

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report

Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

1. Certain persons connected with the Project, namely the real estate broker, escrow and attorney for developer have changed. Developer's address has also changed. (See Part I, PERSONS CONNECTED WITH THE PROJECT, on page 5) of this Report.
2. The Sales Contract and Escrow Agreement have been revised.
3. Exhibits "D" (Encumbrances Against Title), "E" (Maintenance Fees), "F" (Summary of Sales Contract) and "G" (Summary of Escrow Agreement) have been revised. Exhibit "B" (names of real estate brokers) is deleted. Information on the real estate broker is shown on page 5 of this Report.

NOTE that Exhibit "B" has been deleted in this Fifth Supplementary Public Report.

SPECIAL ATTENTION

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

The Developer makes no warranties with respect to any building, fixtures, site conditions of any apartment, or the common elements. No warranties are given as to the appliances except the manufacturers warranties that are passed on by the developer.

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 real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. 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 or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment 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 an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely 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 buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Manoa Hillside Corp. Phone: (808) 848-0900
Name (Business)
1287 Kalani St., Suite 104
Business Address
Honolulu, Hawaii 96817

Names of officers or general partners of developers who are corporations or partnerships:

President - David Hulihee
Vice President - Michael Tsutsumi
Treas/Secretary - Leonard Leong

Real Estate Broker: William Heaman dba
Heaman Properties Phone: (808) 396-3592
Name (Business)
809 Koko Isle Circle
Business Address
Honolulu, Hawaii 96825

Escrow: Island Title Corporation Phone: (808) 526-9171
Name (Business)
1132 Bishop St., Suite 400
Business Address
Honolulu, Hawaii 96813

General Contractor: Lanny L. Curry dba
LC Construction Management Phone: (808) 637-7585
Name (Business)
P. O. Box 668
Business Address
Haleiwa, Hawaii 96712

Condominium Managing Agent: Century 21 Realty Specialists Corp. dba
Management Specialists Company Phone: (808) 949-6322
Name (Business)
1585 Kapiolani Blvd., Suite 1530
Business Address
Honolulu, Hawaii 96814

Attorney for Developer: Alfred M. K. Wong Phone: (808) 543-9800
Name (Business)
Suite 1400, 733 Bishop St.
Business Address
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 1719149

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment to Declaration of Condominium Property Regime of Manoa Hillside Estates dated November 27, 1990, filed as Land Court Document No. 1786885.

- B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 771

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment to Declaration of Condominium Property Regime of Manoa Hillside Estates dated November 27, 1990, filed as Land Court Document No. 1786885.

- C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment 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 which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 1719150

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

D. **House Rules.** The Board of Directors may adopt 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.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	---	<u>Board of Directors</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. Developer:

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

- a. To file "as built" amendments following completion of construction of apartments.
- b. To amend, replace, modify or revise plans of an apartment so long as the total number of apartments in the Project and common interest assigned to an apartment is not changed, and revised plans conform to Design Requirements set forth in Exhibit "C" of the Declaration.
- c. To alter size or configuration of a Private Land Area of an unsold apartment so long as the total number of apartments and common interests are not changed.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[] Leasehold or Sub-leasehold: Individual apartments and the common elements, which include the underlying land will be leasehold.

Leases for the individual apartments and the underlying land usually require that at the end of the lease term, the lessee (apartment owner/tenant) deliver to the lessor (fee property owner) possession of the leased premises and all improvements, including improvements paid for by the lessee.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [] Monthly [] Quarterly [] Semi-Annually [] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [] Month [] Year

For Sub-leaseholds:

[] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is: [] Canceled [] Foreclosed

[] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

[] Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

Exhibit _____ contains further explanations regarding the manner in which the renegotiated lease rents will be calculated and a description of the surrender clause provision(s).

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: [] Monthly [] Quarterly [] Semi-Annually [] Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: [] Month [] Year

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: Kalawao Street Tax Map Key (TMK): 1st Div. 2-9-24-1
Honolulu, Hawaii 96822

[X] Address [] TMK is expected to change because Each individual apartment in the Project has been assigned an address, including apartments that have not yet been constructed.

Land Area: 52.753 [] square feet [X] acre(s) Zoning: R-7.5 Residential District

Fee Owner: Manoa Hillside Corp.
 Name
1287 Kalani St., Suite 104
 Address
Honolulu, Hawaii 96817

Lessor: _____
 Name

 Address

C. **Buildings and Other Improvements:**

1. New Building(s)* Conversion of Existing Building(s) Both New Building(s) and Conversion
2. Number of Buildings: 63 Floors Per Building 2 or 3 or 4 - Apartments
1 Floor - Recreation Pavilion
 Exhibits A & K contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other _____

4. Uses Permitted by Zoning:

	No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>		No. of <u>Apts.</u>	Use Permitted <u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>62</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

* NOTE: Of the 62 apartments planned for this project, 43 have been built and 42 sold. This Fifth Supplementary Public Report is primarily intended to enable the Developer to presell the remaining 19 units before they are built.

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

- Pets: Permitted and Owner responsible for cleanup, shall indemnify Association, etc. See House Rules
- Number of Occupants: _____
- Other: Declaration of Restrictive Covenants (See Summary attached as Exh. J)
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

In individual

Elevators: 0 Stairways: apartments Trash Chures: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
<u>See Exhibits "A" & "K" attached hereto</u>				
<u>There are 11 different plans with living areas of 1750 to 2,668 sq. ft.</u>				
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 62

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment: An apartment consists of the apartment building and all other improvements located within each Private Land Area designated on the Condominium Map. The apartments are numbered 1 through 62 inclusive and are located as shown on the Condominium Map.

Permitted Alterations to Apartments: Prior to completion of the initial construction of an apartment, an apartment owner may modify or alter the plans of his apartment so long as such alterations conform to the Design Requirements contained in Exhibit "C" of the Declaration by submitting all plans for alteration to the Developer for its review and approval.

After the initial construction of an apartment, any alterations affecting the exterior appearance, size or elevation of an apartment must be approved by the Board of Directors and Director of Land Utilization of the City and County of Honolulu and conform with the Design Requirements set forth in Exhibit "C" of the Declaration. An owner may design or decorate the interior of his apartment at his sole discretion.

11. Conformance to Present Zoning Code

- a. No variances to zoning code have been granted.
- Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> X </u>	<u> </u>	<u> </u>
Structures	<u> X </u>	<u> </u>	<u> </u>
Lot	<u> X </u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

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

D. Common Elements, Limited Common Elements, Common Interest:

- 1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit "C" .

as follows:

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit "C".

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment'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 apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit _____.

as follows: Apt. 1 - 1.6131%
Apt. 2 - 62 - 1.6129%

E. 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 an apartment in the project.

Exhibit "D" describes the encumbrances against the title contained in the title report dated September 18, 1998

and issued by Island Title Corporation

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

[X] There are no blanket liens affecting title to the individual apartments, that have already been sold.

[X] There are blanket liens which may affect title to the individual apartments, which have not yet been sold.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Interim Development Loan secured by mortgage in favor of First Hawaiian Bank	Sales Contract may be terminated but Buyer will be entitled to return of deposits paid. If the Buyer's deposits have been used for construction, Buyer will not receive a refund from Escrow or from the lender and Buyer must make his claim against the Developer.

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

The Developer makes no warranties whatsoever with respect to any buildings, fixtures, or site conditions of any apartment or the common elements. Construction warranties on houses must be obtained by each apartment owner from his/her respective contractor or, in the case of a construction contract assigned by the Developer, from the contractor designated therein.

2. Appliances:

None given, except that Developer will pass on any manufacturer's warranties as to appliances installed pursuant to the original plans and specifications for such installation prepared by the Developer's architect. In all other circumstances, purchasers must obtain their own warranties from their respective appliance sellers, manufacturers, and/or contractors.

G. Status of Construction and Date of Completion or Estimated Date of Completion:

Forty-three (43) of the sixty-two (62) apartments have been completed and forty-two (42) apartments have been sold. The remaining apartments will be constructed after they are pre-sold.

H. Project Phases:

The developer [] has [x] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment 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.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

- not affiliated with the Developer
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- Other: _____

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment 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 apartment and the apartment 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 "E" contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change). *

C. **Utility Charges for Apartments:**

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- None
- Electricity (Common Elements only _____ Common Elements & Apartments)
- Gas (_____ Common Elements only _____ Common Elements & Apartments)
- Water
- Sewer
- Television Cable
- Other Telephone for entry way; other common facilities and usage; refuse

*NOTE: Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract / revised
Exhibit "F" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 14, 1998
Exhibit "G" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other Declarations of Restrictive Covenants
-

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 1676 filed with the Real Estate Commission on May 7, 1985.

Reproduction of Report. When reproduced, this report must be on:

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C. Additional Information Not Covered Above

1. Buyers should be aware that they are not purchasing "just the land" but also one of the model apartments made available by Seller, as shown in the Condominium Map, and its appurtenant limited common elements. The land, designated (model) apartment and its appurtenant limited common elements are sometimes referred to in the documentation as "private land area". This is true even though a Buyer under certain circumstances may substitute the model apartment with his own plans.

2. Buyers should read paragraph G, Alteration of Apartments of the proposed Declaration carefully. Among other things, it requires that upon completion of construction of an altered apartment, the Declaration and Condominium Map shall be amended by the Owner and Developer to reflect that apartment "as built". The cost thereof shall be borne by each apartment owner.

3. All common elements in the project have been completed.

4. The Developer obtained a Grant of Easement dated April 2, 1990 from the City and County of Honolulu for sewer purposes under Lot 84 of the City's property to connect the Project sewer lines to the City's sewer system. The developer paid for all costs of installation and construction of the sewer line; however, the Association of Owners of the Project will bear all costs of maintenance, operation, and if necessary, removal of this sewer easement. Accordingly, the Developer has amended the Declaration of Condominium Property Regime and the Condominium Map to reflect the sewer easement and the obligation of the Association of Owners to bear the costs of maintaining, operating, and if necessary, removing the sewer easement.


5. The Department of Land Utilization of the City and County of Honolulu approved the placement of another drainage easement on a part of the common elements of the Project. This easement is identified as Easement 18 on Map 32, as set forth by Land Court Order No. 99140, filed August 27, 1990, and on the Condominium Map No. 771, as amended and is located approximately nine (9) feet from the east boundary of the Project and runs in to the Manoa Stream on the north side of the Project. This drainage easement was previously identified as Easement 17 on the survey map of Sam Hirota, Inc., as approved by the Department of Land Utilization of the City and County of Honolulu on April 26, 1990. The easement has been renumbered as Easement 18.

6. With respect to the easements mentioned in paragraphs 4 and 5, prospective purchasers are invited to make inquiries of the Developer or its agent regarding such matters as the location, economic impact and other effect of the easements before waiving their right to cancel, pursuant to HRS 514A. Once the right to cancel has been waived, a Purchaser's approval of the easements and document changes shall be conclusively presumed.

D. 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 buyers 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.

Manoa Hillside Corp.

Printed Name of Developer

By: 
Duly Authorized Signatory

September 3, 1998

Date

David Hulihee, President

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu

EXHIBIT "A"

APARTMENT TYPE, FLOOR AREA, COMMON INTEREST

<u>Apt. No.</u>	<u>Plan</u>	<u>No. of Floors</u>	<u>No. of Bedrooms/Baths</u>		<u>Net Living Area*</u>	<u>Decks & Balconies*</u>
1	F	2	3**	3	2040	875
2	C	2	4**	3	2170	940
3	A	2	4**	3	2300	1360
4	A	2	4**	3	2300	1360
5	A	2	4**	3	2300	1360
6	A	2	4**	3	2300	1360
7	F	2	3**	3	2040	875
8	F	2	3**	3	2040	875
9	F	2	3**	3	2040	875
10	F	2	3**	3	2040	875
11	A	2	4**	3	2300	1360
12	F	2	3**	3	2040	875
13	F	2	3**	3	2040	875
14	F	2	3**	3	2040	875
15	T	2	4	3	1850	1220
16	T	2	4	3	1850	1220
17	C	2	4**	3	2170	940
18	T	2	4	3	1850	1220
19	A	2	4**	3	2300	1360
20	A	2	4**	3	2300	1360
21	A	2	4**	3	2300	1360
22	F	2	3**	3	2040	875

<u>Apt. No.</u>	<u>Plan</u>	<u>No. of Floors</u>	<u>No. of Bedrooms/Baths</u>		<u>Net Living Area*</u>	<u>Decks & Balconies*</u>
23	A	2	4**	3	2300	1360
24	C	2	4**	3	2170	940
25	T	2	4	3	1850	1220
26	T	2	4	3	1850	1220
27	C	2	4**	3	2170	940
28	A	2	4**	3	2300	1360
29	A	2	4**	3	2300	1360
30	T	2	4	3	1850	1220
31	A	2	4**	3	2300	1360
32	F	2	3**	3	2040	875
33	A	2	4**	3	2300	1360
34	C	2	4**	3	2170	940
35	K	3	3**	4	2020	275
36	H	4	5**	4	2075	230
37	G	3	4	4	1750	630
38	H	4	5**	4	2075	230
39	H	4	5**	4	2075	230
40	H	4	5**	4	2075	230
41	K	3	3**	4	2020	275
42	H	4	5**	4	2075	230
43	H	4	5**	4	2075	230
44	H	4	5**	4	2075	230

<u>Apt. No.</u>	<u>Plan</u>	<u>No. of Floors</u>	<u>No. of Bedrooms/Baths</u>		<u>Net Living Area*</u>	<u>Decks & Balconies*</u>
45	G	3	4	4	1750	630
46	G	3	4	4	1750	630
47	K	3	3**	4	2020	275
48	K	3	3**	4	2020	275
49	H	4	5**	4	2075	230
50	H	4	5**	4	2075	230
51	G	3	4	4	1750	630
52	H	4	5**	4	2075	230
53	K	3	3**	4	2020	275
54	K	3	3**	4	2020	275
55	G	3	4	4	1750	630
56	G	3	4	4	1750	630
57	H	4	5**	4	2075	230
58	H	4	5**	4	2075	230
59	H	4	5**	4	2075	230
60	K	3	3**	4	2020	275
61	K	3	3**	4	2020	275
62	K	3	3**	4	2020	275

*Approximate square feet

**Also contains a bedroom/den or study/den

Common Interest %

1. Apartment No. 1 has a common interest of 1.6131%.
2. Apartment Nos. 2 to 62 each has a common interest of 1.6129%

EXHIBIT "C"

Common Elements.

The common elements include all of the portions and appurtenances of the Project not otherwise designated as an apartment, including specifically, but not limited to:

- (1) land in fee simple;
- (2) all entry features, landscaped areas, grounds, recreational pavilion and recreational facilities;
- (3) all ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, refuse, telephone and radio and television signal distribution;
- (4) all roadways, gates, ramps, walkways, curbs, walls, fences, loading areas, and guest parking stalls designated as stalls numbers 1 to 62, inclusive;
- (5) all fixtures, furnishings, equipment, decorations, tools and appliances used in connection with the recreational facilities or other common elements;

(6) 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 normally in common use.

Limited Common Elements.

Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of an apartment or certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are the Private Land Area beneath and surrounding an apartment, as designated on the Condominium Map, which shall be appurtenant to and for the exclusive use of such apartment.

NOTE: The land area beneath and adjacent to each unit (Private Land Area) is not a legally subdivided lot.

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

(As reflected in Commitment for Title Insurance, dated June 25, 1998, by Stewart Title Guaranty Company)

1. For real property taxes due and owing, reference is made to the Director of Finance, City and County of Honolulu.
Tax Key: (1) 2-9-24-1 - Assessed under HPR Nos. 1 through 62

2. Title to all minerals and metallic mines reserved to the State of Hawaii.

3. The free flowage of water in Manoa Stream as shown on Map 8 of Land Court Application No. 775.

4. UNRECORDED GRANT OF EASEMENT DISCLOSED BY AN INSTRUMENT:

Dated: January 13, 1976
Recorded: January 28, 1976
Book 1196, Page 384
In favor of: Hawaiian Telephone Company
(Not noted on Transfer Certificate of Title No. 280,263)

5. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Deed:

Dated: December 31, 1943
Filed: January 7, 1944
Document No. 71147

6. LEASE OF RIGHT OF WAY

Dated: August 14, 1945
Filed: December 10, 1945
Document No. 81668
In favor of: The Hawaiian Electric Company, Limited, a Hawaiian corporation, and Mutual Telephone Company, also a Hawaiian corporation

7. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration:

Dated: July 9, 1986
Filed: February 26, 1987
Document No. 1442782

8. Terms, provisions, covenants and conditions in the Agreement:

Dated: July 9, 1986
Recorded: February 26, 1987
Book 20404, Page 475
By and Between: Manoa Hillside Corporation, a
Hawaii corporation and the City
and County of Honolulu
(Not noted on Transfer Certificate of Title No. 280,263)

9. EASEMENT

Dated: March 12, 1987
Filed: April 1, 1987
Document No. 1451755
Purpose: Utility
In favor of: Hawaiian Electric Company, Inc.,
a Hawaii corporation

10. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration:

Dated: November 20, 1989
Filed: November 28, 1989
Document No. 1685792

11. Government Triangulation Survey Station "WAAHILA" situated on a portion of the southeast side of Lot A-1-A-1, as shown on survey dated December 11, 1989, by Kazutaka Saiki, Registered Professional Land Surveyor, Certificate No. 740-S, and the Tax Map prepared by the Taxation Maps Bureau, City and County of Honolulu. Attention is directed to the provisions of Section 172-13 of the Hawaii Revised Statutes, relative to the destruction, defacing or removal of survey monuments.
(Not noted on Transfer Certificate of Title No. 280,263)

12. Terms and provisions of Grant of Easement:

Dated: March 20, 1990
Filed: March 22, 1990
Document No. 1715330
In favor of: Manoa Hillside Corporation, a
Hawaii corporation
For: Roadway Easement

13. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration:

Dated: February 8, 1990
Filed: April 4, 1990
Document No. 1719148

14. All of those certain Easements more particularly described as follows:

EASEMENT(S)	PURPOSE(S)
2	Sewer
3	Drainage
4	Sewer
5	Sewer
6	Drainage
7	Sewer and drainage
8	Drainage
9	Sewer
10	Drainage
11	Road and utility
12	Electrical transformer site
13	Electrical transformer site
14	Electrical transformer site
15	Electrical transformer site
16	Electrical transformer site
17	Electrical transformer site
18	Drainage

All as shown on Map 32, as set forth by Land Court Order No. 99140, filed August 27, 1990.

15. Condominium Map No. 771, filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii.

16. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Horizontal Property Regime:

Dated: March 27, 1990
Filed: April 4, 1990
Document No. 1719149

AMENDMENT TO DECLARATION

Dated: November 27, 1990
Filed: December 10, 1990
Document No. 1786885

EXHIBIT "D"

Page 3 of 5

17. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of Manoa Hillside Estates:

Dated: March 27, 1990
Filed: April 4, 1990
Document No. 1719150

18. Terms and provisions of Grant of Easement:

Dated: April 2, 1990
Filed: October 17, 1990
Document No. 1773704
In favor of: Manoa Hillside Corporation, a Hawaii corporation
Purpose: Sanitary sewer under and across a portion of Kalawao Street; as amended by Land Court Document No. 1797724

19. EASEMENT

Dated: June 7, 1991
Filed: July 10, 1991
Document No. 1834522
In favor of: Hawaiian Electric Company, Inc., a Hawaii corporation, and GTE Hawaiian Telephone Company Incorporated, a Hawaii corporation

20. MORTGAGE

Dated: September 14, 1990
Filed: September 14, 1990
Document No. 1763768
Amount: \$10,000,000.00
Mortgagor: Manoa Hillside Corp., a Hawaii corporation
Mortgagee: First Hawaiian Bank, a Hawaii corporation
(Also affects other property)

21. FINANCING STATEMENT COVERING CERTAIN PERSONAL PROPERTY:

Recorded: September 14, 1990
Document No. 90-142624
Debtor: Manoa Hillside Corp.
Secured Party: First Hawaiian Bank
(Also affects other property)
(Not noted on Transfer Certificate of Title No. 280,263)

EXHIBIT "D"

Page 4 of 5

22. ADDITIONAL CHARGE MORTGAGE

Dated: June 23, 1994
Filed: June 28, 1994
Document No. 2158959
Amount: \$380,000.00
Mortgagor: Manoa Hillside Corp., a Hawaii corporation
Mortgagee: First Hawaiian Bank, a Hawaii corporation
(Also affects other property)

23. ADDITIONAL CHARGE MORTGAGE

Dated: August 23, 1993
Filed: August 23, 1993
Document No. 2057935
Amount: \$4,000,000.00
Mortgagor: Manoa Hillside Corp., a Hawaii corporation
Mortgagee: First Hawaiian Bank, a Hawaii corporation

AMENDMENT OF MORTGAGE

Dated: August 23, 1993
Filed: November 4, 1993
Document No. 2083918

Said Mortgage was made subordinate to the lien of that certain Mortgage shown as Item No. 22, by an instrument:

Dated: June 23, 1994
Filed: June 28, 1994
Document No. 2158960

24. ABSOLUTE ASSIGNMENT OF PROCEEDS AND SELLER'S INTEREST IN SALES CONTRACTS:

Dated: September 23, 1993
Recorded: August 23, 1993
Document No. 93-136896
By and Between: Manoa Hillside Corp., a Hawaii corporation and First Hawaiian Bank, a Hawaii corporation
(Not noted on Transfer Certificate of Title No. 280,263)

EXHIBIT "E"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS
AS OF JANUARY 1, 1998

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>	
PER UNIT	\$ 130.00/mo.	\$ 1,560.00
	<u>x62</u>	<u>x62</u>
MULTIPLIED BY 62 UNITS	\$8,060.00	\$96,720.00

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

MANOA HILLSIDE ESTATES
1998 Annual Budget

Effective January 1, 1998
Prepared by Management Specialists Company
11/20/97

	Approved 1997 Budget	Average Monthly Amounts	Approved 1998 Budget	Annual Budget
RECEIPTS				
Maintenance Fees	8,060	8,060	8,060	96720
Taxable Income	252	324	402	4824
TOTAL RECEIPTS	\$8,312	\$8,384	\$8,462	\$101,544
EXPENSES				
<u>Administrative</u>				
Office Expense	203	142	147	1764
Meetings/Enrollment	14	32	0	0
Other Administrative	2	2	2	24
<u>Professional Services</u>				
Management	1,244	1,242	1,275	15300
Legal	50	0	35	420
Extermination	12	0	12	144
Financial	222	57	55	660
<u>Utilities</u>				
Telephone	110	107	113	1356
Electricity	413	419	425	5100
Water/Sewer	292	84	117	1404
Refuse	0	0	15	180
<u>Building Maintenance</u>				
Supplies	2	0	2	24
Equipment	928	1,018	953	11436
Repair/Maintenance	37	11	22	264
<u>Grounds Maintenance</u>				
Contract	1,310	1,300	1,300	15600
Supplies	30	235	50	600
Maintenance	81	89	65	780
<u>Amenities</u>				
Other	60	34	25	300
<u>Insurance/Taxes</u>				
Insurance	553	534	477	5724
Taxes	12	74	75	900
TOTAL EXPENSES	\$5,575	\$5,380	\$5,165	\$61,980
NET BUDGET GAIN OR (LOSS)	\$2,737	\$3,004	\$3,297	\$39,564
Capital Expenditures	0	1,350	0	0
Transfer To Reserves	2,757	2,572	3,297	39564
Transfer From Reserves	0	1,336	0	0
Other Receipts/Disburs	20	59	0	0
ADJUSTED GAIN OR (LOSS)	\$0	\$477	\$0	\$0
1998 MAINTENANCE FEE	\$130.00			

		Approved 1997 Budget	Average Monthly Amounts	Approved 1998 Budget	Annual Budget
NON TAXABLE INCOME					
Maintenance Fees	31100	\$8,060	\$8,060	\$8,060	\$96,720

TAXABLE INCOME

<u>Interest, Fines, Other</u>					
Late Fees	32100	0	10	0	0
Interest (Oper)	32200	25	16	17	204
Interest (Res)	32300	227	298	385	4620
					0
Total Taxable Income		\$252	\$324	\$402	\$4,824
TOTAL RECEIPTS		\$8,312	\$8,384	\$8,462	\$101,544

***** Expenses Detail *****

ADMINISTRATIVE

<u>Office Expense</u>					
Postage & Shipping	41110	37	29	30	360
Copying (MSC)	41120	119	79	81	972
Coups/Statements	41130	22	22	23	276
Off Supplies (MSC)	41170	24	11	12	144
Facsimile Costs	41180	1	1	1	12
<u>Total Office Expense</u>		<u>\$203</u>	<u>\$142</u>	<u>\$147</u>	<u>\$1,764</u>
<u>Meetings/Enrollment</u>					
Board Meeting	41220	0	0	0	0
Minutes	41230	0	0	0	0
Regis/Educ Fund	41270	14	32	0	0
<u>Total Meeting/Dues</u>		<u>\$14</u>	<u>\$32</u>	<u>\$0</u>	<u>\$0</u>
<u>Other Administrative</u>					
Bank Service Chg	41380	2	2	2	24
<u>Total Other Admin</u>		<u>\$2</u>	<u>\$2</u>	<u>\$2</u>	<u>\$24</u>

PROFESSIONAL SERVICES

Property Management	42110	1,244	1,242	1,275	15300
<u>Total Management</u>		<u>\$1,244</u>	<u>\$1,242</u>	<u>\$1,275</u>	<u>\$15,300</u>
<u>Legal</u>					
General Matters	42210	50	0	35	420
<u>Total Legal</u>		<u>\$50</u>	<u>\$0</u>	<u>\$35</u>	<u>\$420</u>
<u>Extermination</u>					
Inspection	42405	12	0	12	144
<u>Total Extermination</u>		<u>\$12</u>	<u>\$0</u>	<u>\$12</u>	<u>\$144</u>
<u>Financial Service</u>					
Audit/Tax Prep	42500	55	57	55	660
Reserves Analysis	42550	167	0	0	0
<u>Total Financial Services</u>		<u>\$222</u>	<u>\$57</u>	<u>\$55</u>	<u>\$660</u>

UTILITIES

<u>Communications</u>					
Amenities Phone	43135	60	57	60	720
Entercom System	43150	50	50	53	636
<u>Total Telephone</u>		<u>\$110</u>	<u>\$107</u>	<u>\$113</u>	<u>\$1,356</u>

UTILITIES (continued)

		Approved 1997 Budget	Average Monthly Amounts	Approved 1998 Budget	Annual Budget
<u>Electricity</u>					
Common	43310	413	419	425	5100
<u>Total Electricity</u>		\$413	\$419	\$425	\$5,100
<u>Water/Sewer</u>					
Water	43410	200	17	50	600
Sewer	43420	50	25	25	300
Meter Reading	43460	42	42	42	504
<u>Total Water/Sewer</u>		\$292	\$84	\$117	\$1,404
<u>Refuse</u>					
Bulk Pick-Up	43615	0	0	15	180
<u>Total Refuse</u>		\$0	\$0	\$15	\$180

BUILDING MAINTENANCE

<u>Supplies</u>					
Custodial	44110	2	0	2	24
<u>Total Supplies</u>		\$2	\$0	\$2	\$24
<u>Equipment</u>					
Entercom System	44225	70	0	\$70	840
Fire Safety	44230	3	0	\$3	36
Signs	44240	10	1	\$10	120
Generator	44255	820	817	\$820	9840
Electric Gate	44270	25	171	\$50	600
Transmitters	44275	0	29	\$0	0
<u>Total Equipment</u>		\$928	\$1,018	\$953	\$11,436
<u>Repair/Maintenance</u>					
Electrician	44310	20	0	\$20	240
Welder	44325	15	0	\$0	0
Key Dup/Locks	44341	2	1	\$2	24
Doors and Windows	44350	0	10	\$0	0
<u>Total Repair/Maint</u>		\$37	\$11	\$22	\$264

GROUNDS MAINTENANCE


<u>Contract</u>	45100	\$1,310	\$1,300	\$1,300	\$15,600
<u>Supplies</u>					
Fertilizer/Fill	45210	0	0	\$5	60
Trees/Plants	45220	0	6	\$5	60
Paint	45250	0	12	\$0	0
Lighting	45255	30	217	\$30	360
Masonry	45260	0	0	\$10	120
<u>Total Supplies</u>		\$30	\$235	\$50	\$600
<u>Maintenance</u>					
Street Cleaning	45325	0	0	\$0	0
Tree Trim/Removal	45330	0	21	\$20	240
Irrigation System	45340	25	26	\$25	300
Paved Surfaces	45360	36	0	\$0	0
Fencing	45370	20	42	\$20	240
<u>Total Maintenance</u>		\$81	\$89	\$65	\$780

AMENITIES

Playground	46425	10	0	\$10	120
Recreation Center	46460	50	34	\$15	180
<u>Total Amenities</u>		\$60	\$34	\$25	\$300

		Approved 1997 Budget	Average Monthly Amounts	Approved 1998 Budget	Annual Budget
<u>Insurance</u>					
Condo Policy	47110	126	165	\$108	1296
Fire/Liability	47120	235	165	\$165	1980
Umbrella	47130	47	47	\$47	564
Directors & Off	47140	138	138	\$138	1656
Fidelity Bond	47150	0	10	\$10	120
Glass/Machinery	47170	7	9	\$9	108
<u>Total Insurance</u>		\$553	\$534	\$477	\$5,724
<u>Taxes</u>					
General Excise	47210	12	11	\$12	144
Federal Income	47220	0	42	\$42	504
State Income	47230	0	21	\$21	252
<u>Total Taxes</u>		\$12	\$74	\$75	\$900
TOTAL RECEIPTS		\$8,312	\$8,384	\$8,462	\$101,544
TOTAL EXPENSES		\$5,575	\$5,380	\$5,165	\$61,980
NET GAIN OR (LOSS)		\$2,737	\$3,004	\$3,297	\$39,564
Capital Expenditures					
Contingency	51000	0	273	0	0
Painting	54100	0	182	0	0
Paved Surfaces	57400	0	444	0	0
Landscaping	57710	0	451	0	0
<u>Total Capital Expenditures</u>		\$0	\$1,350	\$0	\$0
Transfer To Reserves		\$2,757	\$2,572	\$3,297	\$39,564
Transfer From Reserves		\$0	\$1,336	\$0	\$0
Other Receipts/Disbursements				\$0	
Security Key Collection	60410	25	73	\$0	0
Security Key Transmittal	60420	5	14	\$0	0
<u>Total Other Receipts/Disbursements</u>		\$20	\$59	\$0	\$0
ADJUSTED GAIN OR (LOSS)		\$0	\$477	\$0	

I Jeff Dickinson as agent and employed by Management Specialists Company the managing agent for the condominium project Manoa Hillside Estates hereby certify that the above estimates of maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


 Jeff Dickinson Account Executive

Date: July 20, 1998

EXHIBIT "F"

SUMMARY OF SALES CONTRACT

1. Construction of Apartment.

Upon execution of the Sales Contract and when the requirements of Paragraph 5 of the Sales Contract have been met so that it is a binding contract, Seller will obtain a building permit based upon the plans signed by Seller and Purchaser and will commence and complete construction of the Apartment within one (1) year of the date of the Sales Contract.

Purchaser acknowledges and agrees that the Apartment is intended to be constructed substantially in accordance with the plans reviewed by Purchaser. Purchaser understands and agrees that Seller and/or its Architect or Engineer may make changes, modifications and substitutions to the plans and specifications and the materials and products included in the Apartment, which do not materially adversely affect the Apartment and/or are substantially similar in quality to those described in the plans and other descriptive material provided.

Purchaser will be allowed three (3) meetings with Seller's representative for the purposes of changes and/or upgrades. All Purchasers must be present, or the meeting may be cancelled by Seller. Any meetings after the third meeting will be charged to the Purchaser at the rate of \$45.00 per hour.

Purchaser agrees to make selection of allowance items listed above, and other color/finish options for cabinets and counter-tops, within fourteen (14) calendar days from date requested by Seller or Seller's Agent. In the event selections are not timely made, Seller will make selection(s) on behalf of Purchaser so as not to delay construction. Purchaser shall be responsible for any costs in excess of said allowances.

2. Purchaser's Inspection and Acceptance of Apartment.

Seller agrees to provide Purchaser written notice of the date when Purchaser may inspect the Apartment before closing by Certified Mail, Return Receipt, to Purchaser's address on the Sales Contract. The inspection date shall be set by the Seller, to occur approximately fourteen (14) days prior to the Scheduled Closing Date. Purchaser agrees to inspect the Apartment on the inspection date, and, after completing the inspection, Purchaser agrees to sign a document listing all discrepancies to the Apartment (the "punchlist"). If Purchaser does not inspect the Apartment on the inspection date, Purchaser agrees that the Seller's representative may, and Purchaser hereby appoints Seller's representative to perform the

inspection and prepare the punchlist on Purchaser's behalf, and Purchaser agrees to accept the punchlist as so prepared. Only the Purchaser on title will be allowed to perform the final inspection. However, the Purchaser may appoint a professional inspector to perform the inspection.

3. Trespass During Construction.

Prior to delivery of possession of the Apartment to Purchaser, Purchaser shall not trespass upon the Apartment or the project site. Purchaser hereby acknowledges that execution of the Sales Contract constitutes Purchaser's agreement to remain outside of any fenced or posted construction areas and any other areas in which ongoing work is being performed pending completion, and Purchaser agrees to exert diligent effort to prohibit entry into such areas by members of Purchaser's household, and by Purchaser's tenants and invitees. Purchaser hereby agrees to defend, indemnify, and hold harmless the Seller, its agents, contractors, successors, and assigns from and against any and all loss, damage, costs, expense or liability including attorney's fees incurred by Seller in connection with such entry.

EXHIBIT "G"

SUMMARY OF ESCROW AGREEMENT

Escrow Agreement dated August 14, 1998 with Island Title Corporation ("Escrow")

1. Disbursement of Purchaser's Funds. Escrow shall make no disbursements of purchaser's funds or proceeds on the sale of an apartment, except by way of refunds thereof as provided hereinbelow, until: (a) Escrow received a copy of a "Receipt and Notice of Right to Cancel", in the form specified by Section 514A-62 of the Condominium Act, executed by the Purchaser and, (b) Escrow has received a certification from Developer, acceptable to Escrow, stating that the Sales Contract "has become effective and requirements of Sections 514A-40 and 514A-63 have been met" as those quoted phrases are used in Section 514A-65 of the Condominium Act.

Upon such receipt of a and b above, Escrow may disburse escrow funds up to ten percent (10%) of the purchase price of each apartment to Developer upon (1) notification from First Hawaiian Bank that the recreational Pavilion and roadway have been completed and paid for by Developer and the period for mechanic's and materialmen's liens have expired, and (2) notification by Developer that (a) the Private Land Area is ready for construction; (b) the Purchaser and Developer have agreed on the construction plans; and (c) the construction permit for the Apartment has been obtained and a request from Developer for up to 10% of the purchase price for reimbursement of construction costs for the recreation Pavilion and roadway.

2. Refund to Purchaser: Return of Documents. Purchaser shall be entitled to a return of his or her funds, and Escrow shall pay such funds to such purchaser, if one of the following has occurred:

- (a) Escrow receives a written request from Developer to return to the Purchaser the funds of the purchase then being held hereunder by Escrow; or
- (b) Developer notifies Escrow in writing of Developer's exercise of any option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Developer; or
- (c) The conditions provided for a refund under Sections 514A-62 or 514A-63 of the Condominium Act have been met and written notice thereof has been provided to Developer.

Upon the occurrence of any of the foregoing entitling a purchaser to a return of his or her funds, neither purchaser nor developer shall be obligated under the Sales Contract, and Escrow shall return said funds to purchaser, and return to Developer such purchaser's Sales Contract. Other documents delivered to Escrow relating to the sale of the apartment identified in such Sales Contract will be returned to the person from whom or entity from which they were received.

Upon the cancellation of any Sales Contract as specified above, Escrow shall be entitled to a cancellation fee equal to \$50.00 if cancellation occurs before Escrow has ordered preparation

of closing documents and the full escrow fee plus out-of-pocket expenses thereafter. Said compensation of Escrow shall be the sole expense of Developer.

3. Unclaimed Funds. Except as otherwise provided by law, Escrow shall give each purchaser entitled to a return of his or her funds notice thereof by certified or registered mail, addressed to such purchaser at his or her address shown on the Sales Contract or any address later made known to Escrow by such purchaser. If such purchaser shall not have claimed such refund within sixty (60) days, Escrow shall thereafter treat all funds of such purchaser as the escrowed funds of Developer and not of purchaser and shall disburse such funds as directed by Developer. After having sent Developer written notice of the foregoing acts, Escrow shall *thereupon be released from further liability hereunder with respect to such funds and such purchaser.*

4. Purchaser's Default. If the purchaser fails to make any payment on or before the due date thereof, or if the purchaser does or fails to do any other act which would constitute an event of default under the Sales Contract, Developer shall give to such purchaser written notice of such default with a copy of Escrow. If purchaser has failed to cure the default after the delivery of notice by Escrow and such default continues after the expiration of any grace period, Escrow shall so advise Developer. If Developer shall thereafter certify in writing to Escrow (i) that Developer has elected to terminate the Sales Contract and has notified the purchaser, or (ii) that purchaser is otherwise in default and provides Escrow with a copy of the default notice, then, in either event, Escrow shall thereafter treat all funds of the purchaser paid under such Sales Contract, or any portion thereof as may be allowed by said Sales Contract, less a cancellation fee for Escrow, as funds of Developer and not of the purchaser. The Cancellation fee shall be \$50.00 if cancellation occurs before Escrow has ordered preparation of closing documents and the full escrow fee plus out-of-pocket expenses thereafter. Thereafter, such funds shall be held free of the escrow established by this Agreement and shall be held by Escrow for the account of Developer. Upon written request by Developer, Escrow shall pay such funds to Developer or order and shall return to Developer the Sales Contract of such purchaser and any other *documents theretofore delivered to Escrow in connection with the purchase of the apartment specified in such Sales Contract shall be returned to the person from whom or entity from which such documents were received.*

Exhibit "H"

Roadway Easement and Retaining Wall. The Developer has obtained a roadway easement to widen the entry way to the Project and to construct a retaining wall thereon. The Developer has constructed the retaining wall, but the Association of Owners of the Project must pay the cost to upkeep, maintain and repair the roadway easement and the retaining wall. The aforesaid roadway is set forth in Grant of Easement dated March 20, 1990, filed as Land Court Document No. 1715330.

EXHIBIT "I"ASSIGNED MODELS AND AVAILABLE MODELS (Apartment Plans)

<u>APT. NO.</u>	<u>ASSIGNED MODEL</u>	<u>AVAILABLE MODELS</u>
1	F	A, C, F, T, 2, 3, 4
2	C	A, C, F, T, 2, 3, 4
3	A	A, C, F, T
4	A	A, C, F, T
5	A	A, C, F, T
6	A	A, C, F, T
7	F	A, C, F, T, 2, 3, 4
8	F	A, C, F, T, 2, 3, 4
9	F	A, C, F, T
10	F	A, C, F, T
11	A	A, C, F, T
12	F	A, C, F, T, 2
13	F	A, C, F, T, 2
14	F	A, C, F, T, 2
15	T	A, C, F, T
16	T	A, C, F, T
17	C	A, C, F, T, 2, 3, 4
18	T	A, C, F, T, 2, 3, 4
19	A	A, C, F, T
20	A	A, C, F, T
21	A	A, C, F, T
22	F	A, C, F, T
23	A	A, C, F, T
24	C	A, C, F, T
25	T	A, C, F, T
26	T	A, C, F, T
27	C	A, C, F, T
28	A	A, C, F, T, 2, 3, 4
29	A	A, C, F, T
30	T	A, C, F, T
31	A	A, C, F, T
32	F	A, C, F, T, 2, 3, 4
33	A	A, C, F, T, 2, 3, 4
34	C	A, C, F, T
35	K	G, H, K
36	H	G, H, K
37	G	G, H, K
38	H	G, H, K
39	H	G, H, K
40	H	G, H, K, 1
41	K	G, H, K
42	H	G, H, K
43	H	G, H, K
44	H	G, H, K
45	G	G, H, K

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EXHIBIT "J"

SUMMARY OF RESTRICTIVE COVENANTS

1. The Department of Land Utilization ("DLU") of the City and County of Honolulu approved the Project as a Cluster Housing Development on July 7, 1987, subject to a number of conditions contained in a "Report, Conclusions, Decision and Order" issued by the DLU.

2. The Department of Land and Natural Resources ("DLNR") approved the Developer's Conservation District Use Application ("CDUA") for a permit to construct a drainage bench and ditch on the Project on August 25, 1989, subject to a number of conditions.

3. In order to comply with the conditions of the Cluster Permit issued by the DLU and the CDUA permit issued by the DLNR, the Developer filed in the Land Court of the State of Hawaii a number of covenants that are binding on all Apartment Owners in the Project through the Association of Apartment Owners. These covenants are dated November 20, 1989 (Land Court Document No. 1685792) and February 8, 1990 (Land Court Document No. 1719148) and are summarized in part below. Any future Apartment Owners are also bound to abide by these covenants.

4. In connection with the granting of the CDUA permit, the Association must do the following:

a. Indemnify, defend and hold the State of Hawaii harmless from any loss or liability resulting from any type of personal injury, death or property damage caused by use,

maintenance or construction of a drainage bench and ditch located in the Project, or any such injury arising out of any acts or omissions of anyone acting under the CDUA permit or in connection with the granting of the permit.

b. Perpetually maintain, repair, clean and keep in good order and condition the drainage bench and ditch located in the Project.

5. In connection with the granting of the Cluster Permit from the DLU, the Association must do the following:

a. After completion of the Project, secure approval from the DLU for any future additions or alterations to the common elements of the Project, any future additions or alterations to individual apartment units in the Project, and all final landscaping plans for the Project.

b. Comply with all site plan, building design, roadway and landscaping requirements as more specifically set forth in that certain "Report, Conclusions, Decision and Order" issued on July 7, 1987 by the DLU.

c. Provide for stream embankment stabilization, and erosion and maintenance controls for parts of Manoa Stream that run through the Project or are immediately adjacent to the Project.

d. Suspend any and all construction or digging work in the Project areas immediately and contact the State DLNR Historic Sites Office upon finding any historically significant sites or remains, such as artifacts, bones, human remains, shells, charcoal remains, fossils, or rock or coral alignments, pavings or walls.

e. Enforce and maintain rules regarding the placement and collection of trash in the Project.

f. Perpetually maintain, repair, clean and keep in good order and condition all the common elements of the Project (excluding limited common elements) including roadways, the Private Park and Recreation Pavilion, designated trash collection and storage sites, guest parking stalls, walkways, and landscaped common element areas.

g. The Restrictive Covenants that Developer has filed in the Land Court of the State of Hawaii are binding on all Apartment Owners (present and future), their heirs, personal representatives, successors, or assigns.

THE FOREGOING REPRESENTS A SUMMARY OF SOME OF THE MORE IMPORTANT COVENANTS. PROSPECTIVE BUYERS ARE URGED TO EXAMINE THE DOCUMENTS THEMSELVES, COPIES OF WHICH ARE ON FILE WITH DEVELOPER'S REAL ESTATE BROKER AND THE REAL ESTATE COMMISSION.

EXHIBIT "K"DESCRIPTION OF APARTMENT PLANS

- MODEL A: Model A is a two-story structure consisting of 4 bedrooms, 3 bathrooms, laundry area, living room, dining area, kitchen, breakfast area, study/den and a two-car carport. Model A has approximately 2,300 square feet of net living area, approximately 1,360 square feet of deck and total carport area of 440 square feet.
- MODEL C: Model C is a two-story structure consisting of 4 bedrooms, 3 bathrooms, laundry room, living room, dining room, kitchen, study/den and a two-car carport. Model C has approximately 2,170 square feet of net living area, approximately 940 square feet of deck, and total carport area of 450 square feet.
- MODEL F: Model F is a two-story structure consisting of 3 bedrooms, 3 bathrooms, living room, dining area, kitchen, study/den and two-car carport. Model F has approximately 2,040 square feet of net living area, approximately 875 square feet of deck, and total carport area of 400 square feet.
- MODEL G: Model G is a three-story structure consisting of 4 bedrooms, 4 bathrooms, living room, dining area, kitchen, and a three-car carport. Model G has approximately 1,750 square feet of net living area, approximately 630 square feet of deck, and total carport area of 1,150 square feet.
- MODEL H: Model H is a four-story structure consisting of 5 bedrooms, 4 bathrooms, living/dining area, study/den, kitchen, laundry area and a two-car carport. Model H has approximately 2,075 square feet of net living area, approximately 230 square feet of deck, and total carport area of 520 square feet.
- MODEL K: Model K is a three-story structure consisting of 3 bedrooms, 4 bathrooms, living/dining area, study/den, kitchen, laundry room and a two-car carport. Model K has approximately 2,020 square feet of net living area, approximately 275 square feet of deck, and carport area of 400 square feet.
- MODEL T: Model T is a two-story structure consisting of 4 bedrooms, 3 bathrooms, laundry room, living room, dining area, kitchen, and two-car carport. Model T has approximately 1,850 square feet of net living area, approximately 1,220 square feet of deck, and total carport area of 400 square feet.

- MODEL 1: Model 1 is a four-story structure consisting of 3 bedrooms, 2 1/2 bathrooms, living room, dining area, kitchen, den and a two-car carport. Model 1 has approximately 2,226 square feet of net living area, approximately 259 square feet of deck and total carport area of 373 square feet.
- MODEL 2: Model 2 is a two-story structure consisting of 3 bedrooms, 2 1/2 bathrooms, living room, dining room, kitchen, study/den and a two-car carport. Model 2 has approximately 2,055 square feet of net living area, approximately 1,295 square feet of deck, and total carport area of 360 square feet.
- MODEL 3: Model 3 is a two-story structure consisting of 4 bedrooms, 4 bathrooms, laundry area, living room, dining area, kitchen and a two-car carport. Model 3 has approximately 2,668 square feet of net living area, approximately 1,056 square feet of deck and total carport area of 364 square feet.
- MODEL 4: Model 4 is a two-story structure consisting of 3 bedrooms, 3 bathrooms, living room, dining room, kitchen, study/den and a two car carport. Model 4 has approximately 2,604 square feet of net living area, approximately 1,191 square feet of deck and total carport area of 333 square feet.

The approximate net living areas of each model were taken from the interior surface of apartment perimeter walls without reduction for closet walls, railings, posts, stairways, and the like. The net living areas have been rounded to the next lowest full square foot.