, 2013	

**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%	100%
Bylaws	67%	67%

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

<input checked="" type="checkbox"/>	No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any).
<input 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:

#### 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 K 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 checked="" type="checkbox"/>	Water
<input checked="" type="checkbox"/>	Sewer
<input type="checkbox"/>	TV Cable
<input checked="" type="checkbox"/>	Other (specify) Electricity for the Units

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

## 5. SALES DOCUMENTS

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

<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: December 21, 2012 Name of Escrow Company: Title Guaranty Escrow Services, Inc. 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 <u>      </u> .
<input type="checkbox"/>	Developer has or will designate the units for sale to Owner-Occupants by publication.

### 5.3 Blanket Liens

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

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

<u>Type of Lien</u>	Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	If the Developer defaults under the sales contract and refunds the Buyer's deposits, less escrow cancellation fees, the Buyer shall have no further interest in the Project.

### 5.4 Construction Warranties

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

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

<p>Status of Construction:</p> <p>The building in which the units are located was constructed in 1944.</p>
<p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p>
<p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p>
<p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p>

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

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

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

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

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

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

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

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

## 5.7 Rights Under the Sales Contract

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

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

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

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

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

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

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

### 5.8.1 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 30<sup>th</sup> 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. **MANAGEMENT OF THE PROJECT.** The Project consists of only two units and will be self-managed. Accordingly, the Developer has elected that Part VI of Chapter 514B (relating to management) shall not apply to the Project.
2. **MANAGEMENT CONFLICTS & DEADLOCKS; DISPUTE RESOLUTION.** The Project's Association of Unit Owners and Board of Directors are responsible for management of the Project. Under the Declaration and Bylaws for this Project, any decision of the Project's Association or Board requires the concurrence of both Owners or their designated representatives on the Board, respectively. The Declaration and Bylaws contain no provisions for breaking deadlocks. In the event of conflicts, disputes, or deadlocks between the Owners or their representatives on the Board that cannot be resolved by mutual agreement, the Owners' recourse will be to mediation pursuant to Section 14 of the Project's Declaration and Section 514B-161 of the Act, arbitration pursuant to Section 514B-162 of the Act, or litigation in court. Those methods of dispute resolution can be costly and time-consuming, and where there are disputes between Owners, this management structure can impair the efficient operation of the Project.
3. **HAZARDOUS MATERIALS.** The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of, hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The developer will not correct any defects in the apartments or in the Project or anything installed or contained therein and Buyer expressly releases the developer from any liability to Buyer if any hazardous materials are discovered.
4. **LEAD WARNING STATEMENT.** Pursuant to federal law, 42, U.S.C 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazards is recommended prior to purchase."
5. **DEVELOPER'S CONTROL PERIOD.** The Project documents grant to the Developer the right to control the Association of Unit Owners and to appoint officers and members of the Association during the "Declarant's Control Period." The term "Declarant's Control Period" means the earliest of (a) sixty days following the sale of 75% of the Units; (b) two years after the Developer ceases to offer the Units for sale in the ordinary course of its business; or (c) the date when the Developer surrenders such right.

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.

ASH TAWFIK and SOHIR KHALIL TAWFIK

Printed Name of Developer

By:



Duly Authorized Signatory\*



Date

ASH TAWFIK

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.**

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ASH TAWFIK and SOHIR KHALIL TAWFIK

Printed Name of Developer

By:

  
Duly Authorized Signatory\*

  
Date

SOHIR KHALIL TAWFIK

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

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

**EXHIBIT A**  
**Unit Types and Sizes of Units**

Section 3.7 of the Declaration states:

“3.7 **Description of the Units.** The definition and boundaries for each Unit is set forth in Article 5.

(a) Unit A contains four (4) bedrooms and three (3) bathrooms, living and dining room, kitchen, utility room, deck, and entry. The total net living area of the Unit is approximately 2,052 square feet. The approximate areas of the other portions of the Unit include the deck of 456 square feet.

(b) Unit B contains three (3) bedrooms and two (2) bathrooms, kitchen, family room, den, and deck. The total net living area of the Unit is approximately 1,308 square feet. The approximate areas of the other portions of the Unit include the deck of 456 square feet.”

**END OF EXHIBIT A**

**EXHIBIT B**  
**Boundaries of the Units**

Section 5.2 of the Declaration states:

“5.2 **Boundaries of Units.** Notwithstanding the floor areas set forth hereinabove and the manner in which such floor areas have been measured, each Unit shall include the spaces within the perimeter walls, floors and ceilings of that portion of the building in which such Unit is located as shown on the Condominium Map, subject to the following: (1) all lath, furring wallboard, plasterboard, plaster, paneling, tiles, wallpaper, paint, finished flooring, and any other materials constituting any part of the finished surfaces thereof are a part of the Unit, and all other portions of the walls, floors, or ceilings, are a part of the common elements; (2) if any chute, flue, duct, wire, conduit, or any other fixture lies partially within and partially outside the designated boundaries of a Unit, any portion thereof serving only that Unit is a limited common element appurtenant solely to that Unit, and any portion thereof serving more than one Unit or any portion of the common elements is a part of the common elements; (3) subject to (2) above, all interior non-load-bearing partitions, and other fixtures and improvements within the boundaries of a Unit are a part of the Unit; and (4 ) any shutters, awnings, window boxes, doorsteps, stoops, porches, balconies, lanais, patios, and all exterior doors and windows or other fixtures designed to serve a single Unit, but which are located outside the Unit’s boundaries, are limited common elements appurtenant exclusively to such Unit.”

**END OF EXHIBIT B**

**EXHIBIT C**  
**Permitted Alterations to the Units**

Article 20 of the Declaration states:

**20.1 Generally.** (a) Except as otherwise provided in the Declaration, replacement or restoration of the Project or of any building or other structure or construction of any additional building or any material structural alteration or material addition to any structure shall be undertaken by the Association or any Unit Owner only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote of all the Unit Owners and accompanied by the written consent of the holders of all mortgages or liens affecting any of the Units (if required under any such mortgage or lien,) and in accordance with complete plans and specifications therefor.

(b) Promptly upon completion of such replacement, restoration or construction, the Association shall record in the Recording Office an amendment to the Declaration, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

**20.2 Alterations by an Owner within a Unit.** Notwithstanding any other provision in the Declaration to the contrary, subject to Section 11.4 and Section 20.4, a Unit Owner may make alterations or additions within his Unit, without the consent or joinder of the Board, the Association, any other Unit Owner, or any other person, provided, that (a) the approval thereto shall be given by the holder of a first mortgage on such Unit (if the mortgage holder requires such approval) and (b) the approval and/or permit shall be first obtained from the appropriate agencies of the State of Hawaii and the City and County of Honolulu (if such agencies so require such approval and/or permit).

**20.3 Certain Work by Unit Owner Prohibited.** Subject to section 20.4, notwithstanding anything in to the contrary in the Declaration, a Unit Owner shall not (a) do any work which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament or detract from the appearance of the Project; or (b) add any material structure or excavate any basement or cellar; or (c) interfere with or deprive any other Unit Owner of the use or enjoyment of any part of the Project, without in every such case obtaining the prior consent of the Unit Owner, with the prior written consent of all mortgagees of record.

**20.4 General Provisions Applicable to Article 20.** The following provisions shall apply to each of the sections within Article 20 unless the context and usage would clearly indicate to the contrary:

(a) The rights set forth in each of the sections within Article 20 for the benefit of a Unit Owner (including without limitation, the Declarant as long as he is an Owner) (who may be referred to as "**Benefitted Owner**") may not be amended without the consent of such Benefitted Owner;

(b) In furtherance of the rights granted under this Article 20, the Benefitted Owner shall have the right, without being required to obtain the consent or joinder of any person, including any other Unit Owner or any lien holder, or any other person who may have any interest in the Property or the Land (1) to execute and deliver (on behalf of all of the Unit Owners and their respective mortgagees, if necessary) applications, petitions, agreements and other instruments which such Benefitted Owner deems necessary or desirable (including without limitation, documents to be filed or recorded with the Department of Planning and Permitting of the City and County of Honolulu, the Recording Office, other governmental agencies, public utility companies or private parties); (2) to deliver documents and to take

such actions in connection therewith as shall be in the sole and absolute discretion of Benefitted Owner, and his delivery of such instrument or the taking of such action shall be sufficient determination; and (3) to amend the Declaration and the Condominium Map to reflect rights of Benefitted Owner set forth in such sections;

(c) If notwithstanding that a section within this Article 20 does not require the consent or joinder of an Owner, lien holder or other person having any interest in the Project ("**Third Party**") to the action or change by the Benefitted Owner, but the Act, County Rules, State Laws, title companies, permitting entities or public utility companies nonetheless do require the consent or joinder by the Third Party, then upon the request of the Benefitted Owner, each such Third Party hereby consents in advance to such action or change being made by the benefitted Owner and agrees to consent to and join in, as aforesaid, and to execute all instruments or documents necessary or desirable so that the Benefitted Owner may effectuate his change or otherwise do as permitted under the respective section within this Article 20;

(d) If the Third Party fails to provide such requested written joinder, consent, or take such action, as the case may be, such shall be accomplished by signature of the Benefitted Owner acting under an irrevocable power-of-attorney in favor of Benefitted Owner from each of the other Owners and Third Parties, the acquiring or acceptance of ownership in a Unit or of a lien covering a Unit or of any other interest in the Project being a grant of such power, and the grant being coupled with an interest, being irrevocable.

(e) The rights of a Benefitted Owner granted under each of the sections within Article 20 may be assigned, mortgaged or otherwise be transferred by such benefitted Owner only in connection with the assignment, mortgage or other transfer of the Unit owned by Benefitted Owner."

**END OF EXHIBIT C**

**EXHIBIT D**  
**Common Elements**

Article 6 of the Declaration states:

“One freehold estate is hereby designated in all of portions of the Project other than the Units and collectively such is referred to “**common elements**”. The common elements include, but are not limited to:

6.1 **Land.** The Land in fee simple.

6.2 **Structural Building Elements.** The foundations, columns, girders, beams, floor slabs, support, floors and ceilings surrounding each Unit , and the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls or partitions (collectively “**Structural Building Elements**”).

6.3 **Utility Distribution Systems.** Any and all ducts, vents, shafts, pumps, meters, sewer lines, sewage treatment equipment and facilities, electrical equipment, telephone equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project or located within a Unit, which are utilized by or which serve more than one Unit for services, such as power, light, water, gas (if any), cablevision (if any), sewer, refuse, telephone, and radio and television signal distribution.

6.4 **Common Facilities.** Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or which is normally in common use.”

**END OF EXHIBIT D**

**EXHIBIT E**  
**Limited Common Elements**

Article 7 of the Declaration states:

**7.1 Generally.** Certain parts of the common elements (“**limited common elements**”) are hereby set aside and reserved for the exclusive use of a specific Unit, which Unit shall have appurtenant thereto an exclusive easement for the use of such limited common elements.

**7.2 Costs and Responsibilities relating to Limited Common Elements.** The Owner of the Unit to which a limited common element is appurtenant shall be responsible for and shall pay all costs and expenses for the repair and maintenance of such limited common element (including all improvements located thereon, such as planting areas, fences and other perimeter boundary markers and electric lighting fixtures).

**7.3 Specific Designation of Limited Common Elements.** (a) Limited Common Elements for Unit A. The limited common elements so set aside and reserved for the exclusive use of Unit A are as follows:

(1) That portion of the Land shown on the site map portion of the Condominium Map as “Dwelling Area A 3,637 Sq. Ft.” (together with the airspace above) (which may be referred to as “**Dwelling Area A**”);

(2) A mailbox to be designated by Declarant for the use of Unit A.

(b) Limited Common Elements for Unit B. The limited common elements so set aside and reserved for the exclusive use of Unit B are as follows:

(1) That portion of the Land shown on the site map portion of the Condominium Map as “Dwelling Area B 2,071 Sq. Ft.” (together with the airspace above) (which may be referred to as “**Dwelling Area B**”); provided, however, that there may be located within the airspace portion of Dwelling Area B the existing wood deck or replacement therefor that is a portion of Unit A;

(2) A mailbox to be designated by Declarant for the use of Unit B.

**7.4 General Designation of Other Limited Common Elements.** Other limited common elements so set aside and reserved are as follows:

(a) Any entrance, exit, gateway, entry, patio, yard, driveway or steps which would normally be used only for the purposes of ingress to and egress to and from a single Unit shall be a limited common element appurtenant to and reserved for the exclusive use of such Unit.

(b) Any other common element of the Project that is rationally related to only one of the Units is a limited common element appurtenant to and for the exclusive use of the Unit to which it is rationally related.”

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

**END OF EXHIBIT E**

**EXHIBIT F**  
**Special Use Restrictions**

Article 11 of the Declaration states:

“11.1 **Permitted Uses.** Units may be occupied and used only for permanent or temporary residential purposes by the respective owners thereof, their tenants, families, and social guests, and for any other purpose permitted under the LUO then in effect.

11.2 **Rental Use.** A Unit Owner shall have the absolute right to sell, rent, lease or otherwise transfer his Unit in connection with any permitted occupancy or use for any length of time.

11.3 **Limitation on Use.** Units shall not be used for any purpose which will injure the reputation of the Project or suffer anything to be done or kept in his Unit or elsewhere in the Project which will: (a) jeopardize the soundness of the Building, (b) interfere with or unreasonably disturb the rights of other owners or occupants, (c) obstruct any walkway, stairway or corridor of the Building or (d) increase the rate of fire and extended coverage insurance on the Building or the contents thereof.

11.4 **Additions or Alterations Solely Within a Unit.** Notwithstanding anything to the contrary contained herein, each Owner of a Unit shall have the right at any time and from time to time at such Owner's sole cost and expense, and without the necessity of the consent or joinder of any other Unit Owner, but with notice to the Association and with prior written approval of the Board, to make any of the following alterations solely within the Unit: (a) to install, maintain, remove and rearrange non-structural partitions, built-in fixtures and other non-structural features from time to time within such Unit ; (b) to finish, alter or substitute any plumbing, electrical or other fixtures attached to the ceilings, floors and walls as shall be appropriate for the utilization of such Unit by such Owner or the tenants and lessees thereof; (c) to tile, re-carpet, and do or cause to be done such work on the floors of any Unit; (d) to enclose any covered lanai provided that the design and appearance of the lanai enclosure shall be approved by the Board, which approval may be given or withheld in the board's sole discretion and (e) to make any other non-material additions or alterations as may be permitted by the Act; provided, however, that nothing contained in this paragraph shall authorize any work or alteration which would, in the reasonable judgment of the Board, jeopardize the soundness or safety of any part of the Project, reduce the value thereof, impair any easement, materially adversely affect any other unit or limited common element, materially alter the uniform external appearance of the Project, materially increase the transfer of sounds, noise, air or smoke to other units or common elements, materially affect or impair any easement or rights of any of the other unit owners, or materially interfere with or deprive any non-consenting owner of the use or enjoyment of any part of the common elements; subject, however, to the exclusive use of the limited common elements.

11.5 **Antennas and Dishes.** No Unit Owner shall install or affix an antenna to the Building, but may install or affix satellite dishes to the Building.”

**END OF EXHIBIT F**

**EXHIBIT G**  
**Encumbrances Against Title**

1. Mineral and water rights of any nature in favor of the State of Hawaii.
2. SETBACK (10 feet wide) as shown on Maps 3 and 45 of Land Court Application No. 1312.
3. DESIGNATION OF EASEMENT for sanitary sewer purposes, as shown on Map 45, as set forth by Land Court Order no. 20200, filed June 28, 1962.
4. GRANT TO CITY AND COUNTY OF HONOLULU, dated March 1, 1962, filed as Land Court Document No. 292115, granting an easement to construct, install, maintain, operate, repair, and remove underground sewer pipe lines.
5. MORTGAGE in favor of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., solely as nominee for COUNTRYWIDE HOME LOANS, INC., a New York corporation, as Mortgagee, dated September 22, 2004, filed as Land Court Document No. 3171701.
6. MORTGAGE (SECONDARY LIEN) in favor of MORTGAGE ELECTRONIC REGISTRATION SYSTEMS, INC., solely as nominee for AMERIPRISE BANK, FSB, a federal savings bank organized and existing under the laws of the United States of America, as Mortgagee, dated March 16, 2007, filed as Land Court Document No. 3577238.
7. MORTGAGE in favor of OHANA PACIFIC BANK, a Hawaii corporation, as Mortgagee, dated July 14, 2008, filed as Land Court Document No. 3770320.
8. The terms and provisions contained in the DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "MARIPOSA RESIDENCES AT 3745" CONDOMINIUM PROJECT dated December 21, 2012, filed as Land Court Document No. T-8397473. (Project covered by Condominium Map No. 2188 and any amendments thereto.)  
  
Said Declaration was amended by instrument dated February 26, 2013, filed as Land Court Document No. T-8473349.
9. The terms and provisions contained in the BY-LAWS OF THE ASSOCIATION OF UNIT OWNERS dated December 21, 2012, filed as Land Court Document No. T-8397474.

**END OF EXHIBIT G**

**EXHIBIT H**

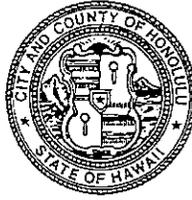
**Letter from the City and County of Honolulu Department of Planning and Permitting**

**END OF EXHIBIT H**

DEPARTMENT OF PLANNING AND PERMITTING  
**CITY AND COUNTY OF HONOLULU**

850 SOUTH KING STREET, 7<sup>TH</sup> FLOOR • HONOLULU, HAWAII 96813  
PHONE: (808) 768-8000 • FAX: (808) 768-6041  
DEPT. WEB SITE: [www.honolulu.gov](http://www.honolulu.gov) • CITY WEB SITE: [www.honolulu.gov](http://www.honolulu.gov)

PETER B. CARLISLE  
MAYOR



DAVID K. TANOUE  
DIRECTOR

JIRO A. SUMADA  
DEPUTY DIRECTOR

2012/ELOG-1250(AC)

September 11, 2012

Mr. Ash Tawfik  
3745-A Mariposa Drive  
Honolulu, Hawaii 96816

Dear Mr. Tawfik:

Subject: Condominium Conversion Project  
3745 and 3745-A Mariposa Drive  
Tax Map Key (TMK): 3-3-024: 055

This is in response to your letter dated July 19, 2012, requesting verification that the structure on the above-referenced property met all applicable code requirements at the time of construction.

Investigation revealed that a one-story single-family detached dwelling with one all-weather-surface off-street parking space met all applicable code requirements when it was constructed in 1944 on this 7,800-square-foot R-5 Residential-District-zoned lot.

Investigation also revealed on December 17, 2004, Building Permit No. 574386 was issued for addition/alteration to convert the one-story single-family detached dwelling into a two-story two-family detached dwelling with four all-weather-surface off-street parking spaces.

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.

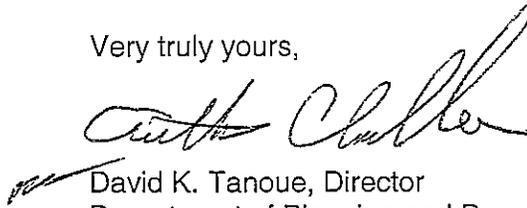
No variances or other permits were granted to allow deviations from any applicable codes.

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.

Mr. Ash Tawfik  
September 11, 2012  
Page 2

If you have any questions regarding this matter, please contact Alex Sugai of our Commercial and Multi-Family Code Enforcement Branch at 768-8152.

Very truly yours,

A handwritten signature in black ink, appearing to read "David K. Tanoue". The signature is fluid and cursive, with a long horizontal stroke extending to the left.

David K. Tanoue, Director  
Department of Planning and Permitting

DKT:ft  
[970981]

**EXHIBIT I**  
**Summary of the Pertinent Provisions of the Sales Contract**

The Sales Contract consists of two documents: a Hawaii Association of Realtors ("HAR") Standard Form "Purchase Contract" ("**Purchase Contract**") and a document attached to the Purchase Contract which is entitled "Special CPR Provisions to the Purchase Contract" ("**Special Provisions**").

The Special Provisions are intended to amend the Purchase Contract, and unless the context would indicate clearly to the contrary, then in the event of any conflict between a provision contained in the Special Provisions and a provision contained in the Purchase Contract, the provision contained in the Special Provisions will prevail.

1. **Description of the Property to be Conveyed.** Fee simple title to the Property, together with the furnishings and appliances, if any, and the undivided interest in the common elements of the Project. Title will be conveyed subject to the encumbrances of record.
2. **Purchase Price and Terms.** The purchase price for the Property as set forth on page 2 of the Purchase Contract is to be paid in the method and at the times set forth in the Purchase Contract. This may include payment of (a) an initial deposit; (b) an additional cash deposit, if set forth in the Purchase Contract; and (c) the balance of the purchase price is to be paid to escrow by purchaser on or before closing.
3. **Financing of Purchase.** Paragraph H-3 of the Purchase Contract (if elected) provides that if Buyer desires financing, a loan application must be made within a certain number of days and if Buyer's application is not approved within a certain number of days after the application, then either Seller or Buyer may cancel the Purchase Contract. Upon such cancellation, Buyer's deposits will be refunded by escrow without interest.
4. **Closing and Other Costs.** Closing costs and escrow fees are to be shared in accordance with the Purchase Contract, except that Seller does have the option to require two (2) months advance payment of the Property's estimated share of common expenses for the Project and a start up expense for the Association of Unit Owners equal to two (2) months of the Property's estimated share of common expenses for the Project. Buyer's proportionate share of any liability insurance premium, real property taxes, maintenance fees and any other charges with respect to the Property shall be pro-rated between Seller and Buyer as of the date of closing.
5. **Closing.** Seller has agreed to cause the Property to be sold to the Buyer within the time period set forth in the Purchase Contract.
6. **No Present Transfer and Subordination to Construction Loan.** (a) The Purchase Contract may be subject to existing and future blanket loans, and any security interest now or hereafter obtained by a lender of Seller is or will be prior and senior to any rights of the Buyer arising under the Purchase Contract. This obligation to subordinate the purchaser's right under the Purchase Contract to loans now or hereafter made by the Seller is set forth in Paragraph 4 of the Special Provisions.  
  
(b) Seller may also assign by way of security all of its interest in the Purchase Contract, as collateral for the repayment of the loan and if the Lender acquires the Seller's interest in

the Purchase Contract, then the Buyer is obligated to perform the Purchase Contract, and to attorn to and recognize the Lender as the seller under the Purchase Contract.

(c) Notwithstanding that the Purchase Contract may be subordinate to a blanket lien, if the Buyer performs his obligations under the Purchase Contract, then Seller is required to convey the Unit to Buyer at closing free and clear of any blanket lien.

7. **Seller's Rights to Cancel Purchase Contract.** The Seller may cancel the Purchase Contract with the Buyer if (a) Buyer fails to qualify for a permanent loan; (b) Buyer defaults under the Purchase Contract; (c) Buyer dies prior to Closing Date; or (d) the Developer's Public Report shall not have been issued and Buyer shall not have waived his right to cancel ("Effective Date"). Pursuant to the Special Provisions, if Buyer fails to close as required, then in the case only of non-monetary default after ten (10) days following Seller's notice of Buyer's default or otherwise without notice as to monetary defaults, the Seller may cancel the Purchase Contract and all sums previously paid by Buyer will belong absolutely to the Seller as liquidated damages. Additionally, Seller may pursue any other remedy, and all costs, including reasonable attorney's fees, incurred by reason of default by the Buyer shall be borne by the Buyer. Time is the essence of the Sales Agreement.

8. **Rights of Buyer to Cancel the Purchase Contract.** The Buyer has the right to cancel the Purchase Contract under the following conditions:

(a) At any time within thirty (30) days following the date the Public Report is delivered to Buyer. If Buyer so cancels, Buyer will be entitled to receive refund of any deposits. If Buyer does not act within the thirty (30) day period, or if the Property is conveyed to the Buyer, Buyer will be deemed to have executed the receipt for the Public Report and to have waived his right to cancel.

(b) Buyer may cancel his purchase if there is a material change in the Project which directly, substantially and adversely affects the use or value of the Property or the amenities available for the Buyer's use. If so, Buyer will be entitled to receive refunds of any deposits, less escrow cancellation fees and other costs up to \$250.

(c) Buyer fails to qualify for permanent financing (if Paragraph H-3 of the Purchase Contract has been selected).

9. Paragraph 11 of the Special Provisions provides that the Buyer acknowledges having received (a) a true copy of the Developer's Public Report including all amendments with an effective date issued by the Real Estate Commission, and that the Developer's Public Report includes the report itself, the Project's recorded Declaration and Bylaws, House Rules (if any), a letter-sized Condominium Map for the Project (provided, that where it is impractical to include a letter-sized Condominium Map, Buyer shall have an opportunity to examine the Map), and all amendments; and (b) a notice of the Buyer's thirty-day cancellation right on a form prescribed by the Real Estate Commission. Seller reserves the right to modify the above documents as may be required by law, any title insurance company, or any institutional mortgagee.

The Summary contained in this Exhibit is merely a summary and is not intended to be a substitute for the Buyer's careful review of the Purchase Contract and Special Provisions.

**END OF EXHIBIT I**

**EXHIBIT J**  
**Summary of the Pertinent Provisions of the Escrow Agreement**  
(Between Developer and Title Guaranty Escrow Services, Inc.)

1. **All deposits will be Paid to Escrow.** A copy of each Sales Contract and all payments made to purchase a Unit shall be turned over to the Escrow Agent. Any interest earned on funds deposited in escrow shall accrue to the credit of the Developer; except that, if Escrow is requested to establish a separate account for a purchaser, the purchaser shall pay Escrow a fee of \$25.00 for each such separate account and shall furnish Escrow the purchaser's social security or federal identification number, and any interest earned on funds deposited in such account shall accrue to the credit of the purchaser.

2. **Conditions to be Met Prior to Disbursement.** No disbursements of funds held in escrow with respect to a sales contract shall be made unless and until the following conditions have been fulfilled:

(a) The Real Estate Commission shall have issued an effective date of the Developer's Public Report on the Project;

(b) The purchaser shall have been given and shall have acknowledged receipt of (1) a copy of said Public Report and (2) notice of purchaser's thirty-day cancellation right upon a form prescribed by the Real Estate Commission; and

(c) The purchaser shall have waived the right to cancel or be deemed to have the right to cancel, in accordance with Section 514B-86 of the Act; and

(d) The Developer shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

At the request of Escrow, Developer's attorney shall delivered a written opinion to Escrow that the foregoing conditions shall have been complied with and the purchaser's sales contract has become effective.

3. **Return of Funds and Documents.** A purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

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

(b) Developer shall have notified Escrow of Developer's exercise of any option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) A purchaser shall have exercised his thirty-day cancellation right to rescind the sales contract pursuant to Section 514B-86 of the Act; or

(d) In the event of a material change in the Project, a purchaser shall have exercised his thirty-day cancellation right to rescind the contract pursuant to Section 514B-87 of the Act.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, 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 up to a maximum of \$250.00) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

4. **Purchaser's Default.** Developer shall give notice in writing to Escrow of the occurrence of each event which initiates an obligation of a purchaser to make a payment to Escrow pursuant to the sales contract as well as notice of the amount and due date of such payment. Escrow shall thereupon promptly give the purchaser notice of the amount and due date of such payment. 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 which is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of the purchaser. If Developer subsequently certifies in writing to Escrow that Developer 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 Developer and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by Developer. Upon written request by Developer, Escrow shall pay such sums to Developer, less any escrow cancellation fee, shall return to Developer the sales contract of such purchase and any other documents theretofore delivered by Developer to Escrow, and shall return other documents theretofore delivered to Escrow in connection with the purchase of the unit to the person from whom, or entity from which, such documents were received; and, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

**END OF EXHIBIT J**

**EXHIBIT K**  
**Estimate of the Initial Maintenance Fees**

PROJECT:       MARIPOSA RESIDENCES AT 3745  
                  3745 Mariposa Drive  
                  Honolulu, Hawaii 96816

The Developer hereby certifies:

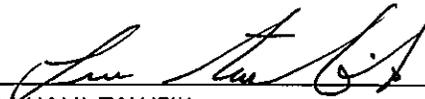
1.       The estimated maintenance fee for each Unit is more fully described on the following attached page.
2.       The estimate is based on generally accepted accounting principles.

Note: Developer discloses that no reserve study was done in accordance with Section 514B-148, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

3.       OBLIGATION TO PAY COMMON EXPENSES. A Unit Owner shall become obligated to start paying the Unit Owner's share of common expenses thirty (30) days after receiving written notice from the Developer or their successor.



\_\_\_\_\_  
ASH TAWFIK



\_\_\_\_\_  
SOHIR KHALIL TAWFIK

"Developer"

**ESTIMATED INITIAL OPERATING EXPENSES**  
For Period January 1, 2013 to December 31, 2013  
As Prepared by Developer

Estimated Annual Expenses

*Water/Sewer	\$1,320
*Electricity:	\$4,200
Fire/Liability Insurance:	\$1,284
<b>TOTAL ANNUAL EXPENSES</b>	<b>\$6,804</b>
Estimated Monthly Expenses	\$567
Estimated Monthly Maintenance Fee for Each Unit:	\$283.50

\*Pursuant to Section 15.1(a) of the Declaration, Developer reserves the right to install separate meters or submeters, in which case each Unit Owner shall be responsible for the separately metered charge for such utility and such charge after separately metered or submetered shall no longer be considered a common expense

**END OF EXHIBIT K**

**EXHIBIT L**  
**Disclosure Addendum for Conversions**

**END OF EXHIBIT L**

**DEVELOPER'S PUBLIC REPORT  
DISCLOSURE ADDENDUM FOR CONVERSIONS**

**Purpose of Disclosure Statement:** Pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, a Developer is obligated to fully and accurately disclose in writing to a buyer all "material facts" concerning the condominium units. "Material facts" are defined as "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 for sale." This Disclosure Statement is intended to assist Developer in organizing and presenting all material facts concerning each Unit in the Project. It is very important that Developer exercise due care in preparing responses to questions posed in the Disclosure Statement, and that all responses are made in good faith, are truthful and complete to the best of Developer's knowledge. Developer's agent, Buyer and Buyer's agent may rely upon Developer's disclosures. **DEVELOPER MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR HAVE AN EXPERT INSPECT UNIT PRIOR TO PREPARING DISCLOSURE.**

**MUST BE COMPLETED BY DEVELOPER ONLY**

**Developer's Statement:** This is a statement concerning information relating to the condition of each Unit in the Project that: (i) is within the knowledge or control of Developer; (ii) can be observed from visible, accessible areas; or (iii) which the Commission deems relevant. Developer may not be aware of problems affecting a Unit, and there may be material facts of which Developer is not aware that qualified experts may be able to discover or time may reveal. Unless Buyer has been otherwise specifically advised, Developer has not conducted any inspections of generally inaccessible areas of Unit. **BUYER SHOULD TAKE CARE TO PROTECT BUYER'S OWN INTEREST BY OBTAINING PROFESSIONAL ADVICE AND BY CONDUCTING THOROUGH INSPECTIONS AND OBTAINING EXPERT HELP IN EVALUATING UNIT AND BY OBTAINING BUYER'S OWN PUBLIC RECORDS.** The statements made below are made by Developer and are not statements or representations of Developer's agent. The Disclosure Statement and the disclosures made by Developer are provided exclusively to Buyers involved in this transaction only, and do not apply to any subsequent sales not involving this Developer.

**THIS DISCLOSURE STATEMENT IS NOT A WARRANTY OF ANY KIND BY DEVELOPER OR BY ANY AGENT REPRESENTING DEVELOPER AND IS NOT A SUBSTITUTE FOR ANY EXPERT INSPECTION, PROFESSIONAL ADVICE, OR WARRANTY THAT BUYER MAY WISH TO OBTAIN.**

If Units are not Developer occupied, date of Developer's last visit 1/24/13

**Instructions to Developer:** (1) Answer ALL questions. (2) Explain all material facts known to you. (3) If additional space is needed in Section F, attach new pages and sign at the bottom. (4) Each Unit shall have its own Disclosure. (5) NTMK means NOT TO MY KNOWLEDGE. (6) NA means NOT APPLICABLE and cannot be answered by "Yes," "No" or "NTMK."

THIS DISCLOSURE ADDENDUM IS REGARDING UNIT A

**A. ITEMS:** Check items listed below if you are aware of any current or past defects/malfunctions or major repairs. If checked, use the same number and describe in Section F.

- |   |                                      |                                       |
|---|--------------------------------------|---------------------------------------|
| (1) [ ] Appliances                        | (12) [ ] Fire Sprinkler System       | (23) [ ] Smoke Detectors              |
| (2) [ ] Bathtubs/Showers/Basins/Toilets   | (13) [ ] Fireplace/Chimney           | (24) [ ] Solar/Water/Electric Systems |
| (3) [ ] Ceilings                          | (14) [ ] Floors/Floor Coverings      | (25) [ ] Spa                          |
| (4) [ ] Ceiling Fans                      | (15) [ ] Foundations/Slabs           | (26) [ ] Swimming Pool                |
| (5) [ ] Central Vacuum Systems            | (16) [ ] Gutters                     | (27) [ ] Walkways                     |
| (6) [ ] Counters/Cabinets                 | (17) [ ] Heating/Ventilating/Cooling | (28) [ ] Walls Exterior               |
| (7) [ ] Decking/Railings/Lanai            | (18) [ ] Lawn Sprinkler System       | (29) [ ] Walls Interior               |
| (8) [ ] Doors/Door Bells/Garage Door      | (19) [ ] Plumbing                    | (30) [ ] Water Features               |
| (9) [ ] Driveways                         | (20) [ ] Roofs                       | (31) [ ] Water Heater                 |
| (10) [ ] Electric Outlets/Switches/Lights | (21) [ ] Security Systems            | (32) [ ] Windows/Jalousies/Skylights  |
| (11) [ ] Fences/Perimeter Walls           | (22) [ ] Sinks/Faucets               | (33) [ ] Other _____                  |

**B. GENERAL: Do any of the following conditions exist? If "yes", use the same number and describe in Section F.**

- |      | YES                                 | NO                                  | NTMK                                | NA                                  |  |
|------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| 34)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Does any other party have an unrecorded interest in this Unit and/or a say in its disposition?   |
| 35)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any lawsuits or foreclosure actions affecting this Unit?   |
| 36)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any easements affecting this Unit? <i>See Exhibit G</i>  |
| 37)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any roadways, driveways, walls, fences, and/or other improvements which are shared with adjoining land owners?   |
| 38)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any known encroachments?   |
| 39)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any written agreements concerning items 36, 37 or 38? <i>See Exhibit G</i>   |
| 40)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Have there ever been substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, contaminated soil or water? |
| 41)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Is there filled land on this Unit?   |
| 42)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Has there ever been any settling or slippage, sliding, subsidence, or other soil problem?  |
| 43)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Has there ever been any drainage, water infiltration, seepage, flooding, or grading problems?  |
| 44)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Are there any violations of government regulations/ordinances related to this Unit?  |
| 44a) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] (a) Are there any zoning or setback violations and/or citations?   |
| 44b) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] (b) Are there any nonconforming uses or restrictions on rebuilding?  |
| 45)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Are there any violations of existing land leases?  |
| 46)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit subject to Covenants, Conditions and Restrictions (CC&Rs)?  |
| 46a) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ] (a) Are there any violations of the Covenants, Conditions and Restrictions covering this Unit?   |
| 47)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any rental, lease or license agreements affecting this Unit?   |
| 47a) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ] (a) Are there any violations of the rental, lease or license agreements?   |
| 48)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Has there been any sign of, or are you aware of any pest problems (e.g., roaches, fleas, ticks, ants, rats, etc.)?   |
| 49)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is there any damage caused by tree roots?  |
| 50)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is the Unit located in a Special Management Area?  |
| 51)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit located in a geothermal subzone or near a geothermal facility?  |
| 52)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is the Unit located in a tsunami (tidal wave) inundation area and/or flood zone?   |
| 53)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is the Unit located in volcanic hazard Zone 1 or 2? (Only applicable to Island of Hawaii)  |
| 54)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is there any existing or past damage to this Unit or any of the structures from earthquake, fire, flooding, landslides, falling rocks, tsunami, volcanic activity, or wind?  |
| 55)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit subject to excessive air pollution? (e.g., "VOG")   |
| 56)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Are you aware of any adverse conditions existing in this general neighborhood/area (e.g., pesticides, soil problems, irrigation, odors etc.)?  |
| 57)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit located in an aircraft path and/or does it experience regular excessive aircraft noise?   |
| 58)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit exposed to other types of recurring excessive noise (e.g., night club, school, coqui frogs etc.)?   |
| 59)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any additional material facts you should disclose regarding this Unit or neighborhood (e.g., history of homicide, felony, or suicide, pending development in the area, road widening projects, zoning changes, etc.)?            |
| 60)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit located within the boundaries of the Air Installation Compatibility Use Zone of any Air Force, Army, Navy, or Marine Corps airport as officially designated by military authorities?  |
| 61)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are you aware of the presence of or removal of unexploded military ordnance in this general area?  |
| 62)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is access to this Unit restricted?   |
- Public  Private Road  By easement

**C. IMPROVEMENTS: Do any of the following conditions exist? If "yes", use the same number and describe in Section F.**

- |      | YES                                 | NO                                  | NTMK                                | NA                       |  |
|------|-------------------------------------|-------------------------------------|-------------------------------------|--------------------------|--|
| 63)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | ] Has there ever been any sign of mold, mildew and/or fungus?  |
| 64)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | ] Were the original improvements or any additions, structural modifications, or alterations built without building permits?  |
| 65)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | ] Were any of the building permits not finalized (closed) by the permitting agency?  |
| 66)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | ] Were any of the improvements to this Unit built under an owner-builder permit? <i>2005 permit</i>  |
| 66a) | →                                   |                                     |                                     |                          | (a) Date of Completion of the improvements covered under the owner-builder permit: <i>2008</i>   |
| 67)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | ] Is the Developer/Builder a licensed contractor who is providing warranties?  |
| 68)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | ] Have you given any release or waiver of liability, or release from a warranty to any government agency, contractor, engineer, architect, land surveyor, or landscape architect, for any defect, mistake, or omission in the design or construction of this Unit? |
| 69)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | ] Has the roof been repaired or replaced?  |
| 69a) | →                                   |                                     |                                     |                          | (a) When and by whom? <i>2005 - Owner</i>  |

- YES NO NTMK NA
- 69b)     (b) What is the age of the roof? 7 Years
- 69c)     (c) Are there any transferrable warranties? List dates of expiration: \_\_\_\_\_
- 70)     Is there any presence of wood destroying organisms (e.g., termites, powder post beetles, dry rot, carpenter ants, etc.) in the improvements?
- 70a)     (a) Is there any known damage to the improvements caused by wood destroying organisms?
- 70b)     (b) Has the problem been treated?
- 70c)     (c) Has the damage been repaired?
- 71)     Has there been any termite treatment? List type and date. \_\_\_\_\_
- 71a)     (a) Are there any warranties? List type and expiration dates. \_\_\_\_\_
- 72)     Is there any structural damage due to dry rot or other wood destroying organisms?

**D. UTILITIES:**

- 73) What is your source of water supply?  
 a)  Public  Private  
 Is this Unit separately metered?  Yes  No  
 Is this a submeter?  Yes  No  
 Is there a shared water supply?  Yes  No  
 b)  Catchment: Tank type \_\_\_\_\_ Capacity \_\_\_\_\_ Age \_\_\_\_\_ Condition \_\_\_\_\_  
 c)  Other \_\_\_\_\_

Describe existing problems in Section I.

- 74) What type of waste water/sewage system do you have?  
 Public Sewer  Private Sewer  Connected? If not, is connection currently required?  Yes  No  
 Cesspool  Septic System  Individual Sewage Treatment Plant Location \_\_\_\_\_  
 Last Pumped \_\_\_\_\_ How Often? \_\_\_\_\_  
 Does the cesspool serve more than one dwelling or living unit, including "ohana" homes? (A "dwelling" or "living unit" is defined as having its own kitchen/food preparation area, bathroom and sleeping/living area.)  Yes  No  
 Describe existing problems in Section I.

- 75) What is your source of electrical power?  
 Public  Other: \_\_\_\_\_  
 a) Is the Unit subject to Special Subdivision Project Provision (SSPP) connection fees?  Yes  No  
 b) Hawaii law requires sellers who pay their electricity bills directly to make a good faith declaration of electricity costs based upon the most recent three-month period that the Unit was occupied. In this context, please answer the following:  
 Do you pay your electrical utility bill directly?  Yes  No  
 If yes, please state the amount you paid for electricity for the most recent three-month period that the Unit was occupied.  
 Mon/Yr: 10/12 Amount: 285 Mon/Yr: 11/12 Amount: 284 Mon/Yr: 12/12 Amount: 320  
 Buyer's actual electricity costs may vary substantially.

*The entire amount for both units.*

- 76) Propane Gas:  Piped  Tank  None  
 77) Telephone Service:  Yes  No  Only party line  
 78) Television Cable Service:  Yes  No  Not available  
 79) Broadband Internet  DSL  Cable  None  
 Describe existing problems in Section F.

**E. PLUMBING & WATER DAMAGE: Do any of the following conditions exist? If "yes", use the same number and describe in Section F.**

- YES NO NTMK NA
- 80)     Is the Unit sprinklered for fire protection?
- 81)     Do you have any leaks or water damage in or to the Unit?
- 82)     Has there been any leakage or water penetration from apartments above or adjacent to your apartment or leakage or water penetration to apartments below your apartment?

F. Question Number and Explanation: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

**DEVELOPER'S PUBLIC REPORT  
DISCLOSURE ADDENDUM FOR CONVERSIONS**

**Purpose of Disclosure Statement:** Pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, a Developer is obligated to fully and accurately disclose in writing to a buyer all "material facts" concerning the condominium units. "Material facts" are defined as "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 for sale." This Disclosure Statement is intended to assist Developer in organizing and presenting all material facts concerning each Unit in the Project. It is very important that Developer exercise due care in preparing responses to questions posed in the Disclosure Statement, and that all responses are made in good faith, are truthful and complete to the best of Developer's knowledge. Developer's agent, Buyer and Buyer's agent may rely upon Developer's disclosures. DEVELOPER MAY WISH TO OBTAIN PROFESSIONAL ADVICE AND/OR HAVE AN EXPERT INSPECT UNIT PRIOR TO PREPARING DISCLOSURE.

**MUST BE COMPLETED BY DEVELOPER ONLY**

**Developer's Statement:** This is a statement concerning information relating to the condition of each Unit in the Project that: (i) is within the knowledge or control of Developer; (ii) can be observed from visible, accessible areas; or (iii) which the Commission deems relevant. Developer may not be aware of problems affecting a Unit, and there may be material facts of which Developer is not aware that qualified experts may be able to discover or time may reveal. Unless Buyer has been otherwise specifically advised, Developer has not conducted any inspections of generally inaccessible areas of Unit. BUYER SHOULD TAKE CARE TO PROTECT BUYER'S OWN INTEREST BY OBTAINING PROFESSIONAL ADVICE AND BY CONDUCTING THOROUGH INSPECTIONS AND OBTAINING EXPERT HELP IN EVALUATING UNIT AND BY OBTAINING BUYER'S OWN PUBLIC RECORDS. The statements made below are made by Developer and are not statements or representations of Developer's agent. The Disclosure Statement and the disclosures made by Developer are provided exclusively to Buyers involved in this transaction only, and do not apply to any subsequent sales not involving this Developer.

**THIS DISCLOSURE STATEMENT IS NOT A WARRANTY OF ANY KIND BY DEVELOPER OR BY ANY AGENT REPRESENTING DEVELOPER AND IS NOT A SUBSTITUTE FOR ANY EXPERT INSPECTION, PROFESSIONAL ADVICE, OR WARRANTY THAT BUYER MAY WISH TO OBTAIN.**

If Units are not Developer occupied, date of Developer's last visit 1/24/13.

**Instructions to Developer:** (1) Answer ALL questions. (2) Explain all material facts known to you. (3) If additional space is needed in Section F, attach new pages and sign at the bottom. (4) Each Unit shall have its own Disclosure. (5) NTMK means NOT TO MY KNOWLEDGE. (6) NA means NOT APPLICABLE and cannot be answered by "Yes," "No" or "NTMK."

**THIS DISCLOSURE ADDENDUM IS REGARDING UNIT B**

**A. ITEMS:** Check items listed below if you are aware of any current or past defects/malfunctions or major repairs. If checked, use the same number and describe in Section F.

- |   |                                      |                                       |
|---|--------------------------------------|---------------------------------------|
| (1) [ ] Appliances                        | (12) [ ] Fire Sprinkler System       | (23) [ ] Smoke Detectors              |
| (2) [ ] Bathtubs/Showers/Basins/Toilets   | (13) [ ] Fireplace/Chimney           | (24) [ ] Solar/Water/Electric Systems |
| (3) [ ] Ceilings                          | (14) [ ] Floors/Floor Coverings      | (25) [ ] Spa                          |
| (4) [ ] Ceiling Fans                      | (15) [ ] Foundations/Slabs           | (26) [ ] Swimming Pool                |
| (5) [ ] Central Vacuum Systems            | (16) [ ] Gutters                     | (27) [ ] Walkways                     |
| (6) [ ] Counters/Cabinets                 | (17) [ ] Heating/Ventilating/Cooling | (28) [ ] Walls Exterior               |
| (7) [ ] Decking/Railings/Lanai            | (18) [ ] Lawn Sprinkler System       | (29) [ ] Walls Interior               |
| (8) [ ] Doors/Door Bells/Garage Door      | (19) [ ] Plumbing                    | (30) [ ] Water Features               |
| (9) [ ] Driveways                         | (20) [ ] Roofs                       | (31) [ ] Water Heater                 |
| (10) [ ] Electric Outlets/Switches/Lights | (21) [ ] Security Systems            | (32) [ ] Windows/Jalousies/Skylights  |
| (11) [ ] Fences/Perimeter Walls           | (22) [ ] Sinks/Faucets               | (33) [ ] Other _____                  |

**B. GENERAL: Do any of the following conditions exist? If "yes", use the same number and describe in Section F.**

- |      | YES                                 | NO                                  | NTMK                                | NA                                  |  |
|------|-------------------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| 34)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Does any other party have an unrecorded interest in this Unit and/or a say in its disposition?   |
| 35)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any lawsuits or foreclosure actions affecting this Unit?   |
| 36)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any easements affecting this Unit? <i>See Exhibit G</i>  |
| 37)  | <input checked="" type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any roadways, driveways, walls, fences, and/or other improvements which are shared with adjoining land owners?   |
| 38)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any known encroachments?   |
| 39)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any written agreements concerning items 36, 37 or 38? <i>See Exhibit G</i>   |
| 40)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Have there ever been substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, contaminated soil or water? |
| 41)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Is there filled land on this Unit?   |
| 42)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Has there ever been any settling or slippage, sliding, subsidence, or other soil problem?  |
| 43)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Has there ever been any drainage, water infiltration, seepage, flooding, or grading problems?  |
| 44)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Are there any violations of government regulations/ordinances related to this Unit?  |
| 44a) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] (a) Are there any zoning or setback violations and/or citations?   |
| 44b) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] (b) Are there any nonconforming uses or restrictions on rebuilding?  |
| 45)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Are there any violations of existing land leases?  |
| 46)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit subject to Covenants, Conditions and Restrictions (CC&Rs)?  |
| 46a) | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ] (a) Are there any violations of the Covenants, Conditions and Restrictions covering this Unit?   |
| 47)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any rental, lease or license agreements affecting this Unit? <i>Unit "B" 1</i>   |
| 47a) | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] (a) Are there any violations of the rental, lease or license agreements?   |
| 48)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Has there been any sign of, or are you aware of any pest problems (e.g., roaches, fleas, ticks, ants, rats, etc.)?   |
| 49)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is there any damage caused by tree roots?  |
| 50)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | ] Is the Unit located in a Special Management Area?  |
| 51)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit located in a geothermal subzone or near a geothermal facility?  |
| 52)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is the Unit located in a tsunami (tidal wave) inundation area and/or flood zone?   |
| 53)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is the Unit located in volcanic hazard Zone 1 or 2? (Only applicable to Island of Hawaii)  |
| 54)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is there any existing or past damage to this Unit or any of the structures from earthquake, fire, flooding, landslides, falling rocks, tsunami, volcanic activity, or wind?  |
| 55)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit subject to excessive air pollution? (e.g., "VOG")   |
| 56)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | ] Are you aware of any adverse conditions existing in this general neighborhood/area (e.g., pesticides, soil problems, irrigation, odors etc.)?  |
| 57)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit located in an aircraft path and/or does it experience regular excessive aircraft noise?   |
| 58)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit exposed to other types of recurring excessive noise (e.g., night club, school, coqui frogs etc.)?   |
| 59)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are there any additional material facts you should disclose regarding this Unit or neighborhood (e.g., history of homicide, felony, or suicide, pending development in the area, road widening projects, zoning changes; etc.)?            |
| 60)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is this Unit located within the boundaries of the Air Installation Compatibility Use Zone of any Air Force, Army, Navy, or Marine Corps airport as officially designated by military authorities?  |
| 61)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Are you aware of the presence of or removal of unexploded military ordnance in this general area?  |
| 62)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/>            | ] Is access to this Unit restricted?<br><input checked="" type="checkbox"/> Public <input checked="" type="checkbox"/> Private Road <input type="checkbox"/> By easement   |

**C. IMPROVEMENTS: Do any of the following conditions exist? If "yes", use the same number and describe in Section F.**

- |      | YES                                 | NO                                  | NTMK                     | NA                                  |  |
|------|-------------------------------------|-------------------------------------|--------------------------|-------------------------------------|--|
| 63)  | <input type="checkbox"/>            | <input type="checkbox"/>            | <input type="checkbox"/> | <input checked="" type="checkbox"/> | ] Has there ever been any sign of mold, mildew and/or fungus?  |
| 64)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | ] Were the original improvements or any additions, structural modifications, or alterations built without building permits?  |
| 65)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | ] Were any of the building permits not finalized (closed) by the permitting agency?  |
| 66)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | ] Were any of the improvements to this Unit built under an owner-builder permit? <i>2005 Permit</i>  |
| 66a) | →                                   |                                     |                          |                                     | ] (a) Date of Completion of the improvements covered under the owner-builder permit: <u>2008</u>   |
| 67)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | ] Is the Developer/Builder a licensed contractor who is providing warranties?  |
| 68)  | <input type="checkbox"/>            | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/>            | ] Have you given any release or waiver of liability, or release from a warranty to any government agency, contractor, engineer, architect, land surveyor, or landscape architect, for any defect, mistake, or omission in the design or construction of this Unit? |
| 69)  | <input checked="" type="checkbox"/> | <input type="checkbox"/>            | <input type="checkbox"/> | <input type="checkbox"/>            | ] Has the roof been repaired or replaced?  |
| 69a) | →                                   |                                     |                          |                                     | ] (a) When and by whom? <u>2005 - Owner</u>  |

- YES NO NTMK NA
- 69b)     (b) What is the age of the roof? 7 Years
- 69c)     (c) Are there any transferrable warranties? List dates of expiration: \_\_\_\_\_
- 70)     Is there any presence of wood destroying organisms (e.g., termites, powder post beetles, dry rot, carpenter ants, etc.) in the improvements?
- 70a)     (a) Is there any known damage to the improvements caused by wood destroying organisms?
- 70b)     (b) Has the problem been treated?
- 70c)     (c) Has the damage been repaired?
- 71)     Has there been any termite treatment? List type and date. \_\_\_\_\_
- 71a)     (a) Are there any warranties? List type and expiration dates. \_\_\_\_\_
- 72)     Is there any structural damage due to dry rot or other wood destroying organisms?

**D. UTILITIES:**

- 73) What is your source of water supply?  
 a)  Public  Private  
 Is this Unit separately metered?  Yes  No  
 Is this a submeter?  Yes  No  
 Is there a shared water supply?  Yes  No  
 b)  Catchment: Tank type \_\_\_\_\_ Capacity \_\_\_\_\_ Age \_\_\_\_\_ Condition \_\_\_\_\_  
 c)  Other \_\_\_\_\_

Describe existing problems in Section I.

- 74) What type of waste water/sewage system do you have?  
 Public Sewer  Private Sewer  Connected? If not, is connection currently required?  Yes  No  
 Cesspool  Septic System  Individual Sewage Treatment Plant Location \_\_\_\_\_  
 Last Pumped \_\_\_\_\_ How Often? \_\_\_\_\_

Does the cesspool serve more than one dwelling or living unit, including "ohana" homes? (A "dwelling" or "living unit" is defined as having its own kitchen/food preparation area, bathroom and sleeping/living area.)  Yes  No  
 Describe existing problems in Section I.

- 75) What is your source of electrical power?  
 Public  Other: \_\_\_\_\_

a) Is the Unit subject to Special Subdivision Project Provision (SSPP) connection fees?  Yes  No  
 b) Hawaii law requires sellers who pay their electricity bills directly to make a good faith declaration of electricity costs based upon the most recent three-month period that the Unit was occupied. In this context, please answer the following:

Do you pay your electrical utility bill directly?  Yes  No  
 If yes, please state the amount you paid for electricity for the most recent three-month period that the Unit was occupied.  
 Mon/Yr: 10/12 Amount: 285 Mon/Yr: 11/12 Amount: 284 Mon/Yr: 12/12 Amount: 320

Buyer's actual electricity costs may vary substantially.

- 76) Propane Gas:  Piped  Tank  None  
 77) Telephone Service:  Yes  No  Only party line  
 78) Television Cable Service:  Yes  No  Not available  
 79) Broadband Internet  DSL  Cable  None

Describe existing problems in Section F.

**E. PLUMBING & WATER DAMAGE: Do any of the following conditions exist? If "yes", use the same number and describe in Section F.**

- YES NO NTMK NA
- 80)     Is the Unit sprinklered for fire protection?
- 81)     Do you have any leaks or water damage in or to the Unit?
- 82)     Has there been any leakage or water penetration from apartments above or adjacent to your apartment or leakage or water penetration to apartments below your apartment?

F. Question Number and Explanation: \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

*the entire amount for both units.*

**EXHIBIT M**  
**Real Estate Broker**

As to Unit A only:

Name: Kahala Associates  
Business Address: 4211 Waialae Ave #8090, Honolulu, HI 96816  
Business Phone Number: (808) 739-5350

As to Unit B only:

Name: CPS (Commercial Property Solutions)  
Business Address: 1833 Kalakaua Ave #1011, Honolulu, HI 96815  
Business Phone Number: (808) 218-0864

Note that Developer Ash Tawfik is the President of CPS

**END OF EXHIBIT M**