



REAL ESTATE COMMISSION
 STATE OF HAWAII
 DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
 PROFESSIONAL AND VOCATIONAL LICENSING DIVISION
 P. O. Box 3469
 Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

EVERGREEN TERRACE

95-270 Waikalani Drive
 Mililani, Hawaii 96789

Registration No. 2455

Issued: January 28, 1992
 Expires: February 28, 1993

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of January 16, 19 92, and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:**
(yellow) 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 when complete information is filed.
- FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
 No prior reports have been issued
 Supersedes all prior public reports
 Must be read together with _____
- SUPPLEMENTARY:**
(pink) Updates information contained in the
 Prelim. Public Report dated _____
 Final Public Report dated _____
 Supp. Public Report dated _____
- And Supersedes all prior public reports
 Must be read together with _____
- This report reactivates the _____
 public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required 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 Commission.

Changes made are as follows:

1. References to amenities have been revised to include a recreation building which is part of the Project (see Item 7, page 5; Part III, Paragraph B(8), page 12; and Part III, Paragraph D(1), page 14).
2. The Real Estate Broker has changed from Carlton Chang, Ltd. to Towne Realty Brokerage Services, Inc. The General Contractor has changed from Evergreen, Inc., to Towne Realty of Hawaii, Inc. (see Part I, page 6).
3. In Part II, Paragraphs A, B and C, page 7, the recording information for the Declaration, Condominium Map, and By-Laws for the Project is shown. Part II, Paragraph D, page 8, shows that the House Rules for the Project have been adopted.
4. Part III, Paragraph J on page 17, shows that construction of the Project started in April, 1991. The estimated completion date for the Project has been changed from May 1992 to October 1, 1992.
5. Under Part IV, on page 18, a paragraph called "Information Regarding the Project Financing" has been added.
6. A new Exhibit A has been added which discloses information about rights that the Developer has reserved to reduce the size of the Project from one hundred thirty (130) units to seventy (70) units. It also discloses information about the right to amend the Project Declaration to add an "as-built" certificate and to show the conversion of Type B₂ and B_{2R} apartments into Type B₁ and B_{1R} apartments after the addition of a bathroom disclosed in the Preliminary Public Report.
7. Exhibits A, B, C, D, E, F, G, H, I and J in the Preliminary Public Report have been relabeled Exhibits B, C, D, E, F, G, H, I, J and L, respectively, in the Final Public Report.
8. In Exhibit H, the estimate of initial maintenance fees for Type B₂/B_{2R} apartments was added. Also, new page 3 of Exhibit H shows the estimate of initial maintenance fees for the various apartment types if the Developer exercises its right to reduce the Project to seventy (70) units as described in Exhibit A to the Final Public Report.
9. A note has been added to Part III, Paragraph G, page 16 which refers to page 3 of Exhibit H.
10. Exhibit I, which is the Summary of the Sales Contract, has been revised on page 15, Paragraph 17 to show that the Developer has the option to cancel the Sales Contract if less than sixty-five (65) apartments have been sold prior to December 1, 1992. In the Preliminary Public Report this date was December 1, 1991. Also in Exhibit I, a new Paragraph 18 has been added which summarizes the Developer's reserved right in the Sales Contract to reduce the number of units in the Project to seventy (70).

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EXHIBIT A: Developer's Reserved Rights
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 EXHIBIT K: Summary of Escrow Agreement
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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 Hawaii's "*Condominium Property Act*" (Chapter 514A, Hawaii Revised Statutes) must be followed.

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 owner/tenant) 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. The 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 they 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 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 a vote of the owners. Some of these actions may significantly impact the quality of life for all 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 vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

Interest to be Conveyed to Buyer:

- Fee simple interest in an apartment and an undivided feehold interest in the common elements.
- Leasehold interest in an apartment and an undivided leasehold interest in the common elements.
- Fee simple interest in an apartment and an undivided leasehold interest in the common elements.

Types of Project:

- 1. New Building(s) Conversion
- Both New Building(s) and Conversion
- 2. Residential Commercial Ohana
- Mixed Residential and Commercial Agricultural
- Other _____

- 3. High Rise (5 stories or more) Low Rise

- 4. Single or Multiple Buildings

5. Apartment Description

Apt. Type	Quantity	BR/Bath**	Net Living Area (sf)*	Lanai/Patio (sf)
A	39	2/2	934	_____
AR	39	2/2	934	_____
B1	13	2/3	1289	_____
B1R	13	2/3	1289	_____
B2	13	2/2	1289	_____
B2R	13	2/2	1289	_____

See Exhibit "B" for a listing of all apartments and the square footage of their lanais

Total Apartments: 130 (See EXHIBIT "A")

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

**The B1, B1R, B2 and B2R units also contain a loft. B2 and B2R units may at the purchaser's option be built with a third bathroom, the cost of which shall be added to the base purchase price for the unit.

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.

6. Parking:

	Number of Stalls
Assigned Stalls (Individual Units)	260
Guest Stalls	21
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	281

7. Recreational amenities:

Swimming Pool, Recreation Building, Private Park

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Evergreen Limited Partnership, a Hawaii limited partnership Phone: (808) 623-2109
Name P. O. Box 3998 (Business)
Business Address
Mililani, Hawaii 96789

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

Evergreen, Inc., a Hawaii corporation, general partner

Real Estate Broker: Towne Realty Brokerage Services, Inc. Phone: (808) 537-5976
Name 220 South King Street, Suite 680 (Business)
Business Address
Honolulu, Hawaii 96813

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-2011
Name 235 Queen Street, First Floor (Business)
Business Address
Honolulu, Hawaii 96813

General Contractor: Towne Realty of Hawaii, Inc. Phone: (808) 883-9200
Name P. O. Box 3481 W.V.S. (Business)
Business Address
Kamuela, Hawaii 96743

Condominium Managing Agent: Certified Management Phone: (808) 836-0911
Name 3179 Koapaka Street, Second Floor (Business)
Business Address
Honolulu, Hawaii 96819

Attorney for Developer: Rush Moore Craven Sutton Morry & Beh Phone: (808) 521-0400
Name Attention: Earl T. Sato and Joan K. Suzuki (Business)
745 Fort St., 20th Floor, Hawaii Tower
Business Address
Honolulu, Hawaii 96813

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

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. 1874482

Amendment date(s) and recording/filing information:

- 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 Conveyance Condo Map No. _____
 Filed - Land Court Condo Map No. 877

Amendment date(s) 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 way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances - Document No. _____
Book _____ Page _____
 Filed - Land Court - Document No. 1874483

Amendment date(s) and recording/filing information:

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to 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.

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. 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 of Board</u>

The percentages for individual condominium projects may be more than the minimum set by law.

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

See Exhibit "A"

For Subleaseholds:

- Buyer's sublease may be cancelled if the master lease between the sublessor and fee owner is
 Cancelled 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 cancelled or foreclosed.

B. Underlying Land:

Address: 95-270 Waikalani Drive Tax Map Key: (1)9-5-13-25 & 27
Honolulu, Hawaii 96789 (TMK)

Address TMK is expected to change because _____

Land Area: 14.995 square feet acre(s) Zoning: R-5 with PD-H

Fee Owner: Evergreen Limited Partnership
Name _____
P. O. Box 3998
Address _____
Mililani, Hawaii 96789

Sublessor: _____
Name _____
Address _____

C Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Buildings: 13 (See EXHIBIT "A") Floors Per Building 3
 Exhibit "B" contains further explanations.
3. Principal Construction Material:
 Concrete Hollow Tile Wood
 Other _____

4. Permitted Uses by Zoning:

	<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>		<u>No. of Apts.</u>	<u>Use Determined By Zoning</u>
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>130</u>	<u>Yes</u>	<input type="checkbox"/> Agricultural	_____	_____
<input type="checkbox"/> Timeshare/Hotel	_____	_____	<input type="checkbox"/> Recreational	_____	_____
<input type="checkbox"/> Other: _____	_____	_____		_____	_____

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

5. Special Use Restrictions:

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

- Pets: Permitted in reasonable size and number with restrictions.
- Number of Occupants: Limited to six (6) persons per apartment.
- Other: See Declaration, By-Laws, and House Rules generally.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators none Stairways 2 per building Trash Chutes none

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath**</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>39</u>	<u>2/2</u>	<u>934</u>	_____
<u>A_R</u>	<u>39</u>	<u>2/2</u>	<u>934</u>	_____
<u>B1</u>	<u>13</u>	<u>2/3</u>	<u>1289</u>	_____
<u>B1_R</u>	<u>13</u>	<u>2/3</u>	<u>1289</u>	_____
<u>B2</u>	<u>13</u>	<u>2/2</u>	<u>1289</u>	_____
<u>B2_R</u>	<u>13</u>	<u>2/2</u>	<u>1289</u>	_____

See Exhibit "B" for a listing of all apartments and the square footage of their lanais.

Total Apartments: 130 (See EXHIBIT "A")

**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.

****The B1, B1_R, B2 and B2_R units also contain a loft. B2 and B2_R units may at the purchaser's option be built with a third bathroom, the cost of which shall be added to the base purchase price for the unit.**

Boundaries of Each Apartment:

See Exhibit "C"

Permitted Alterations to Apartments:

See Exhibit "D"

7. Parking Stalls:

Total Parking Stalls: 281 (See EXHIBIT "A")

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)	130	39	-0-	91	-0-	-0-	260
Guest	0	0	0	21	0	0	21
Unassigned	0	0	0	0	0	0	-0-
Extra Available for Purchase	0	0	0	0	0	0	-0-
Other:							
Total Covered & Open	<u>169</u>		<u>112</u>		<u>-0-</u>		

Each apartment will have the exclusive use of at least two (2) 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.

Exhibits "E" & "F" 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: Recreation Building, Private Park

9. Present Condition of Improvements

(For conversions of residential apartments in existence for at least five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

N/A

b. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

N/A

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

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

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

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

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 intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit _____ describes the common elements.

As follows:

The land of the Project is fee simple; all foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter, party and load-bearing walls, roofs, entries, stairways, elevators, walkways, entrances and exits of the buildings comprising the Project; all yards, grounds, and landscaping; all roads, driveways, and parking areas; the private park area, the recreation building, and swimming pool; all pipes, wires and other types of transmission facilities which serve more than one apartment for services such as power, gas, telephone and television signals, etc.; and any and all other apparatus and installations in common use and all other parts of the property necessary for the existence, maintenance and safety of the Project, or are normally in common use.

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 may use them are:

described in Exhibit _____

as follows:

1. Two (2) parking spaces listed in Exhibit F and shown on the Condominium Map for each apartment;
2. The lanai as shown on the Condominium Map;
3. The fenced courtyard as shown on the Condominium Map adjoining Apartment Nos. A-201, A-202, B-201, B-202, C-201, C-202, D-201, D-202, E-201, E-202, F-104, F-201, F-103, G-104, G-201, F-202, G-103, G-202, H-201, H-202, I-201, I-202, J-201, J-202, K-201, K-202, L-201, L-202, M-201 and M-202; and
4. One (1) mailbox bearing the same number as the apartment to which it is appurtenant; and the hallways and stairways of the building in which an apartment is situated.

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 often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit "F" _____ describes the common interests for each apartment.

As follows:

NOTE: The common interest for each apartment was calculated based on the floor area of the apartment divided by the aggregate floor area of all apartments, with adjustments for lanai and courtyard areas so that the total common interests for all apartments equal 100 percent.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property.

Exhibit "G" describes the encumbrances against the title contained in the title report dated November 5, 1991 and issued by Title Guaranty of Hawaii.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It 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.

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. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
Mortgage	Buyer's contract will be cancelled and Buyer's deposit will be returned. Buyer may lose all rights to acquire the apartment.

F. 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 managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial 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 managing agent for this condominium is:

not affiliated with the Developer.

the Developer or the Developer's affiliate.

self-managed by the Association of Apartment Owners.

other _____

J. Status of Construction and Estimated Completion Date:

Construction of the Project started in April, 1991.

The estimated completion date for the Project is October 1, 1992.

K. Project Phases:

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

Summary of Developer's Present Plans for Future Development:

Note: See Exhibit "A" for the right reserved by the Developer to reduce the size of the Project.

L. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

Exhibit "I" contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated May 6, 1991 with Title Guaranty Escrow Services

Exhibit "J" contains a summary of the pertinent provisions of the escrow contract.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

RESIDENT MANAGER'S APARTMENT

Apartment A-204 of the Project will not be initially offered for sale to the public. This Apartment will initially be rented by the Developer to the Association for use as the Resident Manager's apartment. The rental and all other expenses associated with the Resident Manager's Apartment will be paid by the Association as part of the Project's common expenses. The base rent for this unit will be \$500.00 per month and the rental term will last twelve (12) months, commencing on the date the Resident Manager takes occupancy of the Apartment.

The Association will have an option to purchase this Apartment from the Developer. If the Association exercises this option, the purchase price will be the same amount for which the Developer is selling "Type A_R" apartments as described in the Declaration at the time the Association exercises the Option, but in no event less than TWO HUNDRED FOUR THOUSAND AND NO/100 DOLLARS (\$204,000.00). The purchase price will also be a common expense. The Association has until one (1) year following occupancy of the Apartment by the Resident Manager to exercise the option to purchase the Apartment.

A copy of the Rental Agreement and Option to Purchase covering the Resident Manager's Apartment is attached to this Public Report as Exhibit "J."

FREE HOME OWNERSHIP GUARANTY PLAN

The Developer is offering a "Free Home Ownership Guaranty Plan" (the "Plan") to owner-occupant buyers who purchase an apartment which is designated exclusively for sale to owner-occupants pursuant to Section 514A-103, Hawaii Revised Statutes. As part of their purchase of an Owner-Occupant Designated Apartment in the Project, each owner-occupant will be eligible for the Developer's Free Home Ownership Guaranty (the "Plan") at no extra cost. If the Buyer loses his or her full-time job, through no fault of his or her own, during the first full year following the date of purchase of the Apartment, the Developer will make the monthly principal and interest payments on the Buyer's first mortgage loan covering the Apartment for up to six (6) months. The Plan is subject to the terms and conditions specified in Exhibit "L" attached hereto and made a part hereof. The Plan is not available to those Buyers who are not purchasing one of the sixty-five (65) Owner-Occupant Designated Apartments in the Project.

INFORMATION REGARDING THE PROJECT FINANCING

The Developer is financing the construction of the Project with a loan from Bank of Hawaii in the amount of \$10,000,000.00. Under the loan, \$5,000,000.00 of the \$10,000,000.00 is available to the Developer on a "revolving" basis. This means that the Developer may borrow, repay and reborrow up to \$5,000,000.00 at any one time. The aggregate amount borrowed on the revolving basis cannot exceed \$10,000,000.00.

The sum of \$10,000,000.00 is sufficient to pay the cost of constructing Buildings A, B, C, D, E, F and G and certain common elements of the Project. The Developer intends to use the proceeds from the sale of the apartments in Buildings A, B, C, D, E, F and G to repay the loan and to reborrow the necessary funds to pay the cost of constructing Buildings H, I, J, K, L and M and the remainder of the common elements of the Project. Please see Exhibit "A" for information regarding the Developer's reserved right to not construct Buildings H, I, J, K, L and M and certain of the common elements of the Project.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

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, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

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

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. 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.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Condominium Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

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 Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) are available at the Department of Commerce and Consumer Affairs, 1010 Richards Street, P. O. Box 541, Honolulu, HI 96809.

This Public Report is a part of Registration No. 2455 filed with the Real Estate Commission on May 20, 1991.

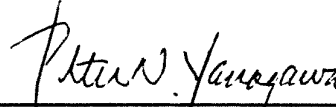
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Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the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



PETER YANAGAWA, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

Bureau of Conveyances
Department of Finance, City & County of Honolulu
Planning Department, City & County of Honolulu
Federal Housing Administration

EXHIBIT "A"DEVELOPER'S RESERVED RIGHTSA. RESERVED RIGHT TO REDUCE PROJECT.

Notwithstanding any other provision in the Declaration to the contrary, the Developer reserves and shall have the right, but shall not be obligated, as contained in paragraph P of the Declaration, to complete the project without constructing Buildings H, I, J, K, L and M and the sixty (60) apartments situated in those buildings, so that the project shall consist of the seventy (70) apartments situated in Buildings A, B, C, D, E, F and G and the common elements described in paragraph A.2 of the Declaration (except as provided below).

1. The Developer may exercise such reserved right at any time prior to December 1, 1998, without being required to obtain the approval, consent or joinder of any person or group of persons, including without limitation the Association, any apartment owner or any mortgagee, lien holder or any other person who may have an interest in the project or any apartment.

2. If the Developer exercises the foregoing reserved right, then:

a. There shall be seventy (70) apartments contained in the seven (7) buildings designated as Buildings A, B, C, D, E, F and G. There will be twenty-one (21) Type A apartments, twenty-one (21) Type A_R apartments, seven (7) Type B1 apartments, seven (7) Type B1_R apartments, seven (7) Type B2 apartments, and seven (7) Type B2_R apartments.

b. The common interest appurtenant to the seventy (70) apartments in Buildings A, B, C, D, E, F and G shall be changed to the undivided percentage interests set forth below. Such percentage interests are calculated based upon the floor areas of the individual apartments divided by the aggregate floor area of the seventy (70) apartments, with adjustments for lanai and courtyard areas so that the total percentage interests for the seventy (70) apartments shall equal one hundred percent (100%). The common interest appurtenant to the seventy (70) apartments in Buildings A, B, C, D, E, F and G shall be as follows:

<u>Apartment No.</u>	<u>Undivided Interest</u>
<u>Building A</u>	
A-103	1.2400%
A-104	1.2400%
A-201	1.2402%
A-202	1.2402%
A-203	1.2400%
A-204	1.2400%
A-301	1.7113%
A-302	1.7113%
A-303	1.7113%
A-304	1.7113%
<u>Building B</u>	
B-103	1.2400%
B-104	1.2400%
B-201	1.2402%
B-202	1.2402%
B-203	1.2400%
B-204	1.2400%
B-301	1.7113%
B-302	1.7113%
B-303	1.7113%
B-304	1.7113%
<u>Building C</u>	
C-103	1.2400%
C-104	1.2400%
C-201	1.2402%
C-202	1.2402%
C-203	1.2400%
C-204	1.2400%
C-301	1.7113%
C-302	1.7113%
C-303	1.7113%
C-304	1.7113%

<u>Apartment No.</u>	<u>Undivided Interest</u>
<u>Building D</u>	
D-103	1.2400%
D-104	1.2400%
D-201	1.2402%
D-202	1.2402%
D-203	1.2400%
D-204	1.2400%
D-301	1.7113%
D-302	1.7113%
D-303	1.7113%
D-304	1.7113%
<u>Building E</u>	
E-103	1.2400%
E-104	1.2400%
E-201	1.2402%
E-202	1.2402%
E-203	1.2400%
E-204	1.2400%
E-301	1.7113%
E-302	1.7113%
E-303	1.7113%
E-304	1.7113%
<u>Building F</u>	
F-103	1.2402%
F-104	1.2402%
F-201	1.2402%
F-202	1.2402%
F-203	1.2400%
F-204	1.2400%
F-301	1.7113%
F-302	1.7113%
F-303	1.7113%
F-304	1.7113%

<u>Apartment No.</u>	<u>Undivided Interest</u>
<u>Building G</u>	
G-103	1.2402%
G-104	1.2402%
G-201	1.2402%
G-202	1.2402%
G-203	1.2400%
G-204	1.2400%
G-301	1.7113%
G-302	1.7113%
G-303	1.7113%
G-304	1.7113%

c. The Developer shall nonetheless complete the construction of the improvements which are a part of the common elements described in paragraph A.2 of the Declaration, except for the fenced courtyards adjoining Apartment Nos. H-201, H-202, I-201, I-202, J-201, J-202, K-201, K-202, L-201, L-202, M-201 and M-202 and the parking stalls designated as Nos. 69-194, inclusive.

d. The Developer shall record an amendment or amendments to the Declaration in the Office of the Assistant Registrar of the Land Court of the State of Hawaii containing, without limitation, (a) an amended description of the project; (b) the percentage common interest appurtenant to each apartment in the amended project; and (c) an amendment to the Condominium Map showing any changes to the project together with the architect's "as built" certificate required by Section 514A-12, Hawaii Revised Statutes, as amended, reflecting that Buildings A, B, C, D, E, F and G have been constructed. Such an amendment or amendments to the Declaration may be executed solely by the Developer and shall not require the consent or joinder of the Association, any apartment owner or any mortgagee, lien holder or any other person who may have an interest in the project or any apartment.

e. The Developer shall have the right to execute, acknowledge and deliver any and all other instruments, including other amendments to the project documents which are necessary or appropriate to effectuate the provisions of and to exercise these reserved rights. Furthermore, by accepting or acquiring any right, title or

interest in the project or any apartment, each apartment owner or mortgagee, lien holder or other person having any interest in the project or any apartment agrees that such person shall, if required by law or by the Developer, execute and deliver any and all instruments necessary or convenient to effectuate the reserved rights in favor of the Developer. The Association and each apartment owner, mortgagee, lien holder or other person having any interest in the project or any apartment irrevocably appoints the Developer as their attorney-in-fact, with full power and authority to execute and record, in the name and on behalf of the Association and each apartment owner, mortgagee, lien holder or other person having any interest in the project or any apartment, the amendment or amendments to the Declaration described in paragraph P of the Declaration or any other document or instrument effectuating the provisions of paragraph P. This power of attorney is coupled with an interest and shall be irrevocable and shall not be affected by the disability of any such party.

3. If the Developer does not exercise the right to reduce the size of the project, then the provisions of paragraph P of the Declaration and any references to paragraph P shall be null and void and of no further effect. The Developer's non-exercise of such reserved right shall be conclusively evidenced by the recording of an amendment or amendments to the Declaration to which is/are attached the architect's "as built" certificate(s) required by Section 514A-12, Hawaii Revised Statutes, as amended, reflecting that Buildings A, B, C, D, E, F, G, H, I, J, K, L and M have been constructed.

4. The rights reserved to the Developer in paragraph P of the Declaration shall be covenants running with the land and shall inure to the benefit of and be binding upon the Developer and its successors and assigns, the Association and each apartment owner or any mortgagee, lien holder or any other person with an interest in the project or any apartment and their respective heirs, personal representatives, successors, successors in trust and assigns. The Developer shall have the right to transfer, assign, hypothecate, mortgage or otherwise dispose of such reserved rights without the consent or approval of the Association, any apartment owner or any mortgagee, lien holder or any other person who may have an interest in the project or any apartment.

5. The rights reserved to the Developer in paragraph P of the Declaration may not be impaired or affected by any amendment to the Declaration, except as specifically provided in paragraph P.

B. RESERVED RIGHT TO AMEND DECLARATION TO
ADD "AS-BUILT" CERTIFICATE AND TO SHOW
CONVERSION OF TYPE B2 AND B2R APARTMENTS.

The Developer reserves the right to amend the Declaration without the consent or joinder of the persons then owning or leasing the apartments or their mortgagees by filing an amendment to the Declaration pursuant to the provisions of Section 514A-12, Hawaii Revised Statutes, as amended, after completion of construction of the buildings described in the Declaration by attaching to such amendment a verified statement of a registered architect or professional engineer certifying that the final plans theretofore filed or being filed simultaneously with such amendment fully and accurately depict the layout, location, apartment numbers and dimensions of the apartments as built; and further provided, that the Developer reserves the right to amend this Declaration after completion of construction of the buildings described in the Declaration, without the consent or joinder of the persons then owning or leasing the apartments or their mortgagees, by filing an amendment to the Declaration amending paragraph A.1 and Exhibit "B" to the Declaration to reflect which Type B2 and Type B2_R apartments have been converted to Type B1 and Type B1_R apartments by the addition of a bathroom in the loft of such apartments.

END OF EXHIBIT "A"

EXHIBIT "B"

The Apartments in the Project are described as follows:

One hundred thirty (130) separate condominium apartments are designated in the spaces within the perimeter and party walls, windows, doors, floors and ceilings of each of the one hundred thirty (130) apartments of the project, contained in thirteen (13) three-story buildings, without basement, constructed principally of wood, concrete and glass, which spaces are referred to herein as "apartments", shown on the Condominium Map and more particularly described below.

(a) The buildings are designated as Buildings A, B, C, D, E, F, G, H, I, J, K, L and M, as shown on the Condominium Map. Each building contains ten (10) apartments.

(b) Each apartment has an alphabetical and numerical designation. The alphabetical letter preceding the three numerals of each designation corresponds to the building in which the apartment is located, the first numeral corresponds to the floor upon which the apartment is located, and the next two numerals correspond to the location of the apartment.

(c) The apartments are constructed according to several different floor plans as follows:

(i) There are thirty-nine (39) Type A apartments and thirty-nine (39) Type A_R apartments, each containing two bedrooms, two bathrooms, a living room, a dining room, a kitchen, an entry hall, and an exterior water heater/storage room. The Type A_R apartments are the reverse of the Type A apartments. The Type A apartments have the numerical designations 103, 202 and 203. The Type A_R apartments have the numerical designations 104, 201 and 204.

(ii) There are thirteen (13) Type B1 apartments and thirteen (13) Type B1_R apartments, each containing two bedrooms, two bathrooms, a living room, a dining room, a kitchen, an entry hall, a water heater/storage room, and a loft with a bathroom. The Type B1_R apartments are the reverse of the Type B1 apartments. The Type B1 apartments have the numerical designation 303. The Type B1_R apartments have the numerical designation 301.

(iii) There are thirteen (13) Type B2 apartments and thirteen (13) Type B2_R apartments, each containing two bedrooms, two bathrooms, a living room, a dining room, a kitchen, an entry hall, a water heater/storage room, and a loft. The Type B2_R apartments are the reverse of the Type B2 apartments. The Type B2 apartments have the numerical designation 302. The Type B2_R apartments have the numerical designation 304.

(d) The apartments have immediate access to the grounds of the project or stairways leading to the grounds of the project.

(e) Apartment Nos. A-201, B-201 and K-201 are designed for physically handicapped persons.

(f) The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

The Floor Plan and square footages for all of the apartments in the project are as follows:

<u>Apartment Number</u>	<u>Floor Plan</u>	<u>Apartment Floor Area (sq. ft.)</u>	<u>Lanai/Courtyard Area(s) (sq. ft.)</u>	<u>Total Apartment Floor Area w/Lanai(s) (sq. ft.)</u>
<u>Building A</u>				
A-103	A	934	129	1063
A-104	A _R	934	129	1063
A-201	A _R	934	476	1410
A-202	A	934	476	1410
A-203	A	934	129	1063
A-204	A _R	934	129	1063
A-301	B1 _R	1289	129	1418
A-302	B2	1289	129	1418
A-303	B1	1289	129	1418
A-304	B2 _R	1289	129	1418

<u>Apartment Number</u>	<u>Floor Plan</u>	<u>Apartment Floor Area (sq. ft.)</u>	<u>Lanai/ Courtyard Area(s) (sq. ft.)</u>	<u>Total Apartment Floor Area w/Lanai(s) (sq. ft.)</u>
<u>Building B</u>				
B-103	A	934	129	1063
B-104	A _R	934	129	1063
B-201	A _R	934	476	1410
B-202	A	934	476	1410
B-203	A	934	129	1063
B-204	A _R	934	129	1063
B-301	B1 _R	1289	129	1418
B-302	B2	1289	129	1418
B-303	B1	1289	129	1418
B-304	B2 _R	1289	129	1418
<u>Building C</u>				
C-103	A	934	129	1063
C-104	A _R	934	129	1063
C-201	A _R	934	476	1410
C-202	A	934	476	1410
C-203	A	934	129	1063
C-204	A _R	934	129	1063
C-301	B1 _R	1289	129	1418
C-302	B2	1289	129	1418
C-303	B1	1289	129	1418
C-304	B2 _R	1289	129	1418
<u>Building D</u>				
D-103	A	934	129	1063
D-104	A _R	934	129	1063
D-201	A _R	934	476	1410
D-202	A	934	476	1410
D-203	A	934	129	1063
D-204	A _R	934	129	1063
D-301	B1 _R	1289	129	1418
D-302	B2	1289	129	1418
D-303	B1	1289	129	1418
D-304	B2 _R	1289	129	1418

<u>Apartment Number</u>	<u>Floor Plan</u>	<u>Apartment Floor Area (sq. ft.)</u>	<u>Lanai/ Courtyard Area(s) (sq. ft.)</u>	<u>Total Apartment Floor Area w/Lanai(s) (sq. ft.)</u>
<u>Building E</u>				
E-103	A	934	129	1063
E-104	A _R	934	129	1063
E-201	A _R	934	476	1410
E-202	A	934	476	1410
E-203	A	934	129	1063
E-204	A _R	934	129	1063
E-301	B1 _R	1289	129	1418
E-302	B2	1289	129	1418
E-303	B1	1289	129	1418
E-304	B2 _R	1289	129	1418
<u>Building F</u>				
F-103	A	934	686	1620
F-104	A _R	934	496	1430
F-201	A _R	934	476	1410
F-202	A	934	471	1405
F-203	A	934	129	1063
F-204	A _R	934	129	1063
F-301	B1 _R	1289	129	1418
F-302	B2	1289	129	1418
F-303	B1	1289	129	1418
F-304	B2 _R	1289	129	1418
<u>Building G</u>				
G-103	A	934	476	1410
G-104	A _R	934	476	1410
G-201	A _R	934	476	1410
G-202	A	934	476	1410
G-203	A	934	129	1063
G-204	A _R	934	129	1063
G-301	B1 _R	1289	129	1418
G-302	B2	1289	129	1418
G-303	B1	1289	129	1418
G-304	B2 _R	1289	129	1418

<u>Apartment Number</u>	<u>Floor Plan</u>	<u>Apartment Floor Area (sq. ft.)</u>	<u>Lanai/ Courtyard Area(s) (sq. ft.)</u>	<u>Total Apartment Floor Area w/Lanai(s) (sq. ft.)</u>
<u>Building H</u>				
H-103	A	934	129	1063
H-104	A _R	934	129	1063
H-201	A _R	934	566	1500
H-202	A	934	566	1500
H-203	A	934	129	1063
H-204	A _R	934	129	1063
H-301	B1 _R	1289	129	1418
H-302	B2	1289	129	1418
H-303	B1	1289	129	1418
H-304	B2 _R	1289	129	1418
<u>Building I</u>				
I-103	A	934	129	1063
I-104	A _R	934	129	1063
I-201	A _R	934	566	1500
I-202	A	934	566	1500
I-203	A	934	129	1063
I-204	A _R	934	129	1063
I-301	B1 _R	1289	129	1418
I-302	B2	1289	129	1418
I-303	B1	1289	129	1418
I-304	B2 _R	1289	129	1418
<u>Building J</u>				
J-103	A	934	129	1063
J-104	A _R	934	129	1063
J-201	A _R	934	566	1500
J-202	A	934	566	1500
J-203	A	934	129	1063
J-204	A _R	934	129	1063
J-301	B1 _R	1289	129	1418
J-302	B2	1289	129	1418
J-303	B1	1289	129	1418
J-304	B2 _R	1289	129	1418

<u>Apartment Number</u>	<u>Floor Plan</u>	<u>Apartment Floor Area (sq. ft.)</u>	<u>Lanai/ Courtyard Area(s) (sq. ft.)</u>	<u>Total Apartment Floor Area w/Lanai(s) (sq. ft.)</u>
<u>Building K</u>				
K-103	A	934	129	1063
K-104	A _R	934	129	1063
K-201	A _R	934	476	1410
K-202	A	934	476	1410
K-203	A	934	129	1063
K-204	A _R	934	129	1063
K-301	B1 _R	1289	129	1418
K-302	B2	1289	129	1418
K-303	B1	1289	129	1418
K-304	B2 _R	1289	129	1418
<u>Building L</u>				
L-103	A	934	129	1063
L-104	A _R	934	129	1063
L-201	A _R	934	531	1465
L-202	A	934	531	1465
L-203	A	934	129	1063
L-204	A _R	934	129	1063
L-301	B1 _R	1289	129	1418
L-302	B2	1289	129	1418
L-303	B1	1289	129	1418
L-304	B2 _R	1289	129	1418
<u>Building M</u>				
M-103	A	934	129	1063
M-104	A _R	934	129	1063
M-201	A _R	934	476	1410
M-202	A	934	476	1410
M-203	A	934	129	1063
M-204	A _R	934	129	1063
M-301	B1 _R	1289	129	1418
M-302	B2	1289	129	1418
M-303	B1	1289	129	1418
M-304	B2 _R	1289	129	1418

END OF EXHIBIT "B"

EXHIBIT "C"BOUNDARIES OF EACH APARTMENT

One hundred thirty (130) separate condominium apartments are designated in the spaces within the perimeter and party walls, windows, doors, floors and ceilings of each of the one hundred thirty (130) apartments of the project. The apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

END OF EXHIBIT "C"

EXHIBIT "D"PERMITTED ALTERATIONS TO APARTMENTS

1. Except as otherwise provided by the Fair Housing Act, 42 U.S.C. §3601, et seq., as amended by the Fair Housing Amendment Act of 1988, and the rules and regulations promulgated thereunder, as the same may be amended from time to time in the future, restoration or replacement of the project or any building or other structure thereof or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map of the project, shall be undertaken by the Association or any apartment owner only pursuant to an amendment of the Declaration, duly executed by or pursuant to a vote of at least seventy-five percent (75%) of the apartment owners and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement, construction, alteration or addition the Association shall duly record or file of 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. Notwithstanding the foregoing, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment, or of certain apartments, shall require only the written approval thereof, including the apartment owner's plans therefor, by the institutional holders of mortgages covering such apartment (if the mortgagees require such approval), the Board of Directors, all other apartment owners thereby directly affected (as determined by the Board of Directors).

2. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly recorded, which amendment shall contain the consent thereto by the institutional holders of mortgages on such apartments, as shown in the Association's record of ownership, or who

have given the Board of Directors notice of their interest through the Secretary of the Association or the Managing Agent.

END OF EXHIBIT "D"

EXHIBIT "E"INFORMATION REGARDING PARKING STALLS

There will be a total of 281 parking stalls for the entire project. 260 of the parking stalls (130 covered regular stalls, 39 open regular stalls, and 91 open compact stalls) will be assigned to the apartments. There will be 21 guest parking stalls.

Paragraph Q of the Declaration provides in pertinent part that the owners of the respective apartments, with the consent of mortgagee(s) of the affected apartments, if any, shall have the right, subject to all applicable statutes, ordinances and rules and regulations of governmental agencies, to change the designation of the parking spaces which are appurtenant to their respective apartments solely by amendments to the Declaration, such amendments to be executed solely by the respective apartment owners of such apartments, and such mortgagee(s), if any, provided that such amendments shall be effective only upon the recording of the same in said Office of the Assistant Registrar of the Land Court, and provided further that at all times at least one (1) parking stall shall be appurtenant to each apartment in the project.

END OF EXHIBIT "E"

EXHIBIT "F"

<u>Apartment No.</u>	<u>Undivided Interest</u>	<u>Parking Stall Nos.</u>
<u>Building A</u>		
A-103	.6675%	57*, 202c
A-104	.6675%	58*, 203c
A-201	.6680%	59*, 68h
A-202	.6680%	60*, 204c
A-203	.6675%	61*, 205c
A-204	.6675%	62*, 206c
A-301	.9215%	63*, 54
A-302	.9215%	64*, 55
A-303	.9215%	65*, 56
A-304	.9215%	66*, 67
<u>Building B</u>		
B-103	.6675%	41*, 209c
B-104	.6675%	42*, 210c
B-201	.6680%	43*, 39h
B-202	.6680%	44*, 211c
B-203	.6675%	45*, 212c
B-204	.6675%	46*, 213c
B-301	.9215%	47*, 40
B-302	.9215%	48*, 51
B-303	.9215%	49*, 52
B-304	.9215%	50*, 53
<u>Building C</u>		
C-103	.6675%	26*, 217c
C-104	.6675%	27*, 218c
C-201	.6680%	28*, 219c
C-202	.6680%	29*, 220c
C-203	.6675%	30*, 221c
C-204	.6675%	31*, 222c
C-301	.9215%	32*, 25
C-302	.9215%	33*, 36
C-303	.9215%	34*, 37
C-304	.9215%	35*, 38

* = covered stall
c = compact stall
h = handicapped stall

<u>Apartment No.</u>	<u>Undivided Interest</u>	<u>Parking Stall Nos.</u>
<u>Building D</u>		
D-103	.6675%	11*, 266c
D-104	.6675%	12*, 267c
D-201	.6680%	13*, 268c
D-202	.6680%	14*, 269c
D-203	.6675%	15*, 270c
D-204	.6675%	16*, 276c
D-301	.9215%	17*, 21
D-302	.9215%	18*, 22
D-303	.9215%	19*, 23
D-304	.9215%	20*, 24
<u>Building E</u>		
E-103	.6675%	1*, 277c
E-104	.6675%	2*, 278c
E-201	.6680%	3*, 275
E-202	.6680%	4*, 279c
E-203	.6675%	5*, 280c
E-204	.6675%	6*, 281c
E-301	.9215%	7*, 271
E-302	.9215%	8*, 272
E-303	.9215%	9*, 273
E-304	.9215%	10*, 274
<u>Building F</u>		
F-103	.6682%	256*, 246c
F-104	.6682%	257*, 247c
F-201	.6680%	258*, 248c
F-202	.6680%	259*, 249c
F-203	.6675%	260*, 250c
F-204	.6675%	261*, 251c
F-301	.9215%	262*, 254
F-302	.9215%	263*, 252c
F-303	.9215%	264*, 255
F-304	.9215%	265*, 253c

* = covered stall
c = compact stall
h = handicapped stall

<u>Apartment No.</u>	<u>Undivided Interest</u>	<u>Parking Stall Nos.</u>
<u>Building G</u>		
G-103	.6680%	224*, 214c
G-104	.6680%	225*, 215c
G-201	.6680%	226*, 237c
G-202	.6680%	227*, 238c
G-203	.6675%	228*, 239c
G-204	.6675%	229*, 240c
G-301	.9215%	230*, 223
G-302	.9215%	231*, 234
G-303	.9215%	232*, 235
G-304	.9215%	233*, 236
<u>Building H</u>		
H-103	.6675%	75*, 189c
H-104	.6675%	76*, 190c
H-201	.6682%	77*, 191c
H-202	.6682%	78*, 192c
H-203	.6675%	79*, 193c
H-204	.6675%	80*, 194c
H-301	.9215%	81*, 71
H-302	.9215%	82*, 69
H-303	.9215%	83*, 72
H-304	.9215%	84*, 70
<u>Building I</u>		
I-103	.6675%	85*, 180c
I-104	.6675%	86*, 181c
I-201	.6682%	87*, 183c
I-202	.6682%	88*, 184c
I-203	.6675%	89*, 185c
I-204	.6675%	90*, 186c
I-301	.9215%	91*, 73
I-302	.9215%	92*, 187c
I-303	.9215%	93*, 74
I-304	.9215%	94*, 188c

* = covered stall
c = compact stall
h = handicapped stall

<u>Apartment No.</u>	<u>Undivided Interest</u>	<u>Parking Stall Nos.</u>
<u>Building J</u>		
J-103	.6675%	95*, 168c
J-104	.6675%	96*, 169c
J-201	.6682%	97*, 171c
J-202	.6682%	98*, 172c
J-203	.6675%	99*, 173c
J-204	.6675%	100*, 174c
J-301	.9215%	01*, 175c
J-302	.9215%	02*, 176c
J-303	.9215%	03*, 178c
J-304	.9215%	04*, 179c
<u>Building K</u>		
K-103	.6675%	106*, 159c
K-104	.6675%	107*, 160c
K-201	.6680%	108*, 105h
K-202	.6680%	109*, 161c
K-203	.6675%	110*, 163c
K-204	.6675%	111*, 164c
K-301	.9215%	112*, 116
K-302	.9215%	113*, 165c
K-303	.9215%	114*, 166c
K-304	.9215%	115*, 167c
<u>Building L</u>		
L-103	.6675%	118*, 149c
L-104	.6675%	119*, 150c
L-201	.6682%	120*, 151c
L-202	.6682%	121*, 153c
L-203	.6675%	122*, 154c
L-204	.6675%	123*, 155c
L-301	.9215%	124*, 117
L-302	.9215%	125*, 156c
L-303	.9215%	126*, 157c
L-304	.9215%	127*, 158c

* = covered stall
 c = compact stall
 h = handicapped stall

<u>Apartment No.</u>	<u>Undivided Interest</u>	<u>Parking Stall Nos.</u>
<u>Building M</u>		
M-103	.6675%	129*, 139c
M-104	.6675%	130*, 140c
M-201	.6680%	131*, 141c
M-202	.6680%	132*, 142c
M-203	.6675%	133*, 144c
M-204	.6675%	134*, 145c
M-301	.9215%	135*, 128
M-302	.9215%	136*, 146c
M-303	.9215%	137*, 147c
M-304	.9215%	138*, 148c

END OF EXHIBIT "F"

* = covered stall
c = compact stall
h = handicapped stall

EXHIBIT "G"ENCUMBRANCES AGAINST TITLE

The following are encumbrances against title to the property underlying the project, identified as TMK No. (1)9-5-13-25 and 27:

1. -AS TO PARCEL FIRST (Lot 5807-A) ONLY:-

(A) Restriction of access rights over and across said lot, as shown on Map 426, as amended, as set forth by Land Court Order No. 41503, filed February 27, 1975, pursuant to Land Court Order No. 45374, filed September 13, 1976, and amended Land Court Order No. 46443, filed January 27, 1977.

2. -AS TO PARCEL SECOND (Lot 6053) ONLY:-

(A) Easement "126" (5 feet wide) affecting said lot, as shown on Maps 68 and 442, as set forth by Land Court Order No. 15154, filed January 30, 1957.

(B) As to Easement "126", reservation as set forth in Deed dated April 1, 1957, but as of January 25, 1955, filed as aforesaid as Document No. 200457.

(C) Restriction of access rights over and across said lot, as shown on Maps 429, 435 and 442, as set forth by Land Court Orders Nos. 42268, filed June 26, 1975, and 42633, filed August 13, 1975.

3. Restrictive covenants contained in Deeds dated May 27, 1955, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 175108, and also recorded in the Bureau of Conveyances of the State of Hawaii in Liber 2967, Page 82, and dated April 1, 1957, filed as aforesaid as Document No. 200457.

4. Reservation as set forth in Deed dated December 20, 1956, filed as aforesaid as Document No. 197831, and also recorded as aforesaid in Liber 3217, Page 65.

5. Lis Pendens in favor of State of Hawaii dated April 13, 1973, filed in the Circuit Court of the First Circuit, State of Hawaii, Civil No. 39075, also filed in said Office of the Assistant Registrar as Document No. 626122, re: suit to condemn portions of the lands described herein, together with any and all abutter's rights of access appurtenant to the remainder of said lands and easements over said lands.

6. Declaration of Covenants dated July 19, 1976, filed as aforesaid as Document No. 773994.

7. MORTGAGE AND SECURITY AGREEMENT dated October 30, 1990, between EVERGREEN LIMITED PARTNERSHIP as Mortgagor and BELSHIRE INC., a Hawaii corporation, as Mortgagee, filed as aforesaid as Land Court Document No. 1790305.

8. Any facts which a correct boundary and improvement survey or archeological survey would disclose, including, without limitation, trails, rights of way, historic property and burial sites; and which are not shown by public records.

END OF EXHIBIT "G"

EXHIBIT "H"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

"Common interest" as used below refers to the undivided percentage interest in the common elements that is appurtenant to each apartment type.

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee X 12 months = Yearly Total</u>
TYPE A/A _R (.6675% common interest)	\$126.09 X 12 months = \$1,513.08
TYPE A/A _R (.6680% common interest)	\$126.19 X 12 months = \$1,514.28
TYPE A/A _R (.6682% common interest)	\$126.22 X 12 months = \$1,514.64
TYPE B ₁ /B _{1R} (.9215% common interest)	\$174.07 X 12 months = \$2,088.84
TYPE B ₂ /B _{2R} (.9215% common interest)	\$174.07 X 12 months = \$2,088.84


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

NOTE: Buyer(s) will not be responsible for paying maintenance fees for the project until notified by the Developer.

Estimate of Maintenance Fee Disbursements:

	<u>Monthly Fee X 12 months = Yearly Total</u>
<u>Utilities and Services</u>	
Air Conditioning	N/A
Electricity	
<input checked="" type="checkbox"/> common elements only	\$780 X 12 months = \$9,360
<input type="checkbox"/> common elements and apartments	
Gas	N/A
Refuse Collection	\$2,000 X 12 months = \$24,000
Telephone	N/A
Water and Sewer	\$3,300 X 12 months = \$39,600
<u>Maintenance, Repairs and Supplies</u>	
Building	\$190 X 12 months = \$2,280
Grounds	\$3,135 X 12 months = \$37,620
<u>Management</u>	
Management Fee	\$1,560 X 12 months = \$18,720
Payroll and Payroll Taxes	\$3,104 X 12 months = \$37,248
Office Expenses	\$362 X 12 months = \$4,344
<u>Insurance</u>	\$700 X 12 months = \$8,400
<u>Reserves</u>	\$3,374 X 12 months = \$40,488
<u>Taxes and Government Assessments</u>	\$125 X 12 months = \$1,500
<u>Audit Fees</u>	\$175 X 12 months = \$2,100
<u>Other (Amenities)</u>	\$85 X 12 months = \$1,020
 TOTAL:	 \$18,890 X 12 months = \$226,680

We, CERTIFIED MANAGEMENT, as managing agents for the condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.



 Agent for Certified Management
 Date: 5/17/91

ESTIMATE OF INITIAL MAINTENANCE FEES
FOR A PROJECT CONSISTING OF SEVENTY (70) UNITS

If the Developer exercises the rights reserved to it in paragraph P of the Declaration, the Evergreen Terrace Condominium Project will consist of seventy (70) units instead of one hundred thirty (130). These reserved rights are described in Exhibit "A" of this Public Report. The "common interest" (the undivided percentage interest in the common elements) for each apartment in a seventy (70) unit project will be larger than if the project consisted of one hundred thirty (130) units. The monthly maintenance fees for the seventy (70) apartments may be different since the maintenance fees are based on the apartments' common interests.

The following is an estimate of the initial maintenance fees for each apartment type based on a seventy (70) unit project and an estimated annual budget of \$161,014.32. THE AMOUNTS ARE ONLY AN EXAMPLE AND THE ACTUAL AMOUNT OF THE INITIAL MAINTENANCE FEES MAY BE DIFFERENT.

Estimate of Initial Maintenance Fees for a Seventy (70) Unit Project:

<u>Apartment</u>	<u>Monthly Fee X 12 months = Yearly Total</u>
TYPE A/A _R (1.2400% common interest)	\$166.38 X 12 months = \$1,996.56
TYPE A/A _R (1.2402% common interest)	\$166.41 X 12 months = \$1,996.92
TYPE B ₁ /B _{1R} (1.7113% common interest)	\$229.62 X 12 months = \$2,755.44
TYPE B ₂ /B _{2R} (1.7113% common interest)	\$229.62 X 12 months = \$2,755.44

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

NOTE: Buyer(s) will not be responsible for paying maintenance fees for the project until notified by the Developer.

END OF EXHIBIT "H"

EXHIBIT "I"SUMMARY OF SALES CONTRACT

A copy of the form of Condominium Reservation Agreement, Deposit Receipt and Sales Agreement ("Sales Contract") has been submitted to the Real Estate Commission and is available for inspection at the Seller's office. The following is a summary of some of the provisions of the Sales Contract. ALL BUYERS AND PROSPECTIVE BUYERS SHOULD CAREFULLY READ THE SALES CONTRACT IN FULL SINCE THIS SUMMARY IS NOT INTENDED TO BE A COMPLETE DESCRIPTION OF THE PROVISIONS THEREIN.

1. The Sales Contract does not become a binding contract until the Effective Date occurs. Until the Effective Date, the Sales Contract is only a reservation for the Apartment and is not legally binding on either Buyer or Seller. The Effective Date of the Sales Contract shall be the date on which all of the following conditions are fulfilled:

(a) The copy of the Final Public Report for the Project is mailed or otherwise delivered to the Buyer;

(b) Buyer has waived Buyer's right to terminate the agreement pursuant to Hawaii Revised Statutes, Section 514A-62; and

(c) The agreement has been accepted by Seller through execution of the agreement by Seller's officers or designated agents.

2. If the Apartment covered by a particular Sales Contract is an Owner-Occupant Designated Apartment, and Buyer has executed an affidavit stating Buyer's intent to become an owner-occupant of the Apartment, then Buyer agrees when signing the Sales Contract that Buyer will occupy the Apartment as Buyer's principal residence.

3. Seller makes no warranties regarding the Project, but any warranties given to Seller by the General Contractor will be passed through to Buyer upon closing. Seller will also assign to Buyer any unexpired manufacturer's or dealer's warranties covering any furniture, fixtures, and appliances in the Apartment.

4. If the Sales Contract covers an Apartment described in the Declaration as a Type B₂ or B_{2R}, Seller may offer Buyer the option to have Seller build a third bathroom in the loft space of the Apartment. Seller will only offer this option (and Buyer may only exercise this option) if the Apartment has not been completed when the Buyer executes the Sales Contract. If Buyer exercises the option, the cost of building the third bathroom will be added to the base purchase price of the Apartment.

5. Buyer agrees that all payments required by the Sales Contract will be deposited with Escrow and that all checks will be made payable to Escrow. Buyer also agrees that any money that Buyer deposits with Escrow may be deposited together with other Buyers' money in a federally insured interest bearing account, and that Escrow may distribute the money in this account according to an Escrow Agreement between Seller and Escrow. Buyer also agrees that all the interest earned from the funds deposited by Buyers will be credited to Seller.

In case Buyer is late in making payments to Escrow, the late payment will bear interest at the rate of one percent (1%) per month until paid.

6. All taxes, assessments, and charges of any kind assessable against the Apartment or the land of the Project will be prorated as of the Closing Date. This means that Buyer will have to pay Buyer's share of these taxes and assessments at the Closing Date. In addition, Buyer will be responsible for paying all closing costs in connection with the purchase of the Apartment, including all costs related to any mortgages, all notary fees, recording fees, escrow fees, title insurance, conveyance taxes and fees, and preparation of the apartment deed to Buyer.

7. In addition to all other funds due, Buyer must also deposit with Escrow at Preclosing a nonrefundable "start-up" fee for the Condominium Association. This start-up fee is an initial contribution to the Association common expenses reserve. The minimum amount of the start-up fee will be equal to two (2) months of estimated assessments for common expenses. It is separate from the purchase price and closing costs for the Apartment.

8. Buyer may not assign Buyer's rights under the Sales Contract without the prior written consent of Seller. Under no circumstances may Buyer assign Buyer's

rights to the agreement after the Preclosing or the closing date. If Buyer attempts to assign the agreement without Seller's written consent, Buyer shall be in default under the Sales Contract.

9. The Seller may, at its option, preclose the sale of Apartments by requiring the Buyer to deliver all documents necessary for closing and certain funds to Escrow up to sixty (60) days prior to the closing date. Buyer will have ten (10) days notice of such preclosing. Buyer must deposit all funds other than the proceeds of Buyer's first mortgage loan or the balance of the purchase price for a cash sale with Escrow, including the advanced payment for a maintenance assessment fund. Buyer must also sign all documents required for closing.

10. Buyer shall not be able to occupy the Apartment until the Closing Date for the sale of the Apartment. Seller or Escrow will notify Buyer of when the Closing Date will take place. Buyer will not be able to take occupancy until all payments required by the Sales Contract have been made. Keys will not be issued for the Apartment unless all payments have been made. If Buyer attempts to take occupancy of the Apartment prior to the Closing Date, then Buyer will be in default of the Sales Contract, and Seller has the right to remove Buyer from the Apartment using any lawful means.

11. Buyer agrees to accept an Apartment as suitable for occupancy even if there are defects or damage to the Apartment, as long as Seller promises to repair these defects within a reasonable time after Seller takes occupancy. If Buyer wrongfully refuses to take occupancy of a defective Apartment, Buyer may have to bear the cost of Seller's costs in any resulting legal action. Seller will notify Buyer that the Apartment is ready for inspection prior to occupancy. Buyer then has fifteen (15) days from the date Buyer receives notification to inspect the Apartment. If Buyer does not inspect the Apartment within this time, Seller may appoint an appropriate person to inspect the Apartment on Buyer's behalf and decide if it is acceptable.

12. The Seller reserves the right to change the Project and modify the condominium map and any other condominium documents for any reason up to the Effective Date of the agreement.

13. Seller will complete construction so that Buyer may occupy the Apartment within two (2) years of the Effective Date of the Sales Contract. However, this two (2) year period may be extended if construction is delayed by any matters beyond Seller's control.

14. By signing the Sales Contract, Buyer represents that Buyer is financially capable of paying the purchase price for the Apartment. Buyer also represents that any financial data he has given Seller is accurate. If Buyer does not notify Seller that Buyer's financial situation has changed as of the closing date, Seller will assume that the information Seller has is accurate. If the Seller discovers that any important financial data provided by Seller is not accurate and Buyer failed to notify Seller of this inaccuracy, Seller has the right to cancel the Sales Contract.

If Buyer intends to finance the purchase of an Apartment, Buyer must apply for financing within five (5) days of the Seller's acceptance of the Sales Contract. Buyer agrees to do everything possible and/or necessary to successfully obtain a loan once applied for. Buyer agrees to immediately provide Seller with a copy of any loan commitment Buyer receives.

If Buyer tries to obtain financing but is unsuccessful in doing so within forty-five (45) days after application, Seller may notify Buyer that Seller is cancelling the Sales Contract. Upon cancellation in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and minus any costs incurred by Seller, Escrow, or any lending institution in processing the Sales Contract or the Buyer's loan application(s).

If Buyer is making a cash purchase of an Apartment, Seller may require Buyer to provide proof that Buyer is financially capable of making all payments under the Sales Contract. If this proof is required, Buyer must provide it within ten (10) days after Seller accepts the Sales Contract. Seller has the option to terminate the Sales Contract if Seller determines that Buyer is unable to make the required payments. If the Sales Contract is cancelled in this manner, Buyer is entitled to a refund from Escrow of Buyer's money, without interest and less an escrow cancellation fee and any other escrow charges incurred by Seller. Seller will give Buyer notice of any such cancellation.

15. As long as the Sales Contract is only a reservation, it may be terminated for any reason and at any time at the option of either Buyer or Seller, by giving written notice of termination to the other party. In the event of a termination, the Seller will instruct Escrow to refund all payments previously made by Buyer, without interest. Additionally, if the Buyer is terminating the Sales Contract pursuant to Hawaii Revised Statutes, Section 514A-63, then Escrow shall deduct an escrow cancellation fee and all costs incurred by Seller, escrow, or any lending institution in processing the Sales Contract or loan application.

16. If Buyer defaults, Seller may cancel the Sales Contract by notifying Buyer in writing. If the cancellation occurs after the Effective Date of the Sales Contract, the Seller may keep any amounts paid by Buyer thus far as compensation for Seller's damages. In addition, Seller may also pursue any other appropriate means in order to be compensated for damages incurred by Buyer's default.

If Seller defaults after the Effective Date of the Sales Contract, Buyer is entitled to cancel the Sales Contract and have all of Buyer's money refunded, if the Buyer cannot legally cause the Seller to fulfill Seller's obligations.

If, after the Closing Date for the sale of an Apartment, Buyer claims that Seller has violated certain federal or state securities or disclosure laws, Buyer may cancel the Sales Contract and is entitled to a refund from Escrow of all money Buyer paid to Escrow, together with a statutory rate of interest. Buyer may not recover what is considered the reasonable amount expended for use of the Apartment from Seller. Cancellation as described above will be Buyer's only remedy for violations of this nature.

17. If less than sixty-five (65) Apartments have been sold as of December 1, 1992, Seller has the option to cancel the Sales Contract. If Seller cancels the Sales Contract, Buyer will be entitled to a refund of any money Buyer has deposited with Escrow, without interest and minus an escrow cancellation fee. When Buyer has received this refund, Buyer and Seller will no longer have any obligations under the Sales Contract.

18. Seller has reserved the right in the Sales Contract not to construct Buildings H, I, J, K, L and M and the sixty (60) apartments located in these buildings. If Seller exercises this right, the Project will consist of the seventy (70) apartments located in Buildings A, B, C, D, E, F and G and the Common Elements described in Paragraph A.2 of the Declaration. Seller shall complete all the improvements which are part of the Common Elements except for the fenced courtyards adjoining Apartment Nos. H-201, H-202, I-201, I-202, J-201, J-202, K-201, K-202, L-201, L-202, M-201 and M-202, and the parking stalls designated as Nos. 69-194, inclusive. The common interest appurtenant to the seventy (70) apartments will be changed to the undivided percentage interests shown in Exhibit "C-1" to the Declaration. Seller may exercise this right without getting the consent or approval of any person(s), including any apartment owner, the Condominium Association, any mortgagee or lien holder, or any other person(s) who may have an interest in the Project or any apartment.

In exercising these rights, Seller shall file an amendment or amendments to the Declaration which will include amended descriptions of the Project, the changed percentage common interest appurtenant to each apartment, and an amendment to the Condominium Map together with a certificate from the Project's Engineer certifying that Buildings A, B, C, D, E, F and G have been constructed. Seller has an irrevocable power of attorney to execute the amendments to the Declaration and any other documents necessary to exercise its rights to reduce the Project on behalf of any person(s), including all apartment owners, the Association, mortgagees, or any other persons with an interest in the Project or any apartment.

If the apartment being purchased by Buyer is not constructed due to Seller's exercise of these rights, Seller may cancel the Sales Contract. If Seller cancels the Sales Contract, Buyer will be entitled to a refund of any money deposited with Escrow, without interest and minus a cancellation fee. When Buyer has received this refund, Buyer and Seller will no longer have any obligations under the Sales Contract.

19. The Seller also has the option to cancel the Sales Contract if unanticipated delays in construction cause the cost of development to increase to the point where the Project is no longer economically feasible for the Seller. In this case, Seller may cancel the Sales

Contract and refund Buyer's money in the same way as for a cancellation due to lack of sales described above. However, Seller will offer Buyer a new Sales Contract for the same Apartment at the increased sales price. This offer will be mailed to Buyer, who has fifteen (15) days from the date when Seller mails the new Sales Contract to accept. If Buyer does not accept within the fifteen (15) day period, then Seller may offer the Apartment to another buyer at the increased sales price.

20. By entering into the Sales Contract, Buyer acknowledges that Buyer has never received any information of representations from Seller or any of Seller's agents regarding rental income from the Apartment or other economic or tax benefits that Buyer may receive from ownership of the Apartment. The Buyer further agrees that he or she will not participate in any rental pool for the renting of the Apartment. Buyer may be required to sign documents which satisfy the Seller that no such representations have been made.

21. The Seller may have made one or more construction loans to finance construction of the Project. Any rights which a Buyer may possess under a Sales Contract for one of the Apartments in the Project are subject to and subordinate to the rights of the lender(s) of these construction loans.

22. As part of their purchase of an Owner-Occupant Designated Apartment in the Project, each owner-occupant will be eligible for the Seller's Free Home Ownership Guaranty (the "Plan") at no extra cost. If a Buyer loses his or her full-time job, through no fault of his or her own, during the first calendar year following the closing of the Buyer's purchase of the Apartment, the Seller will make the monthly principal and interest payments on the Buyer's first mortgage loan covering the Apartment for up to six (6) months.

EXHIBIT "I"

RENTAL AGREEMENT AND
OPTION TO PURCHASE

This Agreement is made on the ____ day of _____, 19__, between EVERGREEN LIMITED PARTNERSHIP, a Hawaii limited partnership, whose business and post office address is P. O. Box 3998, Mililani, Hawaii 96789, and the ASSOCIATION OF APARTMENT OWNERS OF EVERGREEN TERRACE, an unincorporated association, whose business and post office address is c/o CERTIFIED MANAGEMENT, 3179 Koapaka Street, Second Floor, Honolulu, Hawaii 96819.

A. DEFINITIONS

As used in this Agreement, the following terms shall have the definitions stated below:

- "Agreement" shall mean this entire Rental Agreement and Option to Purchase by and between Evergreen Limited Partnership and the Association of Apartment Owners of Evergreen Terrace.
- "Association" shall mean the Association of Apartment Owners of Evergreen Terrace Condominium Project, an unincorporated association.
- "Closing" shall mean that date upon which Association and Developer shall perform, after exercise of the Option by Association, their respective obligations to purchase and sell the Property.
- "Developer" shall mean Evergreen Limited Partnership, a Hawaii limited partnership.
- "Escrow" shall mean Title Guaranty Escrow Services, Inc., 235 Queen Street, First Floor, Honolulu, Hawaii 96813.

EXHIBIT "J"

- "Option" shall mean the option to purchase the Property granted by Developer to Association under this Agreement.
- "Project" shall mean the Evergreen Terrace Condominium Project, located in Mililani, Hawaii.
- "Property" shall mean Apartment A-204 of the Evergreen Terrace Condominium Project.
- "Rental Agreement" shall mean the portion of this Agreement for the rental of the Property by the Association from the Developer.
- "Resident Manager" shall mean the resident manager for the Project.

B. RENTAL AGREEMENT

Developer agrees to rent the Property to the Association upon the following terms and conditions:

1. Term.

The rental term shall be for one (1) year, commencing on the date of occupancy of the Property by the Resident Manager.

2. Rent.

Association shall pay rent for the Property to Developer in the amount of FIVE HUNDRED AND NO/100 DOLLARS (\$500.00) per month. Rent shall be payable on or before the first day of each calendar month at Developer's business address as stated above, or at other such location or address as Developer may designate in writing from time to time.

3. Additional Rent.

In addition to the monthly rent for the Property described in Paragraph B(2) above, Association shall also pay the following charges:

- a. All utility charges, including but not limited to electricity and telephone charges which arise in connection with the Property during the term of the Rental Agreement. Association shall pay all such utility charges directly before the same become delinquent.
- b. State of Hawaii general excise tax assessed or based on the gross income received by Developer under this Agreement, which general excise tax is presently being assessed at the rate of 4.167%. It is the intent of this provision to insure that the rent herein provided to be paid to Developer by Association will be received by Developer without diminution by any tax, assessment, charge or levy of any nature whatever based upon the receipt of the rents by Developer except United States and state net income taxes, and the terms and conditions of this Agreement shall be liberally construed to effect such purpose. Association shall pay the general excise tax as

additional rent at the time and together with each payment of rent Association is obligated to pay under this Agreement.

4. Use.

During the term of the rental agreement, the Property shall be used solely for the purposes of providing office and/or living space for the Project Resident Manager. Association must obtain the written consent of Developer if it wishes to use the Property for other than the above-stated purpose. Developer may withhold this consent for any reason or no reason.

5. Assignment and Subletting.

Association may not assign this Agreement or sublet the Property.

6. Maintenance of Property.

Association shall, at its sole expense, well and substantially keep, repair and maintain the Property in a good, clean, safe and sanitary condition during the term of the Rental Agreement, reasonable wear and tear excepted.

7. Insurance.

Association shall obtain and maintain during the full term of the Rental Agreement, fire insurance with extended coverage and inflation guard protection covering the Property and any fixtures, furnishings and contents

with an insurance company authorized to do business in the State of Hawaii for the full replacement value thereof and with Developer named as an insured party. Association shall also obtain and maintain a policy of comprehensive liability insurance with a minimum single limit of \$1,000,000 for personal injury or death to one or more persons and property damage in any one occurrence, with an insurance company authorized to do business in the State of Hawaii for the full replacement value thereof and with Developer named as an insured party. To the extent the master policy or policies of insurance maintained by the Association for the Project provides the coverage required by this Agreement, the Association need not maintain separate insurance policies.

8. Termination.

Either party may terminate the Rental Agreement by giving thirty (30) days advance written notice to the other party.

9. Surrender.

At the end of the rental term, or sooner if this Agreement is terminated earlier, Association shall surrender to Developer possession of the Property, in good repair, order and condition, reasonable wear and tear excepted.

10. Default.

The Association shall be considered to be in default under this Agreement if (a) Association fails to pay monthly rent or other sums due under Paragraph B(3) above within ten (10) days after the same become due, whether or not the same has been legally demanded, or (b) fails to observe any of the other terms and conditions contained herein and Association does not commence with correction of such default within thirty (30) days after written notice is given to Association by Developer. In the event of such default, Developer may immediately and without notice to Association terminate this Agreement and take possession of the Property using such force as may be necessary and all without service of notice or resort to any legal process and without being deemed guilty of trespass or becoming liable for any loss or damage to the Property or its contents, and remove from the Property the Association or those claiming under the Association. The Association expressly waives the service of any notice of intention to terminate this Agreement or to retake the Property, or or any other notice demand prescribed by the laws of the State of Hawaii.

11. Indemnity.

Association agrees to indemnify, defend and hold

Developer harmless from and against all claims and demands for loss, damage, costs and expenses (including reasonable attorneys' fees), including without limitation property damage, personal injury or wrongful death, arising out of or in connection with the use or occupancy of the Property by the Association or any other person claiming by, through or under the Association, and will reimburse the Developer for all its costs and expenses (including reasonable attorneys' fees) incurred in connection with the defense of any such claims. Further, Association will hold all goods, materials, furniture, fixtures, equipment, machinery and other property on the Property at the sole risk of the Association and will hold Developer harmless from liability for loss or damage thereto by any cause whatsoever, and will indemnify and hold Developer harmless from and against all loss, costs and expenses (including reasonable attorneys' fees) with respect to any attachment, judgment, lien, charge or encumbrance whatsoever against said premises made or suffered by Association.

12. Costs.

Association will pay to Developer on demand all costs and expenses, including reasonable attorneys' fees, incurred by Developer in enforcing any of the covenants

contained herein, in remedying any breach by Association of said covenants, in recovering possession of the Property, in collecting any delinquent rent or other charges payable by Association hereunder, or in connection with any litigation commenced by or against Association to which Developer is made a party.

C. OPTION TO PURCHASE

Developer hereby grants to Association an Option to purchase the Property described herein for TEN AND NO/100 DOLLARS (\$10.00), receipt of which is hereby acknowledged. The Option is subject to the following terms and conditions:

1. Purchase Price.

The purchase price for the Property shall be the same amount for which the Developer is selling "Type A_R" apartments as described in the Declaration at the time Association exercises the Option, but in no event less than TWO HUNDRED FOUR THOUSAND AND NO/100 DOLLARS (\$204,000.00).

Association shall pay the entire purchase price in cash at Closing.

2. Period of Option.

This Option shall lapse at 4:30 p.m. one (1) year

after the date of occupancy of the Property by the Resident Manager. No extensions of the Option shall be granted for any reason.

3. Exercise of Option.

This Option may be exercised during its effective period by Association by delivering written notice thereof to Developer.

4. Cancellation of Option.

If the Option lapses without exercise by Association, Association shall, upon Developer's request, execute and deliver to Developer a document, in form and content acceptable to Developer, cancelling the Option and/or acknowledging that the Option has lapsed and that the Association no longer has any rights under the Option.

5. Conveyance.

If the Option is exercised as provided herein, Developer shall convey title to the Property to Association at Closing by way of an Apartment Deed.

6. Escrow; Closing.

Escrow shall be with Title Guaranty Escrow Services, Inc., 235 Queen Street, 1st Floor, Honolulu, Hawaii 96813.

Closing shall take place at Escrow's offices no later than thirty (30) days after Developer receives

notice of the exercise by Association of this Option. The parties shall deliver signed escrow instructions, together with all necessary documents to allow a timely closing to occur.

Taxes, assessments and maintenance fees for the current year shall be prorated between the parties as of the date of Closing.

7. Costs.

Developer shall pay for the cost of drafting the Apartment Deed, its notary fees, one-half (1/2) of the escrow fee, and the conveyance tax. Association shall pay for all other costs and expenses due at the Closing, including, but not limited to recording fees, its notary fees and one-half (1/2) of the escrow fee.

8. Assignment.

The Option is specifically intended for Association and Association may not transfer or assign the Option.

D. GENERAL

The following general terms shall also apply to this Agreement:

1. Severability.

If any terms, covenants or conditions of this Agreement are deemed invalid or unenforceable, the

remaining terms, covenants and conditions of this Agreement shall remain in full force and effect.

2. Notices.

All notices shall be considered given if delivered personally or by registered or certified mail, return receipt requested, to the Association and Developer at the addresses given below or at other addresses as either party may designate in writing from time to time:

DEVELOPER: Evergreen Limited Partnership
c/o Evergreen, Inc.
95-270 Waikalani Drive
Mililani, Hawaii 96789

or

P. O. Box 3998
Mililani, Hawaii 96789

ASSOCIATION: Association of Apartment Owners of
Evergreen Terrace

c/o Certified Management
3179 Koapaka Street, Second Floor
Honolulu, Hawaii 96819

3. Governing Law.

This Agreement shall be construed in accordance with the laws of the State of Hawaii, and the parties agree that any litigation regarding this Agreement shall be brought only in the courts of the State of Hawaii.

IN WITNESS WHEREOF, the parties hereto have executed this Agreement as of the date above written.

ASSOCIATION OF APARTMENT OWNERS OF
EVERGREEN TERRACE

By EVERGREEN LIMITED PARTNERSHIP

By EVERGREEN, INC.
Its General Partner

By _____
Its

By _____
Its

"Association"

EVERGREEN LIMITED PARTNERSHIP

By EVERGREEN, INC.
Its General Partner

By _____
Its

By _____
Its

"Developer"

END OF EXHIBIT "J"

EXHIBIT "K"SUMMARY OF ESCROW AGREEMENT

A copy of the Escrow Agreement between the Developer and Title Guaranty Escrow Services, Inc. ("Escrow"), has been submitted to the Real Estate Commission and is available for inspection at the Developer's office. The following is a summary of some of the provisions of the Escrow Agreement.

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

1. A signed copy of each sales contract for an Apartment in the Project must be given to Escrow.
2. All money received by the Developer from buyers under sales contracts for apartments in the Project must be given to Escrow. Escrow, in accordance with written instructions from the Developer, shall deposit all money so received in accounts at a federally insured bank, savings and loan association or other financial institution which pays interest on deposits. Any interest earned on funds deposited into Escrow will accrue to the credit of the Developer unless otherwise provided.
3. Escrow may not make any disbursements of funds until certain conditions, including the issuance of a Final Public Report on the Project by the Real Estate Commission, have been met.
4. Under certain conditions, a buyer shall be entitled to a refund. Escrow shall pay this refund to the buyer without interest less a reasonable escrow cancellation fee. However, no escrow cancellation fee will be deducted from refunds to individuals on the Developer's owner-occupant reservation list to whom no Sales Contract was ever offered.
5. If a buyer fails to claim a refund for a cancelled sales contract, Escrow shall deposit the refund

in a special account in a bank or other depository selected by Escrow, in the name of the Developer as trustee for the benefit of the buyer. Escrow will then attempt to notify the buyer about the refund.

6. If a buyer is to make a payment under a sales contract directly to Escrow, Escrow shall promptly give the buyer notice of the amount and due date of the payment. If the buyer fails to make a payment to Escrow in a timely manner, Escrow will notify Developer. If the Developer subsequently notifies Escrow in writing that Developer has terminated the sales contract and provides Escrow with copies of all notices of termination sent to the buyer, Escrow will then treat any funds the buyer has already paid as though they belong to the Developer. Upon written request by the Developer, Escrow will pay all such sums to Developer minus any escrow cancellation fee.

END OF EXHIBIT "K"

EXHIBIT "L"TERMS AND CONDITIONS OF EVERGREEN TERRACE
FREE HOME OWNERSHIP GUARANTY

The Free Home Ownership Guaranty (the "Plan") offered by the Developer is subject to the following terms and conditions:

1. Only individuals who have closed the purchase of one of the sixty-five (65) Owner-Occupant Designated Apartments in the Project shall be eligible for the Plan. Corporations, partnerships, trusts or any other entities are not eligible for the Plan.
2. Only owner-occupant purchasers are eligible for the Plan. The Buyer must occupy the apartment as the Buyer's principal residence. The Buyer's rights under the Plan are non-assignable and cannot be transferred to any other person.
3. Only one person from any apartment shall be eligible for the Plan. In the event there is more than one Buyer, the person with the higher or highest annual salary shall be eligible for the Plan.
4. The Plan covers only the principal and interest payments on the Buyer's first mortgage loan which the Buyer obtained to purchase the Apartment (the "Loan"). The Plan does not cover any real property taxes, assessments, and maintenance fees for the Apartment or mortgage insurance for the Loan.
5. The Buyer shall be eligible for the Plan for one (1) year after the closing of the purchase of the Apartment. If the Buyer qualifies for payments under the Plan, the Developer will make the principal and interest payments on the Loan, but in no event will the Developer make more than six (6) payments on the Loan.
6. At the time the Buyer closes the purchase of the Apartment, the Buyer must be employed full time and not have received any notice from the Buyer's employer that the Buyer's employment will be terminated. Persons who are self-employed (including but not limited to persons who are shareholders of a closely

held corporation) or only employed part-time are not eligible for the Plan.

7. If the Buyer wishes to be eligible for the Plan, the Buyer must sign and give to the Developer, on the date of the closing of the purchase of the Apartment, an affidavit stating that the Buyer is a bonafide employed full time, the name, address and telephone number of the Buyer's employer, and that the Buyer has not received any notice that the Buyer's employment will be terminated.

8. To be eligible for payments under the Plan, the Buyer must be "laid off" or have otherwise lost the Buyer's job due to the employer's economic reasons and not because of anything the Buyer shall have done or failed to do or any reason within the Buyer's control. The Plan does not apply if the Buyer leaves the Buyer's job voluntarily or if the Buyer loses the Buyer's job for cause.

9. To receive payments under the Plan, the Buyer must provide the Developer with the Buyer's signed affidavit stating that (a) the Buyer is qualified to participate in the Plan, (b) the date on which the Buyer lost the Buyer's job, (c) that you became unemployed due to the employer's economic reasons and not through any fault of the Buyer's, (d) the amount of the principal and interest payments under the Loan, (e) the name and address of the lender under the Loan, (f) the loan number for the Loan, (g) the date the next mortgage payment is due and the date late charges are assessed, and (h) that the Buyer has and will continue to make a good faith effort to find other full time employment. The affidavit must be accompanied by a written statement from the Buyer's employer verifying that the Buyer has lost the Buyer's job due to the employer's economic reasons and not because of any fault of the Buyer.

10. The Developer will make the principal and interest payments on the Loan directly to the Buyer or the lender, commencing with the monthly payment next due after the Developer's receipt of the Buyer's affidavit and the written statement from the Buyer's employer. The Developer will endeavor to make any payments before the date late charges are incurred, but shall not be responsible to the Buyer or the

Buyer's lender for any late charges that may be imposed.

11. If the Buyer finds other employment, the Buyer must immediately notify the Developer of that fact and must resume making the monthly principal and interest payments on the Loan, commencing with the next payment which is due following the date the Buyer finds other employment. After the Developer receives notice that the Buyer has found other employment, the Developer will not make any further payments on the Loan. The Buyer shall provide to the Developer such further affidavits and other documentation that the Developer deems necessary to verify the Buyer's good faith effort to find other employment and that the Buyer has not found other employment.

12. If it is determined that any statements made in any of the Buyer's affidavits provided to the Developer in connection with the Plan are false, the Developer may immediately stop making any payments under the Plan without any responsibility or liability to the Buyer or the Buyer's lender.

13. The Plan is subject to all applicable laws.

14. The Buyer is responsible for any taxes which may be due on any payments the Buyer receives under the Plan. The Buyer should consult the Buyer's attorney, accountant or tax advisor for appropriate advice on tax matters.

END OF EXHIBIT "L"