

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer The Hampton Financial Corp. (See pgs. 20-20B)

Address 1188 Bishop Street, Suite 2002, Honolulu, HI

Project Name(\*): Makiki Courte

Address: 1228 Lunalilo Street, Honolulu, HI

Registration No. 1926

Effective date: May 23, 1995

Expiration date: June 23, 1996

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

     PRELIMINARY: The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.  
(yellow)

     FINAL: The developer has legally created a condominium and has filed complete information with the Commission.  
(white)  
[ ] No prior reports have been issued.  
[ ] This report supersedes all prior public reports.  
[ ] This report must be read together with \_\_\_\_\_

  X SUPPLEMENTARY: This report updates information contained in the:  
(pink)  
[ ] Preliminary Public Report dated: \_\_\_\_\_  
[ X ] Final Public Report dated: March 11, 1988  
[ ] Supplementary Public Report dated: \_\_\_\_\_

And [ X ] Supersedes all prior public reports  
[ ] Must be read together with \_\_\_\_\_  
[ ] This report reactivates the \_\_\_\_\_  
public report(s) which expired on \_\_\_\_\_

\_\_\_\_\_  
(\* ) Exactly as named in the Declaration

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:

See Paragraph C of Section V on Additional Information for an explanation of the changes.

**NOTICE OF SPECIAL CONDITIONS**

1. In order for any sale to close, at least twenty (20) binding sales contracts for the sale of twenty (20) separate apartments must be obtained by the Developer by September 15, 1995. (See Section V.C. of this Report beginning on page 20 and see also Exhibit I, Summary of Sales Contract.)

2. A second special condition that must be satisfied before any sale can close is the transfer by the Developer named in this Report of all of the Developer's interest in the project to a third party and payoff of mortgages on the project. (See Section V.C. of this Report beginning on page 20 and see also Exhibit I, Summary of Sales Contract.)

The two special conditions mentioned above were created as a result of the Developer's working out a plan with the Developer's lenders to postpone the lenders' foreclosure on the project property. The foreclosure action is the one described in Exhibit G in the paragraph titled "Lis Pendens". That foreclosure action proceeded previously to entry of foreclosure decrees by the court in favor of several of the Developer's institutional lenders and appointment of a foreclosure commissioner to sell the project property at foreclosure. The commissioner's appointment was previously placed in abeyance temporarily by a stipulation filed in the foreclosure action on December 13, 1994. That stipulation permitted the Developer until May 15, 1995 to pay off the loans, provided the stipulation was observed in the meantime. The stipulation required that the loans be brought current at that time, which was done by proceeds of a new fourth-priority mortgage on the project for \$330,000.00, as listed at the end of Exhibit G. The stipulation also required that the loans be kept current and required other actions by the Developer, such as reporting periodically to the lenders on progress in sales of Makiki Courte.

The Developer was not able to keep the payments to the lenders current and the foreclosure commissioner's appointment was reinstated on or about April 18, 1995. The Developer then worked out a second stipulation with the lenders providing that the commissioner's appointment would again be placed in abeyance until September 15, 1995, subject to the Developer's doing certain things. Those things include the Developer's paying off those lenders by September 15, 1995. Those things also include, in the interim period to September 15, 1995, the Developer's making certain lump sum payments by certain dates to the lenders on account of accrued amounts owed, plus keeping periodic payments to the lenders current, making regular reports to the lenders about project sales, and providing the lenders proof of fire, wind, and liability insurance on the project.

Under the second stipulation, the Developer is also required to pay delinquent real property taxes on another property other than the Makiki Courte property, provide proof of casualty insurance on that other property, and provide one of the lenders an additional mortgage on that other property as additional security for the Developer's Makiki Courte debt. This other property is involved because one or more of the lenders' mortgages on Makiki Courte also is on that other property as additional security, and the other property is subject to the foreclosure decrees of those mortgagees as well as a mechanic's lien claimed by another party to the foreclosure action.

The Developer's obligations under the stipulations and reflected by the stipulations mentioned above are also the obligations of several individuals affiliated with the Developer, who are named in the stipulations.

The two stipulations mentioned above may be examined for further detail to help a prospective purchaser understand the stipulations. Copies of the stipulations are available from the Developer for purchasers who wish to examine them, and have also been filed with the Hawaii Real Estate Commission. Purchasers should be advised about the stipulations and their effect on the Developer and the project by purchasers' own advisers.

The workout plan is to have the new venture described in Section V.C. (pages 20-20B) take over the project. Obtaining twenty binding sales is a prerequisite to effecting transfer of the project to the new venture. If the twenty binding sales are obtained, the Developer anticipates that the transfer will occur, the new venture will pay off the loans, and the foreclosure action will be dismissed. If the twenty binding sales are not obtained or if for some other reason the transfer of the project cannot be made, and the foreclosure goes forward, the sales contracts made with the Developer will be cancelled, purchasers will not be able to purchase units in the project from the Developer, and purchasers' deposits will be refunded.

In the event the twenty binding sales are not obtained by September 15, 1995, the Developer intends to try to obtain additional time to make such sales, and the September 15, 1995 date could be extended, but the Developer cannot guarantee such an extension. If the Developer is unable to comply with the current stipulation, the foreclosure commissioner will be reinstated and the Developer may not be able to complete any project sales or closings.

3. PURCHASERS ARE ADVISED THAT THERE IS IMPORTANT INFORMATION ABOUT THESE SPECIAL CONDITIONS CONTAINED IN SECTION V.C. OF THIS REPORT BEGINNING ON PAGE 20. PURCHASERS ARE CAUTIONED TO READ ALL OF THE PROVISIONS OF THAT SECTION WITH CARE. PURCHASERS ARE ALSO ENCOURAGED TO READ CAREFULLY SECTION H OF THE SALES CONTRACT, WHICH STATES THE TWO ABOVE SPECIAL CONDITIONS IN DETAIL. PURCHASERS SHOULD ALSO READ ALL OTHER SECTIONS OF THIS REPORT, OF THE SALES CONTRACT, AND OTHER DOCUMENTS PROVIDED TO THE PURCHASERS.

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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: The Hampton Financial Corp. Phone: 536-6917  
Name (Business)  
1188 Bishop St., Ste. 2002 (See additional information on pages  
Business Address 20-20B for Intended changes)  
Honolulu, HI 96813

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

Richard H. Goh President/Treasurer  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Real Estate Broker: IIC International, Inc. Phone: 922-2002  
Name (Business)  
2270 Kalakaua Avenue, Ste. 1010  
Business Address  
Honolulu, HI 96815

Escrow: Guardian Escrow Services, Inc. Phone: 538-6991  
Name (Business)  
737 Bishop St., Ste. 2090  
Business Address  
Honolulu, HI 96813

General Contractor: N/A Phone: \_\_\_\_\_  
Name (Business)  
\_\_\_\_\_  
Business Address  
\_\_\_\_\_

Condominium Managing Agent: IIC International, Inc. Phone: 922-2002  
Name (Business)  
2270 Kalakaua, Ste. 1010  
Business Address  
Honolulu, HI 96815

Attorney for Developer: Wagner & Watson Phone: 533-1872  
Name (Business)  
737 Bishop St., Ste. 2480  
Business Address  
Honolulu, HI 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 21682 Page 156  
 Filed - Land Court: Document No. \_\_\_\_\_

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

May 17, 1988, recorded in Book 21962, Page 483 and  
November 10, 1994, Document No. 94-185571

- 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. 1108  
 Filed - Land Court Condo Map No. \_\_\_\_\_

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

- 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 21682 Page 192  
 Filed - Land Court: Document No. \_\_\_\_\_

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

November 10, 1994, Document No. 94-185571



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>Majority</u> of the Board

\* 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:

The Developer may amend the Declaration, By-Laws and Condominium Map (a) at any time prior to the recording of the first apartment conveyance to a party not a signatory to the Declaration; (b) to make any amendment required by law, by the Real Estate Commission, by any title insurance company issuing title insurance on the Project or any apartment, by any institutional lender lending funds on the security of the Project or any apartment, or by any governmental agency of any other jurisdiction as a condition to marketing the Project in such jurisdiction; (c) to record the "as built" verified statement required by Section 514A-12, HRS; and (d) for any other reason.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

- Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.
- Leasehold or Subleasehold: 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 Subleaseholds:

- 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 Subleasehold:

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: 1228 Lunalilo St., Honolulu, HI Tax Map Key: 1st Division 2-4-20-54  
96822 (TMK)

[ ] Address [ ] TMK is expected to change because \_\_\_\_\_  
\_\_\_\_\_

Land Area: 14,456 [X] square feet [ ] acre(s) Zoning: A-2

Lessor (Fee Owner): Florence Yoshiko Muraoka Goh and Noreen K. Goh as Trustees

Name 1188 Bishop St., Ste. 2002
Address Honolulu, HI 96813

(See the additional information at pages 20-20B for intended changes)

Buyer Under Agreement of Sale:

The Hampton Financial Corp.
Name 1188 Bishop St., Ste. 2002
Address Honolulu, HI 96813

C. Buildings and Other Improvements:

- 1. [ ] New Building(s) [X] Conversion of Existing Building(s) [ ] Both New Building(s) and Conversion
2. Number of Buildings: 2 Floors Per Building 3 floors in second building

[ ] Exhibit contains further explanations.

3. Principal Construction Material:

- [ ] Concrete [X] Hollow Tile [ ] Wood
[X] Other Glass, plasterboard, and allied construction materials

4. Permitted Uses by Zoning:

Table with 4 columns: Use, No. of Apts., Use Permitted By Zoning, No. of Apts., Use Determined By Zoning. Rows include Residential (24), Commercial, Mix Res/Comm, Hotel, and Timeshare.

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

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:

Only certified guide animals and household pets such as dogs and  
[X] Pets: cats are allowed in reasonable number as determined by the Board

[ ] Number of Occupants: \_\_\_\_\_

[X] Other: See Declaration, Section H, By-Laws Article VI, as amended, and  
the Rules and Regulations

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: \_\_\_\_\_ Stairways: \_\_\_\_\_ Trash Chutes: \_\_\_\_\_

<u>Apt.</u> <u>Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net</u> <u>Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>See Exhibit A</u>	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 24

**\*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:

See EXHIBIT C

Permitted Alterations to Apartments:

See EXHIBIT D

7. Parking Stalls:

Total Parking Stalls: 24

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)	<u>13</u>	<u>4</u>	<u>3</u>	<u>4</u>			<u>24</u>
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	<u>17</u>		<u>7</u>				

Each apartment will have the exclusive use of at least 1 parking stall(s).  
Buyers are encouraged to find out which stall(s) will be available for their use.

Commercial parking garage permitted in condominium project.

Exhibit E contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool                     Storage Area             Recreation Area

Laundry Area                     Tennis Court             Trash Chute

Other: \_\_\_\_\_

9. Compliance With Building Code and Municipal Regulations: Cost to Cure Violations

There are no violations.     Violations will not be cured.

Violations and cost to cure are listed below.     Violations will be cured by \_\_\_\_\_

See paragraph C-6 on page 20B for additional information.

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations  
(For conversions of residential apartments in existence for at least five years):

The structural components and mechanical and electrical installations material to the use and enjoyment of the Project presently appear to be in good condition. The Developer makes no representation about expected useful life. See Exhibit H.

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:

It should be noted that the subject buildings exceed 50% of the lot coverage and that the improvements do not include adequate parking; however, it is considered legal, non-conforming because the improvements were built prior to the existing zoning codes. Furthermore, a revised Ordinance (No. 86-51, Bill 69) provides a limited right to rebuild. In addition, the property is \*\*

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>    X    </u>	<u>        </u>	See 11(a) above
Structures	<u>    X    </u>	<u>    X    </u>	<u>        </u>	See 9 above
Lot	<u>        </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     F    .

as follows:

\*\* situated in the Punchbowl Special District which has a height limit of 30 feet for the subject property.

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 \_\_\_\_\_.

as follows:

Each of the parking stalls shall be a limited common element appurtenant to and reserved for the exclusive use of the apartment to which it is assigned, as set forth in Exhibit E attached hereto.

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 E.

as follows:

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 G describes the encumbrances against the title contained in the title report dated 10/27/94 and issued by Long & Melone, Ltd.



**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.

[ ] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

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>
1. Fee Owners'/Seller's rights under Master Agreement of Sale to Developer	Buyer's interest is specifically made subject and subordinate to such liens.
2. Mortgage lien(s) of Fee Owners' and/or Developer's lenders.	Buyer's interest is specifically made subject and subordinate to such liens.

NOTE: When the Project transfer described in Sales Agreement Section H and on pages 20-20B of this Public Report is carried out, the Agreement of Sale and all of the mortgage liens are to be satisfied and released, except for the recently-made \$330,000 mortgage. At the time of the first conveyance of each apartment, any remaining lien will be paid and satisfied of record or the apartment \*\*

**F. Construction Warranties:**

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows: N/A See Exhibit I of this Public Report and Article V, Section D of the Sales Agreement.

1. Building and Other Improvements:

\*\* being conveyed and its common interest shall be released from that lien, and the Agreement of Sale will have been paid and satisfied of record or the Vendor under the Agreement of Sale will make a partial transfer of the Vendor's interest as to that apartment to make it free and clear of the Agreement of Sale.

2. Appliances:

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

The developer intends to do some renovation work such as that described in Article V, Section E.2 of the Sales Agreement, but the Project buildings are completed, not new construction.

**H. Project Phases:**

The developer  has  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):

N/A

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  the Developer or the Developer's affiliate.
- self-managed by the Association of Apartment Owners  other See below

The managing agent ILC International, Inc., is the Project real estate broker and is an affiliate of ILC Development, Inc., which will be part of the general partnership that becomes the Project developer.

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, your apartment may be liened and 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 H 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  Gas  Water
- Sewer  Television Cable  Other \_\_\_\_\_

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 and Addendum to Sales Agreement for Owner - Occupants .
- Specimen Sales Contract  
Exhibit   T   contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated Nov 28, 1994 and Addendum to Escrow Agreement to Owner -  
Exhibit   T   contains a summary of the pertinent provisions of the escrow agreement.                      Occupants.
- 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, carefully review all documents relating to the purchase. You should ask to see the most recent draft. The

you should ask to see and sign, the buyer

- A) Condominium Public Reports issued by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property
- C) Bylaws of the Association of Apartment Owners
- D) House Rules.
- E) Condominium Map.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 16-107, adopted by the Board of Commissioners)
- H) Other \_\_\_\_\_

effective date by the

ii Administrative Rules,

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. 1926 filed with the Real Estate Commission on March 11, 1988

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

- yellow paper stock                       white paper stock                       pink paper stock

C. Additional Information Not Covered Above

1. Substantial Changes Throughout. Contents of this Supplementary Public Report differ substantially from the Final Public Report previously issued for the Project. That Final Public Report is completely superseded by this Supplementary Public Report.

2. Different Project Structure and Sales. The developer has changed the Project and the Project sales program from what was contemplated when the Final Public Report was previously issued for the Project. Not all the changes are described in this summary and the changes described in this summary are described only generally, not in detail. Prospective purchasers are advised to read this entire Supplementary Public Report and to read and understand the other documents identified in this Supplementary Public Report or in the new Sales Agreement or otherwise available to the prospective purchasers.

3. Some Important Changes. Among the changes are the following:

a. The Project will now have fee simple condominium apartments instead of leasehold units.

b. The Project Declaration, By-Laws, and Rules and Regulations have been amended in light of provisions in the Federal and State Fair Housing Acts as well as changes in Hawaii's condominium law in Hawaii Revised Statutes Chapter 514A. The Declaration and By-Law amendments have been recorded as Document No. 94-185571 in the Hawaii Bureau of Conveyances.

c. A new Property Management Agreement has been executed for the Project with a new project managing agent.

d. Project sales are being carried out through a new Sales Agreement, a new Escrow Agreement with a different escrow company, and a new real estate broker under a new Brokerage Agreement.

4. Project Transfer. Another change is that the developer named as The Hampton Financial Corporation intends to transfer the whole Project to a separate entity as soon as the special conditions described in Section H of the new Sales Agreement are satisfied. This means that title to all the real property and personal property that make up the Project will be transferred to that new entity. This includes the land, buildings and other improvements, fixtures, equipment and the like, all contractual rights of The Hampton Financial Corporation such as those under the Sales Agreements, Management Agreement, Escrow Agreement, and Brokerage Agreement, and everything else which The Hampton Financial Corporation has and which goes along with Project ownership and development, all of which will be taken over by that new entity. Among other things, that new entity will receive an assignment of the seller's interest which The Hampton Financial Corporation has under each of the Sales Agreements, including any rights with regard to the Buyer's escrowed payments.

a. Purposes; Mortgages. This transfer to a new entity is intended to allow The Hampton Financial Corporation to pay off the existing mortgages that were placed on the Project previous to this new sales approach, to satisfy the recorded Agreement of Sale that The Hampton Financial Corporation made previously to buy the Project from individual sellers, and to pay other expenses of bringing the Project to market with the changes. As a preliminary to this transfer and to the new sales approach,

The Hampton Financial Corporation and those individual sellers recently mortgaged the Project to an additional and different mortgage lender

for funds to make overdue payments to the previous mortgagees. Those relatively recent mortgage funds were used to effect interim cures of defaults with the previous mortgagees. Later additional payments to the mortgagees to cure a subsequent default have also been necessary, and the Developer must keep payments current and pay off the mortgages by a fixed date. The mortgages on the Project are identified in the section of this Supplementary Public Report describing title encumbrances. More information about the workout plan to pay off the mortgages and about such additional payments is stated in the Notice of Special Conditions beginning on page 2 of this Report.

b. Possible Continued Interest/Benefits of Developer. The Hampton Financial Corporation or an affiliated company or individuals affiliated with The Hampton Financial Corporation may have some ownership or other beneficial interest in the new entity that takes over the Project and may have contractual relationships with that entity such as consulting or management agreements, brokerage commission rights, and the like. The transfer to the new entity may be by way of a sale, or a contribution of the Project to a venture or partnership or other entity in which that ownership or other beneficial interest is held or with which those contractual relationships are made, or some other method.

c. Release of Hampton as Developer. When the transfer to a new entity occurs, The Hampton Financial Corporation will no longer be considered the developer of the Project. The new entity will be the developer, and The Hampton Financial Corporation will not have any obligations to buyers of Project apartments. This is one of the things provided for in Section H of the Sales Agreement with buyers.

d. Sales Agreement Reference; Special Conditions. Additional information about this plan is contained in the Sales Agreement, including Section H on Special Conditions. Prospective purchasers should read that information carefully and satisfy themselves that they understand these matters.

e. Identity of New Entity. The intended new entity mentioned in the above provisions is a joint venture called Intrex Corporation/ILC Development, Inc., which is registered as a Hawaii general partnership. The Hampton Financial Corporation has filed information about the venture and its general partners with the Hawaii Real Estate Commission. In other parts of this Supplementary Public Report where information about the developer is contained, there are references to these pages of additional information about the venture as the new developer. Prospective purchasers may also obtain information about the venture from The Hampton Financial Corporation.

5. Anticipated Changes in Supplementary Public Report Information. When the new venture takes over, the information in this Supplementary Public Report will change automatically as follows:

a. Information about the "Developer" in Section I on "Persons Connected With the Project" will be changed to the following:

"Developer:                      Intrex Corporation/ILC Development, Inc.  
   2270 Kalakaua Avenue, Suite 1010  
   Honolulu, Hawaii 96815

"Telephone:                      922-2002





Prospective purchasers are advised to read and understand that Due Diligence Report. Each Buyer's Sales Agreement provides that the buyer agrees he or she has received that Due Diligence Report, read it, and accepts it, and will not hold the Seller or the Seller's agents or such architect liable for anything in connection with that Report. No Buyer can make any claim against the Seller or Seller's agents or the persons who did the Due Diligence Report on account of anything that is stated in the report or anything that is omitted from it or not stated clearly or completely. The Report was not done on such a comprehensive or intense basis that anyone undertook any such liability in connection with it. It was done only for convenience of the Seller and is provided to Buyers because it is available, but only with a disclaimer against any kind of liability a Buyer or anyone else might want to claim by arguing that the Report is incomplete, erroneous, or misleading. Buyers should obtain their own evaluation of the Project condition independently of the Due Diligence Report.

Among the aspects of the Project noted in the Due Diligence Report that do not or may not comply with applicable ordinances are:

a. In each of Apartments 203, 204, 205, 303, 304, and 305, walls which do not comply with the Building Code and municipal regulations have been added to enclose the storage room shown on the Condominium Map for the Project.

b. Although the roof deck on Building A can be accessed, there are not the required minimum two stairways to it.

c. The width and handrail/guardrail aspects of the stairway on the Lunalilo-Liholiho-Street-corner side of Building A do not satisfy current Building Code requirements, and the Report also mentions that the existing stairway for Building B should be upgraded to meet Building Code requirements.

d. The room called the second bedroom for interior units that have such a room does not have ventilation windows and may have to be treated as a den.

e. Storage at an area for access to electrical equipment at Building A is not allowed by the Building Code and should be removed and prevented.

f. Changes in the electrical and other codes and the ages of the buildings led to recommendations in the Report for review of a number of specific conditions that might be upgraded or improved or otherwise changed to comply with present codes, even though those conditions may have been acceptable when the Project was originally built or those conditions were put into place.

g. Upgrading some electrical work in order to accommodate new appliances such as clothes washer/dryers may require electrical work in other areas, such as nongrounded wiring and receptacles in other areas, and may require bringing all the electrical work up to present code standards.

**Note:** Letters from the Building Department of the City and County of Honolulu concerning whether the Project complies with building and zoning codes and ordinances and concerning variances or nonconforming aspects of the Project are on file with the Real Estate Commission. The developer obtained a copy of the Department's letter dated April 25, 1995, which identifies certain nonconformities revealed by a building inspector's investigation, and states that "the disclosed nonconformities do not affect our previous statement that the apartment building met code requirements at

the time of construction." A copy of that letter is available for prospective purchasers who wish to examine it.

Buyers should note that one or more of such conditions that do not comply with a current code requirement, or which may be the subject of an upgrade or improvement recommendation, may have been changed or corrected, although the developer has not undertaken any obligation to make any such change or correction. Prospective purchasers should determine whether such conditions still exist in the Project, whether such conditions may be considered significant or material to any particular Buyer or the use and enjoyment of any particular apartment or other part of the Project, and whether any such condition will have any effect on that Buyer's apartment or the Project.


7. The developer advises purchasers that in February 1988, heavy vibratory earth compaction equipment was used for compaction purposes on neighboring property across from the Project. Heavy vibrations were experienced by several tenants and the resident manager on the Project. The developer's structural engineer at that time, Shigemura, Yamamoto, Lau & Associates, Inc., conducted a cursory visual inspection of various affected areas (certain cracks and misaligned doors) of the Project buildings, and found that "there are no indications that the ground has settled from the vibrations nor has the building experienced any severe structural distress because of the vibration." A copy of the engineer's report is on file with the Hawaii Real Estate Commission.

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.

THE HAMPTON FINANCIAL CORPORATION

Name of Developer

By:

  
Duly Authorized Signatory

Dec. 21, 1994  
Date

RICHARD H. GOH, PRESIDENT

print name & title of person signing above

Distribution:

Department of Finance, City and County of Honolulu  
Planning Department, City and County of Honolulu  
Federal Housing Administration

CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE

EXHIBIT A

APARTMENT DESCRIPTION

<u>Apt. No.</u>	<u>Bedroom/ Bath</u>	<u>Approx. Net Living Floor Area in Sq. Ft.*</u>	<u>Approx. Net Lanai Floor Area in Sq. Ft.</u>
101	1/1	413	224
102	1/1	420	224
103	1/1	420	224
104	1/1	420	224
105	1/1	413	224
106	1/1	413	75
107	1/1	420	76
108	1/1	420	76
109	1/1	420	76
110	1/1	413	75
201	2/1	521	51
202	2/1	519	51
203	1/1	509	51
204	1/1	509	51
205	1/1	509	51
206	2/1	519	51
207	2/1	519	51
301	2/1	521	51
302	2/1	519	51
303	1/1	509	51
304	1/1	509	51
305	1/1	509	51
306	2/1	519	51
307	2/1	519	51

Total Apartments: 24

\*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.

CONDOMINIUM PUBLIC REPORT OF  
MAKIKI COURTE

EXHIBIT B

REAL ESTATE SALES AGENTS

ILC DEVELOPMENT, INC.  
2270 Kalakaua Avenue  
Suite 1010  
Honolulu, Hawaii 96815

Phone: 922-2002

CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE

EXHIBIT C

BOUNDARIES OF EACH APARTMENT

Each apartment consists of the spaces within the perimeter walls, floors and ceilings of the respective apartment as shown on the Condominium Map. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls or partitions, the foundations, columns, girders, beams, floor slabs, footings, supports, roof and ceilings located within or at the perimeter of or surrounding such apartment, any pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes or air exhaust running through or otherwise located within such apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as hereinafter provided. Each apartment shall be deemed to include all of the walls and partitions which are not load-bearing and which are within its perimeter walls, the inner decorated or finished surfaces of all walls, floors, roof and ceilings; all windows, window frames, louvers (if any), shutters (if any), doors and door frames along the perimeter of the apartment; and all of the fixtures and appliances originally installed therein.

CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE

EXHIBIT D

PERMITTED ALTERATIONS TO APARTMENTS

1. Except as otherwise provided in the Declaration, restoration, repair or replacement of the Project or the building or construction of any additional building or structural alteration or addition to any structure, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association or any apartment owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to the affirmative vote of seventy-five percent (75%) of the apartment owners and accompanied by the written consent of the holders of all liens affecting any of the apartments, and in accordance with all of the requirements of Paragraphs 6 and 7 of Section I of the Declaration, and promptly upon completion of such restoration, replacement or construction, the Association shall duly record such amendment, together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer; PROVIDED, HOWEVER, that notwithstanding any other provision in the Declaration to the contrary, the owner of an apartment may make any alterations or additions within an apartment and the owner of any two adjoining apartments may alter or remove all or portions of the intervening walls, at such owner's expense, if such alterations or additions are not visible from the exterior of the apartments and if the structural integrity of the building is not thereby affected. The alterations or additions permitted by the immediately preceding proviso shall require only the written approval thereof, including approval of the apartment owner's plans therefor, by the holders of first mortgage liens affecting such apartment (if the lien holders require such approval), by the appropriate agencies of the State of Hawaii and the City and County of Honolulu if such agencies so require, by the Board of Directors of the Association (which approval shall not be unreasonably or arbitrarily withheld or delayed), and by all other apartment owners thereby directly affected (as determined in a reasonable manner by the Board of Directors of the Association) and such alterations or additions may be undertaken without an

amendment to the Declaration or recording of a complete set of floor plans of the Project as so altered. Prior to the termination of the common ownership of any two adjoining apartments, if the intervening walls shall have been altered or removed pursuant to the foregoing provision and any entrances sealed, the owner of such apartment shall restore such intervening walls and entrances to substantially the same condition in which they existed prior to such alteration or removal.

2. Notwithstanding any other provision in this Declaration to the contrary, prior to (a) the time that all apartments in the Project have been sold and recorded and (b) the recording by the Developer of the "as built" verified statement (with plans, if applicable) required by Section 514A-12 of the Condominium Act (but in no event later than December 31, 2004), the Developer shall have the right to make alterations in the Project (and to amend this Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, or any other person, which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any apartment (and the limited common elements appurtenant thereto) in the Project which is not sold and recorded; or to make other alterations in the Project (and to amend the Declaration and the Condominium Map accordingly) without the approval, consent or joinder of any apartment owner, or any other person, which make minor changes in any apartment in the Project or the common elements which do not affect the physical location, design or size of any apartment which has been sold and recorded; PROVIDED, HOWEVER, that any such changes shall be reflected in an amendment to the Declaration as provided in Paragraph 3 of Section S of the Declaration. As used herein the term "sold and recorded" shall mean and refer to the sale of apartments in the Project and the recording in the Bureau of Conveyances of the State of Hawaii of apartment conveyances transferring interests in the apartments from the Developer to parties not signatory to the Declaration.

3. The Declaration has been amended by the addition of a new Section AA to read as follows:

AA. EXEMPTIONS FOR HANDICAPPED OCCUPANTS

Notwithstanding anything to the contrary contained in the Declaration, the By-Laws, or Rules and Regulations, handicapped occupants shall:

1. be permitted to make reasonable modifications to their apartments and/or the common elements, at their expense, if such modifications are necessary to enable them to use and enjoy their apartments and/or the common elements, as the case may be; and



2. be allowed reasonable exemptions from the Declaration, the By-Laws and the Rules and Regulations, when necessary, to enable them to use and enjoy their apartments and/or the common elements, provided that any handicapped occupant desiring to make such modifications or desiring such an exemption shall so request, in writing. That request shall set forth, with specificity and in detail, the nature of the request and the reason that the requesting party needs to make such modification or to be granted such an exemption. The Board of Directors shall not unreasonably withhold or delay its consent to such request, and any such request shall be deemed to be granted if not denied in writing, within forty-five (45) days of the Board's receipt thereof.

CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE

EXHIBIT E

<u>Apartment No.</u>	<u>Parking Stall No(s).</u>	<u>Common Interest</u>
101	1	4.6%
102	3	4.7%
103	7	4.7%
104	24	4.7%
105	9	4.6%
106	2	3.6%
107	4	3.7%
108	8	3.7%
109	23	3.7%
110	10	3.6%
201	5	4.3%
202	6	4.2%
203	13	4.1%
204	14	4.1%
205	15	4.1%
206	12	4.2%
207	11	4.2%
301	16	4.3%
302	17	4.2%
303	18	4.1%
304	19	4.1%
305	20	4.1%
306	21	4.2%
307	22	4.2%

CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE

EXHIBIT F

COMMON ELEMENTS

The common elements consist of all portions of the Project other than the apartments, including, specifically, but not limited to:

- (a) The Land in fee simple;
- (b) All foundations, columns, girders, beams, footings, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, roofs, stairways, walkways, corridors, fences (if any), entrances, entryways and exits of the Project;
- (c) All walkways, roadways, sidewalks, retaining walls (if any), fences, gates, driveways, parking areas, yards, grounds, landscaping, refuse areas, storage areas (other than storage rooms located within the apartments) and mailboxes;
- (d) All pipes, cables, conduits, ducts, sewer lines, sewage treatment equipment and facilities (if any), electrical equipment, 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, gas (if any), sewer, water, telephone and television signal distribution (if any);
- (e) The parking stalls located in the Project, all as shown on the Condominium Map; and
- (f) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE

EXHIBIT G

**NOTE:** When the Project transfer described in Section H of the Sales Agreement and in the additional information at pages 20-20B of this Supplementary Public Report has been done, encumbrances 3 through 5 and 7 through 25 will be removed from title. In addition, encumbrance 26 will not be an encumbrance on the apartment title of any Buyer who closes his purchase, and encumbrance 27 may be removed when the transferee general partnership or one of the companies that will form that general partnership gets a survey of the Project.

1. For any real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor of the City and County of Honolulu.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. ASSIGNMENT OF LESSOR'S INTEREST IN LEASES  
Assignor(s) : Florence Yoshiko Muraoka Goh, unmarried,  
and Dickie Hiroaki Goh, husband of Noreen  
Keiko Arakaki Goh  
Assignee(s) : Honolulu Mortgage Company, Inc., a Hawaii  
corporation  
Dated : December 19, 1985  
Recorded in the Bureau of Conveyances in Book 19169, Page 104.
4. ASSIGNMENT  
Assignor(s) : Honolulu Mortgage Company, Inc., a Hawaii  
corporation  
Assignee(s) : Bishop Trust Company, Limited, a Hawaii  
corporation  
Dated : February 12, 1986  
Recorded in the Bureau of Conveyances in Book 19295, Page 177,  
Assigns foregoing Assignment of Lessor's Interest in Leases.
5. AGREEMENT OF SALE  
Vendors : Florence Yoshiko Muraoka Goh, unmarried,  
and Noreen K. Goh, also known as Noreen  
Keiko Arakaki Goh, Trustee under that  
certain unrecorded Declaration of Trust  
dated December 8, 1982, made by Noreen K.  
Goh  
Vendee(s) : The Goh Corporation, a Hawaii corporation  
Dated : October 30, 1986  
Recorded in the Bureau of Conveyances in Book 20010, Page 387.  
Consideration : \$1,100,000.00

Consent required for assignment or sale of vendees' interest. Said Agreement of Sale was amended by instrument dated October 30, 1986, recorded in the Bureau of Conveyances as Document No. 91-174929.

6. Covenants, conditions, restrictions, reservations, easements, liens for assessments, options, powers of attorney, limitations on title, and all other provisions contained in or incorporated by reference in the Declaration of Horizontal Property Regime dated November 30, 1987, recorded in the Bureau of Conveyances in Book 21682, Page 156, as amended (By-Laws thereto dated November 30, 1987, recorded in the Bureau of Conveyances in Book 21682, Page 192), Condominium Map No. 1108; any instrument creating the estate or interest herein set forth; and in any other allied instrument referred to in any of the instruments aforesaid. (Said Declaration was amended by instrument dated May 17, 1988, recorded in the Bureau of Conveyances in Book 21962, Page 483.)

7. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor(s) : Florence Yoshiko Muraoka Goh, unmarried, and Noreen K. Goh, also known as Noreen Keiko Arakaki Goh, Trustee under that certain unrecorded Declaration of Trust dated December 8, 1982, a Short Form of which dated March 4, 1986, recorded in the Bureau of Conveyances in Book 19816, Page 747.

Mortgagee(s) : GECC Financial Corporation, a Hawaii corporation

Dated : February 26, 1990

Recorded in the Bureau of Conveyances as Document No. 90-031298.

To Secure : \$970,000.00

8. ASSIGNMENT OF SELLER'S INTEREST UNDER AGREEMENT OF SALE AS SECURITY - SECURITY AGREEMENT

Assignor(s) : Florence Yoshiko Muraoka Goh, unmarried, and Noreen K. Goh, also known as Noreen Keiko Arakaki Goh, Trustee under that certain unrecorded Declaration of Trust dated December 8, 1982, a Short Form of which dated March 4, 1986, recorded in the Bureau of Conveyances in Book 19816, Page 747.

Assignee(s) : GECC Financial Corporation, a Hawaii corporation

Dated : February 26, 1990

Recorded in the Bureau of Conveyances as Document No. 90-031301.

9. FINANCING STATEMENT  
 Debtor(s) : Florence Yoshiko Muraoka Goh, and Noreen K. Goh, also known as Noreen Keiko Arakaki Goh, Trustee under that certain unrecorded Declaration of Trust dated December 8, 1982, a Short Form of which dated March 4, 1986, recorded in the Bureau of Conveyances in Book 19816, Page 747.
- Secured Party : GECC Financial Corporation, a Hawaii corporation  
 Recorded March 5, 1990 in the Bureau of Conveyances as Document No. 90-031302
10. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT  
 Mortgagor(s) : The Hampton Financial Corporation, formerly known as The Goh Corporation, a Hawaii corporation  
 Mortgagee(s) : GECC Financial Corporation, a Hawaii corporation  
 Dated : February 26, 1990  
 Recorded in the Bureau of Conveyances as Document No. 90-031303  
 To Secure : \$970,000.00  
 Consent thereto given by Florence Yoshiko Muraoka Goh, and Noreen K. Goh, also known as Noreen Keiko Arakaki Goh, Trustee under that certain unrecorded Declaration of Trust dated December 8, 1982, a Short Form of which dated March 4, 1986, recorded in the Bureau of Conveyances in Book 19816, Page 747, by instrument dated February 28, 1990, recorded in the Bureau of Conveyances as Document No. 90-031305.
11. FINANCING STATEMENT  
 Debtor(s) : The Hampton Financial Corporation, formerly known as The Goh Corporation, a Hawaii corporation  
 Secured Party : GECC Financial Corporation, a Hawaii corporation  
 Recorded March 5, 1990 in the Bureau of Conveyances as Document No. 90-031306
12. ASSIGNMENT OF LESSOR'S INTEREST UNDER LEASE AS SECURITY - SECURITY AGREEMENT  
 Assignor(s) : The Hampton Financial Corporation, formerly known as The Goh Corporation, a Hawaii corporation  
 Assignee(s) : GECC Financial Corporation, a Hawaii corporation  
 Dated: February 26, 1990  
 Recorded in the Bureau of Conveyances as Document No. 90-031307.

13. FINANCING STATEMENT

Debtor(s) : The Hampton Financial Corporation,  
formerly known as The Goh Corporation, a  
Hawaii corporation  
Secured Party : GECC Financial Corporation, a Hawaii  
corporation  
Recorded March 5, 1990 in the Bureau of Conveyances as  
Document No. 90-031308

14. SUBORDINATION AGREEMENT

By and Between : Florence Yoshiko Muraoka Goh, and Noreen  
K. Goh, also known as Noreen Keiko  
Arakaki Goh, Trustee under that certain  
unrecorded Declaration of Trust dated  
December 8, 1982, a Short Form of which  
dated March 4, 1986, recorded in the  
Bureau of Conveyances in Book 19816, Page  
747, The Hampton Financial Corporation,  
formerly known as The Goh Corporation, a  
Hawaii corporation, GECC Financial  
Corporation, a Hawaii corporation, and  
American Savings Bank, F.S.B.  
Dated : December 13, 1991  
Recorded in the Bureau of Conveyances as Document No.  
19-174934.

15. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor(s) : Florence Yoshiko Muraoka Goh, and Noreen  
K. Goh, also known as Noreen Keiko  
Arakaki Goh, Trustee under that certain  
unrecorded Declaration of Trust dated  
December 8, 1982, a Short Form of which  
dated March 4, 1986, recorded in the  
Bureau of Conveyances in Book 19816, Page  
747, The Hampton Financial Corporation,  
formerly known as The Goh Corporation, a  
Hawaii corporation  
Mortgagee(s) : American Savings Bank, F.S.B.  
Dated : December 13, 1991  
Recorded in the Bureau of Conveyances as Document No.  
91-174930  
To Secure : \$1,500,000.00

16. ASSIGNMENT OF LESSOR'S INTEREST IN LEASES AND RENTS

Assignor(s) : Florence Yoshiko Muraoka Goh, and Noreen  
K. Goh, also known as Noreen Keiko Arakaki  
Goh, Trustee under that certain  
unrecorded Declaration of Trust dated  
December 8, 1982, a Short form of which  
dated March 4, 1986, recorded in the  
Bureau of Conveyances in Book 19816, Page

747, The Hampton Financial Corporation, a  
Hawaii corporation

Assignee(s) : American Savings Bank, F.S.B.  
Dated : December 13, 1991  
Recorded in the Bureau of Conveyances as Document No.  
91-174931.

17. FINANCING STATEMENT

Debtors : Florence Yoshiko Muraoka Goh and Noreen  
K. Goh, also known as Noreen Keiko  
Arakaki Goh, Trustee under that certain  
unrecorded Declaration of Trust dated  
December 8, 1982, a Short Form of which  
is dated March 4, 1986, recorded in Book  
19816, page 747.  
Secured Party : American Savings Bank, F.S.B.  
Recorded December 18, 1991 in the Bureau of Conveyances as  
Document No. 91-174932

18. FINANCING STATEMENT

Debtor(s) : The Hampton Financial Corporation  
Secured Party : American Savings Bank, F.S.B.  
Recorded December 18, 1991 in the Bureau of Conveyances as  
Document No. 91-174933

19. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor(s) : Florence Yoshiko Muraoka Goh, unmarried,  
and Noreen K. Goh, also known as Noreen  
Keiko Arakaki Goh, Trustee under that  
certain unrecorded Declaration of Trust  
dated December 8, 1982  
Mortgagee(s) : Bank of Hawaii  
Dated : December 10, 1992  
Recorded in the Bureau of Conveyances as Document No.  
92-212219.  
To Secure : \$127,519.91

20. FINANCING STATEMENT

Debtor(s) : Florence Yoshiko Muraoka Goh, unmarried  
and Noreen K. Goh, also known as Keiko  
Arakaki Goh, as Trustee under that  
certain unrecorded Declaration of Trust  
dated December 8, 1982.  
Secured Party : Bank of Hawaii  
Recorded December 29, 1992 in the Bureau of Conveyances ad  
Document No. 92-212221

21. ASSIGNMENT OF SELLER'S INTEREST IN AGREEMENT OF SALE

Assignor(s) : Florence Yoshiko Muraoka Goh, unmarried



Assignee(s) : Florence Y. Goh, as Trustee of the  
Florence Y. Goh Revocable Living Trust  
dated September 3, 1992.

Dated : September 3, 1992  
Recorded in the Bureau of Conveyances as Document No.  
93-004399.

22. LIS PENDENS  
Filed June 24, 1994 in Circuit Court of the First Circuit,  
State of Hawaii with Civil No. 94-2295-06, American Savings  
Bank, F.S.B. vs. Florence Yoshiko Muraoka Goh, Noreen K. Goh,  
also known as Noreen Keiko Arakaki Goh, et al.  
Dated : June 24, 1994  
Recorded June 27, 1994 in the Bureau of Conveyances as  
Document No. 94-107530. Suit to foreclose Mortgage recorded  
in the Bureau of Conveyances as Document No. 91-174930.
23. Terms, covenants, conditions, reservations and restrictions  
contained in that certain unrecorded Declaration of Trust  
dated December 8, 1982, a Short Form of which is recorded in  
the Bureau of Conveyances in Book 19816, Page 747.
24. Terms, covenants, conditions, reservations and restrictions  
contained in that certain Florence Y. Goh Revocable Living  
Trust dated September 3, 1992.
25. Any invalidity or defect in the title of the vestees [who are  
trustees] in the event that the trust is invalid or fails to  
grant sufficient powers to the trustee(s) or in the event  
there is a lack of compliance with the terms and provisions of  
the trust instrument.
26. Any lien, or right to a lien, for services, labor or material  
heretofore or hereafter furnished, imposed by law and not  
shown by the public records.
27. Rights or claims of parties in possession and easements or  
claims of easements not shown by the public records, boundary  
line disputes, overlaps, encroachments, and any matters not of  
record which would be disclosed by an accurate survey and  
inspection of the premises.
28. Mortgage, Security Agreement, Assignment of Leases and Rents,  
and Financing Statement made by The Hampton Financial  
Corporation, Noreen K. Goh, Trustee, and Florence Y. Goh,  
Trustee, as Mortgagor, in favor of General Housing Finance  
Hawaii Incorporated, a Hawaii corporation, recorded in the  
Hawaii Bureau of Conveyances as Document No. 94-204536,  
securing a principal amount of \$330,000.00 and interest and  
other amounts as stated in that Mortgage. (This is the recent  
additional mortgage on the Project as mentioned in the

additional information at pages 20-20B of this Supplementary  
Public Report.)

CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE  
EXHIBIT H

DISCLOSURE ABSTRACT

1. (a) PROJECT: MAKIKI COURTE  
1228 Lunalilo Street  
Honolulu, Hawaii
  - (b) DEVELOPER: The Hampton Financial Corporation  
1188 Bishop Street, Suite 2002  
Honolulu, Hawaii 96813  
Telephone: (808) 536-6917  
  
Upon Project transfer, to become:  
  
Intrex Corporation / ILC  
Development, Inc., a joint venture  
registered as a Hawaii general  
partnership  
2270 Kalakaua Avenue, Suite 1010  
Honolulu, Hawaii 96815  
Telephone: (808) 922-2002
  - (c) PROJECT MANAGER: ILC International, Inc.  
2270 Kalakaua Avenue, Suite 1010  
Honolulu, Hawaii 96815  
Telephone: (808) 922-2002
2. USE OF APARTMENTS:
    - (a) Number of Apartments in Project for Residential Use: 24
    - (b) Proposed Number of Apartments in Project for Hotel Use:  
-0-
    - (c) Extent of Commercial or Other Nonresidential Development  
in Project: None
3. WARRANTIES:

EXCEPT AS PROVIDED IN ARTICLE V, SECTION E.2 OF THE SALES AGREEMENT SELLER MAKES NO WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), INCLUDING ANY WARRANTIES OR PROMISES OF "MERCHANTABILITY", "WORKMANLIKE CONSTRUCTION", "HABITABILITY" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE." THERE ARE NO WARRANTIES

WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO WARRANTIES OR PROMISES THAT THE PROJECT OR ANY IMPROVEMENTS IN THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT) WILL BE FREE FROM CRACKS OR OTHER DEFECTS IN, OR DAMAGE TO, THE CONCRETE OR OTHER BUILDING MATERIALS. IN OTHER WORDS, SELLER MAKES NO WARRANTIES OR PROMISES AT ALL. THE BUYER MUST RELY SOLELY ON THE BUYER'S OWN INSPECTION AND EXAMINATION OF THE APARTMENT, PROPERTY, AND PROJECT (INCLUDING COMMON ELEMENTS) TO SATISFY THE BUYER ABOUT ANY OF THE THINGS THIS DISCLAIMER COVERS.

THE ATTENTION OF THE BUYER IS DIRECTED TO ARTICLE V, SECTION D, OF THE SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT (INCLUDING THE COMMON ELEMENTS), ESTIMATED MAINTENANCE CHARGES AND RENTAL OF THE APARTMENT.

4. BREAKDOWN OF ANNUAL MAINTENANCE CHARGES AND ESTIMATED COSTS FOR EACH APARTMENT:

Attached to this Disclosure Abstract is a breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, prepared by ILC International, Inc., a Hawaii corporation, as of November, 1994, and certified to have been based on generally accepted accounting principles. The attached breakdown of annual maintenance charges and the estimated cost for each apartment are subject to change based on actual costs of the items listed. The Developer can make no assurances regarding the estimated maintenance assessments. Variables such as inflation, uninsured casualty loss or damage, increased or decreased services from those contemplated by the Developer, apartment owner delinquencies and other factors such as those mentioned in Article V, Section D.4 of the Sales Agreement may cause the actual maintenance assessments to be greater or less than the estimated maintenance assessments. The breakdown of the estimated cost for each apartment contained in this Disclosure Abstract does not include Buyer's obligation for the payment of real property taxes and does not include or otherwise take into account the one-time "start-up" fee required to be paid in addition to the normal maintenance charges. Estimates of the real property taxes will be provided by the Developer upon request.

NOTE: THE DEVELOPER ADVISES THAT COSTS AND EXPENSES OF MAINTENANCE AND OPERATION OF A CONDOMINIUM PROJECT ARE VERY DIFFICULT TO ESTIMATE INITIALLY AND EVEN IF SUCH CHARGES HAVE BEEN ACCURATELY ESTIMATED, SUCH CHARGES WILL TEND TO INCREASE IN AN INFLATIONARY ECONOMY AND AS THE IMPROVEMENTS AGE. MAINTENANCE CHARGES CAN VARY DEPENDING ON SERVICES DESIRED BY APARTMENT OWNERS. THE BUYER SHOULD EXAMINE THE MAINTENANCE CHARGE SCHEDULE TO SEE WHAT SERVICES ARE INCLUDED IN THE SCHEDULE.

5. STATEMENTS RELATING TO CONVERSION OF EXISTING STRUCTURE TO CONDOMINIUM STATUS:

(a) Based upon a report dated November 9, 1994, prepared by Ronald K. Kunimitsu, an independent registered architect (attached to this Exhibit H), the Developer states that all structural components and mechanical and electrical installations that are material to the use and enjoyment of the Project presently appear to be in good condition.

(b) The Developer makes no representation with respect to the expected useful life of any of the items reported on in paragraph 5(a) above.

(c) The Developer states that there are no current outstanding notices from municipal authorities of uncured violations of building code or other municipal regulations affecting the Project, and no such notices from other persons known to the Developer, other than as mentioned in this Supplementary Public Report or documents referenced in this Report.

(d) The Developer states that except as described in Sections 9 and 11(a) of this Supplementary Public Report or in documents referred to in this Report, the Project lot, structures and uses are in conformity with present zoning requirements.

CERTIFICATE

I, the undersigned, duly sworn on oath, depose and affirm as follows:


1. That I am the President of I L C International, Inc., a Hawaii corporation, designated by the Developer of the Makiki Courte condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.

2. That I hereby certify that the breakdown of the annual maintenance charges and the monthly estimated cost for each apartment in the Project, as set forth in Exhibit "A" attached hereto and hereby incorporated herein by reference, is a reasonable estimate as of November 1994, of such charges and cost, based on generally accepted accounting principles.

DATED: Honolulu, Hawaii, this 22nd day of  
December, 1994.



Subscribed and sworn to before me  
this 22nd day of December, 1994.

  
Notary Public, State of Hawaii

My commission expires: October 26, 1998

LS

**MAKIKI COURTE ESTIMATED MAINTENANCE FEE BREAKDOWN**

MAINTENANCE & EXPENSES	PER MONTH
Grounds	\$350.00
Water/Sewer	\$793.00
Electricity	\$174.00
Insurance	\$119.00
Reserves	\$1,447.00
Maint. Supplies	\$25.00
Audit & Tax Prep	\$90.00
Fidelity Bonds	\$18.00
Misc. Taxes	\$10.00
Bldg. Repair/Maint.	\$250.00
Management Fee	\$600.00
Office Expenses	\$50.00
<b>TOTALS</b>	<b><u>\$3,926.00</u></b>

COMMON INTEREST	NUMBER OF LIKE UNITS	MAINTENANCE FEE	EXTENDED REVENUE
3.60%	2	\$141.34	\$282.67
3.70%	3	\$145.26	\$435.79
4.10%	6	\$160.97	\$965.80
4.20%	6	\$164.89	\$989.35
4.30%	2	\$168.82	\$337.64
4.60%	2	\$180.60	\$361.19
4.70%	3	\$184.52	\$553.57
			<b><u>\$3,926.00</u></b>

**MAKIKI COURTE ESTIMATED MAINTENENCE FEE BREAKDOWN**

RESERVE COMPONENT	AGE IN YEARS	ESTIMATED USEFULL LIFE	ESTIMATED REMAINING LIFE	CONTRIBUTIONS	REPLACEMENT COST	YEAR TO REPLACE
Roofing	10	10-14 years	4	\$4,022.00	\$24,131.00	2001
Painting (ext)	5 years	7 years	2 years	\$4,170.00	\$20,850.00	2000
Gutters	10-15 years	10 years	0	\$684.00	\$3,420.00	2000
Mailbox Replcmnt	10-15 years	-	-	\$375.00	\$1,875.00	2000
Termite Trtmnt	-	7 years	-	\$1,320.00	\$6,600.00	2000
Fire Boxes/Hoses	10-15 years	10 years	5 years	\$458.00	\$2,288.00	2000
Asphalt driveway	10-15 years	10 years	5 years	\$2,200.00	\$11,000.00	2000
Plumbing Retrofit	10-15 years	20-30 years	15 years	\$3,484.00	\$23,225.00	2011
Exterior Lighting	10-15 years	10 years	5 years	\$654.00	\$3,270.00	2000

Projected Replacement Reserves on (dates specified): \$96,659.00

Suggested Annual Contribution to Replacement Reserves: \$17,367.00

Suggested Monthly Contribution to Replacement Reserves: \$1,447.00



ESTIMATED MAINTENANCE CHARGES OR FEES FOR EACH APARTMENT:

The estimated maintenance charge for each apartment is as follows:

<u>Apt.</u> <u>No.</u>	<u>Monthly</u>	<u>Annual</u>
101	180.60	2,167.20
102	184.52	2,214.24
103	184.52	2,214.24
104	184.52	2,214.24
105	180.60	2,167.20
106	141.34	1,696.08
107	145.26	1,743.12
108	145.26	1,743.12
109	145.26	1,743.12
110	141.34	1,696.08
201	168.82	2,025.84
202	164.89	1,978.68
203	160.97	1,931.64
204	160.97	1,931.64
205	160.97	1,931.64
206	164.89	1,978.68
207	164.89	1,978.68
301	168.82	2,025.84
302	164.89	1,978.68
303	160.97	1,931.64
304	160.97	1,931.64
305	160.97	1,931.64
306	164.89	1,978.68
307	164.89	1,978.68

MAKIKI COURTE

RONALD H. KUNIMITSU hereby declares that he is a registered professional architect (No. 4456) in Hawaii, and that he has observed visible structural components and mechanical and electrical installations material to the use and enjoyment of the condominium project known as "Makiki Courte" (the "Project") to be presently in good condition.

Dated: Honolulu, Hawaii, November 09, 1994.

Ronald H. Kunimitsu  
Registered Professional  
Architect No. 4456

Subscribed and sworn to  
before me this 9th day  
of November, 1994.

Carol Miyamura  
Notary Public, State of Hawaii

My commission expires: 11/8/95

CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE

EXHIBIT I

SUMMARY OF SALES CONTRACT

A specimen Sales Agreement (the "Sales Agreement") has been submitted to the Real Estate Commission and is available in the Sales Office of the Developer. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES AGREEMENT IN FULL, since this summary is NOT A COMPLETE DESCRIPTION of its provisions. The Sales Agreement, among other things, covers in more detail the following items:

1. EXCEPT AS PROVIDED IN ARTICLE V, SECTION E.2 OF THE SALES AGREEMENT, SELLER MAKES NO WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT), INCLUDING ANY WARRANTIES OR PROMISES OF "MERCHANTABILITY", "WORKMANLIKE CONSTRUCTION", "HABITABILITY", OR "FITNESS FOR A PARTICULAR USE OR PURPOSE". THERE ARE NO WARRANTIES WHICH EXTEND BEYOND THE DESCRIPTION ON THE FACE HEREOF. WITHOUT LIMITING THE GENERALITY OF THE FOREGOING, SELLER MAKES NO WARRANTIES OR PROMISES THAT THE PROJECT OR ANY IMPROVEMENTS IN THE APARTMENT, THE PROPERTY OR THE PROJECT (INCLUDING THE COMMON ELEMENTS OF THE PROJECT) WILL BE FREE FROM CRACKS OR OTHER DEFECTS IN, OR OTHER DAMAGE TO, THE CONCRETE OR OTHER BUILDING MATERIALS. IN OTHER WORDS, EXCEPT AS PROVIDED IN ARTICLE V, SECTION E.2 OF THE SALES AGREEMENT, SELLER MAKES NO WARRANTIES OR PROMISES AT ALL. THE BUYER MUST RELY SOLELY ON THE BUYER'S OWN INSPECTION AND EXAMINATION OF THE APARTMENT, PROPERTY, AND PROJECT (INCLUDING COMMON ELEMENTS) TO SATISFY THE BUYER ABOUT ANY OF THE THINGS THIS DISCLAIMER COVERS.

2. Seller may (but doesn't have to) cancel the Sales Agreement (a) if the Buyer's mortgage loan application is rejected or not approved within 30 days after application, or (b) if the Buyer plans to pay the purchase price in cash but Seller is not satisfied for any reason with the Buyer's ability to make the cash payments. Buyer has to make any loan application within a limited time and has to follow through on the loan effort diligently. If Buyer does not do that, Buyer may not get Buyer's money back when Buyer says Buyer could not get financing. Also, Buyer takes the risk that the Buyer's lender will actually come through and fund the loan once Buyer is approved, and if the lender doesn't, Buyer still has to perform the Sales Agreement and could be liable for default.

There is an Addendum to the Sales Agreement that will be made with some owner-occupants (who reserve a unit under

the special owner-occupant procedures in Part VI of HRS Chapter 514A) and which changes some of the Sales Agreement terms for those persons, including the time to get financing.

3. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, WHETHER AND HOW BUYER DOES IT WILL BE UP TO BUYER. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

SELLER MAY, AS A REQUIREMENT FOR CLOSING, REQUIRE BUYER, ANY SALESPERSON, OR ANYONE ELSE CONNECTED WITH THE OFFER TO SELL AND THE SALE OF THE APARTMENT, TO SIGN ADDITIONAL DOCUMENTS TO SATISFY SELLER THAT THE OFFER TO SELL AND THE SALE OF THE APARTMENT IS NOT IN VIOLATION OF ANY SECURITIES LAWS. IF SELLER DETERMINES THAT THERE HAS BEEN A VIOLATION OF ANY SECURITIES LAWS, SELLER'S INJURY CAUSED BY SUCH VIOLATION WILL BE UNCERTAIN AS TO NATURE AND AMOUNT AND WILL BE DIFFICULT AND EXPENSIVE TO DETERMINE. BECAUSE OF THIS, BUYER AGREES THAT SELLER MAY OBTAIN AN INJUNCTION (IN OTHER WORDS, A COURT ORDER) FROM A COURT PROHIBITING ANY ACTS BY BUYER WHICH MAY GIVE RISE TO SUCH VIOLATION. SELLER MAY ALSO PURSUE ANY OTHER REMEDY AGAINST BUYER, INCLUDING SEEKING MONEY DAMAGES. ALL OF SELLER'S COSTS, INCLUDING REASONABLE LAWYERS' FEES, INCURRED BECAUSE OF BUYER'S ACTIONS IN VIOLATION OF ANY SECURITIES LAWS, WILL BE PAID BY BUYER.

BUYER ALSO AGREES THAT IF BUYER CLAIMS THAT THERE HAS BEEN ANY VIOLATION OF ANY FEDERAL OR STATE SECURITIES OR DISCLOSURE LAWS (INCLUDING HAWAII'S CONDOMINIUM STATUTE IN HRS CHAPTER 514A) CONNECTED WITH THE OFFER OR SALE OF THE APARTMENT, THE INJURY CAUSED BY SUCH VIOLATION WILL BE DIFFICULT AND EXPENSIVE TO DETERMINE. BECAUSE OF THIS, BUYER AGREES THAT BUYER'S ONLY REMEDIES WILL BE EITHER (1) TO GET SPECIFIC PERFORMANCE AFTER SHOWING THAT BUYER IS READY, WILLING AND ABLE TO PERFORM THIS AGREEMENT BY DOING WHAT IS REQUIRED BY ARTICLE V, SECTION A.4 OR (2) TO GIVE SELLER BACK ALL OF THE PROPERTY IN AS GOOD CONDITION AS WHEN BUYER RECEIVED IT AND FREE OF LIENS AND CLAIMS AND DO ANYTHING ELSE NECESSARY TO PUT SELLER IN AS GOOD A POSITION AS TO THE PROPERTY AS BEFORE THE SALE TO BUYER, AND THEN GET A REFUND OF THE TOTAL PURCHASE PRICE AND CLOSING COSTS ACTUALLY PAID, PLUS INTEREST AT THE RATE OF 10% PER YEAR FROM THE FINAL CLOSING DATE UNTIL THE DATE OF REPAYMENT. BUYER ALSO AGREES THAT IF BUYER SUES FOR A REFUND (A) THE REFUND WILL BE CONSIDERED AS LIQUIDATED DAMAGES AND NOT A PENALTY, AND (B) ANY ADDITIONAL AMOUNTS PAID BY BUYER FOR THE APARTMENT (SUCH AS MAINTENANCE CHARGES, SPECIAL ASSESSMENTS, AND OTHER COMMON EXPENSES, REAL PROPERTY TAXES, LEASE RENTS, MORTGAGE LOAN FEES AND INTEREST, AND ALL ADDITIONAL SUMS WILL BE PAID BY BUYER AS THE REASONABLE USE VALUE OF THE APARTMENT FROM THE FINAL

CLOSING DATE UNTIL THE DATE OF REPAYMENT AND WILL NOT BE REFUNDED TO BUYER.

4. Buyer will pay for the following closing costs: all of the escrow fee, all notary fees, all conveyance taxes, all appraisal fees, all recording costs, all charges for Buyer's credit report, all costs of preparing any mortgages and promissory notes, and all title insurance costs. Buyer will also pay all other costs related to mortgage or other financing. Buyer will also pay a nonrefundable start-up fee which will be held and used by the Seller and the first Managing Agent of the Association as a working capital fund for the benefit of all the apartment owners. Buyer agrees that Seller doesn't have to pay any start-up fee for any apartment in the Project even if it is owned by Seller. Proration of lease rents, maintenance charges and other common expenses, and real property taxes will be made as of the scheduled Closing Date. Buyer will also pay a maintenance fee reserve at Closing.

5. The Buyer agrees that Buyer may not transfer the Sales Agreement or any of Buyer's rights under the Sales Agreement without first getting Seller's written consent (which Seller may withhold in its sole and absolute discretion). Seller, however, may (and intends to) transfer all of Seller's interest in Project, including all the Sales Agreements, to a third party, as explained in the Special Conditions in Section H of the Sales Agreement and at pages 20-20B of this Supplementary Public Report.

6. The Seller's obligations under the Sales Agreement are expressly conditional and contingent upon satisfaction of each and all of the special conditions stated in Section H of the Sales Agreement. This means that if any one (or more) of those special conditions is not satisfied, Seller will not be obligated to perform the Sales Agreement and will not have any liability for declining to do that performance. It also means that Buyer will not have any right to get title to the Property from Seller or to receive any other performance from Seller, even if Buyer is otherwise ready, willing, and able to perform and has spent money or undertaken obligations to become ready, willing and able to perform. In other words, if any one of those special conditions is not satisfied, Seller will have the right to cancel the Sales Agreement regardless of what circumstance the performance of Buyer or Seller has progressed to at the time of cancellation, and the Buyer cannot sue Seller or make any demands or claims against Seller on account of that cancellation.

a. The first special condition is that there must be at least twenty (20) binding sales contracts for the sale of twenty (20) separate apartments in the project by a certain date as stated in Article V, Section H.2 of the Agreement. For purposes of deciding whether this condition is satisfied or not satisfied, the term "binding sales contract" has a special meaning. The meaning is essentially that there must be 20 closings of separate

apartments ready to happen without any circumstances or reasons why the buyers under those 20 sales contracts will not close their purchases. Section H of the Sales Agreement provides more detail on this condition.

b. The second condition is that Makiki Courte, including the Land, the Project, the Property covered by the Sales Agreement, and all the other apartments, must have been acquired in fee simple by a third party to whom Seller conveys, at a closing, all of such property.

(1) Buyer acknowledges that Seller intends to make such a conveyance and has made agreements with a third party intended to accomplish such a closing when such 20 binding sales contracts are obtained. Buyer acknowledges and agrees that obtaining the 20 binding sales contracts is a condition of being able to carry out the acquisition by a third party. The purposes of such acquisition include obtaining availability of that third party's funds to pay off existing financing against the Project, including mortgages and the recorded Agreement of Sale under which Seller is the buyer of the Project, and other expenses. When that conveyance is made, that third party will take over the whole Project from Seller, and Seller intends to cause that conveyance to be a fee simple acquisition by the third party, who will receive the interest of Seller and also the interest of the persons who sold the Land and Project to Seller under that Agreement of Sale. That third party will have all the rights and interests of the developer or owner of the Project, including all rights and interests that Seller has in connection with the Project. Among the things that acquiring third party may then do is to carry out the unit sales and activities of the Project related to development and sales, including conveyance of the Property by an apartment deed to Buyer.

(2) Buyer consents and agrees to Seller's carrying out such closing and conveyance to such third party. The third party may be any person or entity to whom Seller decides to convey the Project. Buyer acknowledges and agrees that Seller and any individual or company affiliated with Seller may be part of that third party.

(3) Buyer agrees that Seller shall be released from the obligations of the Sales Agreement immediately upon the conveyance of the Project to such a third party, and that Buyer will perform the Sales Agreement with that third party instead of with Seller. Having that third party take over will not delay or otherwise change, and will not release, any of Buyer's obligations under the Sales Agreement.

7. Seller has previously given to and/or may need to give additionally to one or more lenders a mortgage or mortgages, security agreement or agreements, and other documents securing

repayment of loan(s) and covering the Project, including the Property to be sold to Buyer. All these lenders will be called the "Lender" collectively. Seller has given or may give to the Lender a promissory note or notes as well as the mortgage or mortgages, security agreement or agreements, and other documents securing repayment. The mortgage or mortgages, security agreement or agreements, and other instruments will cover the Seller's ownership rights in the Project, including the Property to be sold to Buyer. In addition, Seller may give the Lender certain rights to participate in the profits of the Project development.

At the time this Sales Agreement is executed, Seller may also be the purchaser under a recorded agreement of sale (called the "Agreement of Sale") for the Project if that Agreement of Sale has not been paid off as of that time. That Agreement of Sale is the one described in Exhibit G of this Supplementary Public Report. It is a recorded installment purchase agreement. The seller under that Agreement of Sale is called the "Vendor" in the Sales Agreement.

BUYER GIVES UP AND SUBORDINATES THE PRIORITY OF BUYER'S RIGHTS AND INTERESTS UNDER THE SALES AGREEMENT IN FAVOR OF THE RIGHTS AND INTERESTS OF SELLER'S LENDER AND SELLER'S VENDOR UNTIL THE FINAL CLOSING AND DELIVERY OF A SIGNED APARTMENT DEED TO THE BUYER. This priority also applies to any changes to the loan or loans or to the mortgage or mortgages, security agreement or agreements, Agreement of Sale, or other documents (including, among other things, modifications, extensions, renewals and other changes) that have already been made or may be made in the future before Buyer's purchase of the Property is closed.

Buyer understands that before the final Closing and delivery of a signed Apartment Deed to the Buyer, the Seller's Lender will have the right, under circumstances described in the mortgage, security agreement or other loan documents, to file suit to collect the loan funds and other amounts, or to continue to prosecute any existing suit for those purposes if Seller has not cured any non-performance of Seller in favor of the Lender. The Vendor will also have the right, under circumstances described in the Agreement of Sale, to take action to enforce and terminate the Agreement of Sale. Such a suit by Lender or action by the Vendor could result in a sale of the Project, including the Property, at a foreclosure or other sale to another person, or could result in the Lender or the Vendor taking over the Project, including the Property. If Seller's Lender files suit to collect its loan funds or other amounts owing to it or to have the Project sold, or if the Vendor files suit to enforce the Agreement of Sale, the Seller's Lender or the Vendor does not have to name the Buyer as a party to the lawsuit or tell the Buyer about the lawsuit or sale, so far as Buyer is concerned (although the Lender or the Vendor may decide to name Buyer in the lawsuit), and such a foreclosure or other sale caused by exercise of the Lender's or the Vendor's rights could be

made free and clear of the Sales Agreement by which Buyer wishes to buy the Property.

SELLER PROMISES THE BUYER THAT IF BUYER FULLY PAYS AND PERFORMS THE SALES AGREEMENT AND IF THE OTHER CLOSING CONDITIONS ARE SATISFIED, INCLUDING THE SPECIAL CONDITIONS IN SECTION H OF THE SALES AGREEMENT, SELLER WILL GET A PARTIAL RELEASE OF THE PROPERTY FROM LENDER'S SECURITY DOCUMENTS AND WILL HAVE SATISFIED THE AGREEMENT OF SALE, AND WILL CONVEY THE PROPERTY TO BUYER FREE OF THE LENDER'S CLAIMS OR LIENS AND FREE OF THE AGREEMENT OF SALE.

NOTE: ALL BUYERS SHOULD READ THE SALES AGREEMENT IN FULL AS THIS SUMMARY IS NOT ALL-INCLUSIVE AND DOES NOT CONTAIN A COMPLETE DESCRIPTION OF ALL PROVISIONS OF THE SALES AGREEMENT. THIS SUMMARY IS INTENDED ONLY TO GIVE A BRIEF DESCRIPTION OF SOME OF THE ITEMS CONTAINED IN THE SALES AGREEMENT, AND DOES NOT ALTER OR AMEND THE SALES AGREEMENT IN ANY MANNER.



CONDOMINIUM PUBLIC REPORT ON  
MAKIKI COURTE

EXHIBIT J

SUMMARY OF ESCROW AGREEMENT

A copy of the Escrow Agreement, as amended, between the Developer and Guardian Escrow Services, Inc. has been submitted to the Real Estate Commission and is available for inspection in the Sales Office of the Developer. The Escrow Agreement, as amended, among other things, covers the following items:

1. All monies received by Escrow under the Escrow Agreement will be deposited within a reasonable time of their receipt by Escrow and in reasonably convenient and practical sums in a special account or accounts with a federally insured bank or savings and loan association in Honolulu, Hawaii.

2. Disbursements from the buyer's escrow fund shall be made by Escrow in accordance with the respective sales contracts and the Escrow Agreement conditions.

3. A purchaser will be entitled to a refund of his escrowed money if either of two things happens. First, the money will be refunded if both the purchaser and the seller request escrow in writing to return the funds. Saying that in the Escrow Agreement does not mean that the Seller must request the refund any time the Buyer makes such a request. The Seller may or may not have an obligation to refund the money when a buyer requests a refund. Whether there is a right to refund will be determined separately.

The other circumstance occurs if the Buyer is entitled to a refund under Section 514A-62 or 514A-63 of the Condominium Statute and that entitlement is established to the satisfaction of Escrow. Much of those two statutory sections is summarized on page 18 of this Supplementary Public Report under the headings "Final Report or Supplementary Report to a Final Report" and "Material Change". In a case in which a sale is not binding or may be rescinded as described under those headings, the purchaser would be entitled to a refund.

Purchasers should note that the receipt mentioned on page 18 in paragraph B-1(C)(1) is a form prescribed by the Condominium Law, and purchasers should read that receipt as well as other documents immediately upon getting it. Purchasers should note especially that they can become bound by the sales contract even if they do not sign that receipt, by letting thirty (30) days pass from the time they get the Supplementary Public Report without taking any action. The receipt form tells the purchasers that, as well as other things, and paragraph B-1(C)(2) on page 18 of this Report covers that point, and the developer hereby further notifies the Buyer of that point. In other words, if the purchaser does not