



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

HALE LUMI

Waipio, Ewa, Oahu, Hawaii

Registration No. 2476

Issued: August 1, 1991
 Expires: September 1, 1992

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of July 5, 1991, 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.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: Residence Description	
EXHIBIT B: Description of Buildings	
EXHIBIT C: Common Elements	
EXHIBIT D: Limited Common Elements	
EXHIBIT E: Encumbrances Against Title	
EXHIBIT F: Schedule of Maintenance Fees and Maintenance Fee Disbursements	
EXHIBIT G: Construction Warranties	
EXHIBIT H: Summary of Pertinent Provisions of Sales Contract	
EXHIBIT I: Summary of Pertinent Provisions of Escrow Agreement	

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

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	(See Exhibit A)	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Apartments: <u>51</u>				

**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.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>2 within residence dwelling</u>
Guest Stalls	_____
Unassigned Stalls	_____
Extra Stalls Available for Purchase	_____
Other: _____	_____
Total Parking Stalls	<u>102</u>

7. Recreational amenities: None

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Halelumi Partners Phone: 524-4595
Name (Business)
Suite 1550, Pauahi Tower, 1001 Bishop St.
Business Address
Honolulu, Hawaii 96813

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

General Services Incorporated General Partner

Real Estate Broker: Herbert K. Horita Realty, Inc. Phone: 847-4241
Name (Business)
2024 North King Street, Ste. 200
Business Address
Honolulu, Hawaii 96819

Escrow: Developers Escrow Services, Inc. Phone: 848-2340
Name (Business)
2024 North King Street, Ste. 202
Business Address
Honolulu, Hawaii 96819

General Contractor: Albert C. Kobayashi, Inc. (houses) Phone: 671-6460
Name (Business)
94-535 Ukee Street
Business Address
Waipahu, Hawaii 96797

Condominium Managing Agent: Oahu Construction Co., Ltd. (site work) 836-2981
3059 Ualena Street
Honolulu, Hawaii 96819
Chaney Brooks & Company Phone: 544-1600
Name (Business)
P. O. Box 212
Business Address
Honolulu, Hawaii 96810

Attorney for Developer: Tanaka & Kawata, Attorneys At Law Phone: 523-7581
A Law Corporation (Business)
Name
Suite 1100, Pacific Tower, 1001 Bishop Street
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. 1831055

Amendment date(s) and recording/filing information:

The First Amendment to the Declaration of Condominium Property Regime of Hale Lumi was filed as Land Court Document No. 1837099.

- 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. 857

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. 1831056

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>none*</u>

*House Rules amended by majority vote of Board of Directors.
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

Developer reserves the right to amend the Declaration (including any Exhibits attached to the Declaration), the By-Laws and Condominium Map in any manner for any apartment which has not yet been conveyed. Developer also reserves the right to file the "as-built" certificate required by Section 514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer.

See also Exhibit H for other Developer's easements and reservations.

Boundaries of Each Apartment:

The respective apartments shall be deemed to include the perimeter walls, all doors, door frames, windows and window frames, the floor, ceiling and roof of each residence, any detached or connected garage, and any deck or porch, the air space over any uncovered deck or porch; any pipes, wires, conduits or other utility or service lines which serve only such residence; except that any pipe, wire, conduit, road, drain or other utility or service line that serves more than one residence is a common element and not part of an apartment.

Permitted Alterations to Apartments:

Additions, alterations, repairs or improvements solely within or without an apartment or within a limited common element appurtenant to and for the exclusive use of the apartment may be made by the apartment owner with the approval of the agencies or departments of the State of Hawaii, the City and County of Honolulu and by the holders of liens affecting the apartment (if the lien holders require such approval). For more details see Exhibit D.

7. Parking Stalls:

Total Parking Stalls: 102

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for individual units)	<u>102</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>102</u>
Guest Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra Available for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>102</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </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.
- Exhibit _____ 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
- Recreation Area
- Tennis Court
- Other: _____
- Storage Area
- Laundry Area
- Trash Chute

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	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

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

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

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

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

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit C describes the common elements.

As follows:

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

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit D

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is 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 A describes the common interests for each apartment.

As follows:

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

Exhibit E describes the encumbrances against the title contained in the title report dated June 20, 1991 and issued by Title Guaranty of Hawaii, Incorporated.

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. but the Developer anticipates that a blanket lien will be placed upon the project.
 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.

Type of Lien

**Effect on Buyer's Interest
If Developer Defaults**

*It is anticipated that a blanket lien to secure the loan for land acquisition, construction, development and sales costs will be placed on the project. The blanket lien will be 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 blanket lien.

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 _____

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit F contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

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

Not applicable

Electricity

Television Cable

Gas

Water & Sewer

Other _____

I. Construction Warranties:

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

1. Building and Other Improvements:

See Exhibit G.

2. Appliances:

See Exhibit G.

J. Status of Construction and Estimated Completion Date:

Site work commenced on April 1, 1989. It is anticipated that if sales progress as hoped, construction of the houses will start in November, 1991, and be completed around December 31, 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:

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 H contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated May 31, 1991.

Exhibit I contains a summary of the pertinent provisions of the escrow contract.

Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

Residence Nos. 3, 4, 13, 14, 22, 25, 34, 40, 49 and 51 have various restrictions. Purchasers of these units should read the First Amendment to the Declaration of Hale Lumi to identify specific restrictions associated with the above-mentioned Residences.

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. 2476 filed with the Real Estate Commission on July 5, 1991.

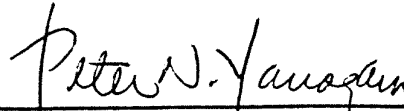
Reproduction of Report. When reproduced, this report must be on:

yellow paper stock

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pink paper stock

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 N. 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

Residence Types and Descriptions

There are five types of residences, designated as Types "M-2", "M-4", "M-8A", "M-8B" and "M-8C".

Type "M-2"

Each Type "M-2" residence will have four bedrooms, two and one-half baths located in a two-story building and consisting of a living/dining room, a kitchen, four bedrooms, and two and one-half bathrooms. All Type "M-2" residences contain 2,256 square feet of NET LIVING AREA including an enclosed garage of 440 square feet.

Type "M-4"

Each Type "M-4" residence will have three bedrooms and two baths located in a two-story building and consisting of a living/dining room, a kitchen, rumpus room, three bedrooms, and two bathrooms. All Type "M-4" residences contain 2,147 square feet of NET LIVING AREA including an enclosed garage of 440 square feet.

Type "M-8A" and M-8B"

Each Type "M-8A" and "M-8B" residence will have three bedrooms and two baths located in a split-level building and consisting of a living room, dining room, a kitchen, three bedrooms, and two bathrooms. All Type "M-8A" and "M-8B" residences contain 1,940 square feet of NET LIVING AREA including an enclosed garage of 440 square feet, a deck of 164 square feet and porch area of 41.25 square feet.

Type "M-8C"

Each Type "M-8C" residence will have three bedrooms and two baths located in a split-level building and consisting of a living room, dining room, a kitchen, three bedrooms, and two bathrooms. All Type "M-8C" residences contain 1,626 square feet of NET LIVING AREA including an enclosed garage of 440 square feet, and porch area of 41.25 square feet.

The following is a list by residence number of the five types of residences. An "R" in the designation indicates the reverse of the residence type designated by the letter preceding the "R".

<u>Residence No.</u>	<u>Residence Type</u>	<u>BR/Bath</u>	<u>Net Living Area** (excluding garage and if any, Deck or Porch) (Sq. ft.)</u>	<u>Garage Area** (Sq. ft.)</u>	<u>Deck or Porch Area** (Sq. ft.)</u>
1	M-2R	4/2-1/2	1,816	440	n/a
2	M-2R	4/2-1/2	1,816	440	n/a
3	M-2R	4/2-1/2	1,816	440	n/a
4	M-2	4/2-1/2	1,816	440	n/a
5	M-2	4/2-1/2	1,816	440	n/a
6	M-2R	4/2-1/2	1,816	440	n/a
7	M-2	4/2-1/2	1,816	440	n/a
8	M-4	3/2	1,707	440	n/a
9	M-2	4/2-1/2	1,816	440	n/a
10	M-2	4/2-1/2	1,816	440	n/a
11	M-2	4/2-1/2	1,816	440	n/a
12	M-4	3/2	1,707	440	n/a
13	M-2	4/2-1/2	1,816	440	n/a
14	M-2R	4/2-1/2	1,816	440	n/a
15	M-4R	3/2	1,707	440	n/a
16	M-2R	4/2-1/2	1,816	440	n/a
17	M-4R	3/2	1,707	440	n/a
18	M-2R	4/2-1/2	1,816	440	n/a

<u>Residence No.</u>	<u>Residence Type</u>	<u>BR/Bath</u>	<u>Net Living Area** (excluding garage and if any, Deck or Porch) (Sq. ft.)</u>	<u>Garage Area** (Sq. ft.)</u>	<u>Deck or Porch Area** (Sq. ft.)</u>
19	M-4R	3/2	1,707	440	n/a
20	M-2	4/2-1/2	1,816	440	n/a
21	M-2	3/2	1,816	440	n/a
22	M-4	3/2	1,707	440	n/a
23	M-4R	3/2	1,707	440	n/a
24	M-2	4/2-1/2	1,816	440	n/a
25	M-4	3/2	1,707	440	n/a
26	M-4R	3/2	1,707	440	n/a
27	M-2R	4/2-1/2	1,816	440	n/a
28	M-2R	4/2-1/2	1,816	440	n/a
29	M-2R	4/2-1/2	1,816	440	n/a
30	M-2	4/2-1/2	1,816	440	n/a
31	M-2	4/2-1/2	1,816	440	n/a
32	M-2	4/2-1/2	1,816	440	n/a
33	M-2R	4/2-1/2	1,816	440	n/a
34	M-2	4/2-1/2	1,816	440	n/a
35	M-2	4/2-1/2	1,816	440	n/a
36	M-2	4/2-1/2	1,816	440	n/a
37	M-2	4/2-1/2	1,816	440	n/a
38	M-2	4/2-1/2	1,816	440	n/a
39	M-2R	4/2-1/2	1,816	440	n/a
40	M-2	4/2-1/2	1,816	440	n/a
41	M-8AR	3/2	1,294.75	440	205.25
42	M-8AR	3/2	1,294.75	440	205.25
43	M-8A	3/2	1,294.75	440	205.25
44	M-8AR	3/2	1,294.75	440	205.25
45	M-8A	3/2	1,294.75	440	205.25
46	M-8B	3/2	1,294.75	440	205.25
47	M-8BR	3/2	1,294.75	440	205.25
48	M-8B	3/2	1,294.75	440	205.25
49	M-8BR	3/2	1,294.75	440	205.25
50	M-8B	3/2	1,294.75	440	205.25
51	M-8C	3/2	1,144.75	440	41.25

Total Apartments: 51

** In accordance with local architectural practice, the net living area, including the garage and if any, deck or porch, of each residence are measured from the inside wall of each residence to the opposite inside wall. THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE AREA OF ANY PARTICULAR RESIDENCE.

Percentage Common Interest and Limited Common Area

Each residence except Residences 6, 7, 8, 19, 20, 21, 23 and 31 shall have appurtenant thereto an undivided percentage common interest in all common elements of the Property, and the same proportionate share in all common profits and expenses of the Property and for all other purposes, including voting, equal to 1.96%. Residences 6, 7, 8, 19, 20, 21, 23 and 31 shall have a common interest equal to 1.965%.

Additionally, a limited common element around and upon a portion of which each residence will be constructed will be appurtenant to each residence. The approximate area of the limited common element that will be appurtenant to each residence is as follows:

<u>Residence</u>	<u>Percentage Common Interest</u>	<u>Limited Common Element Approximate Area (Including Dwelling Area (in Square Feet)</u>
1	1.96	5,370
2	1.96	5,852
3	1.96	3,938
4	1.96	3,645
5	1.96	3,607
6	1.965	6,259
7	1.965	10,845
8	1.965	7,440
9	1.96	3,825
10	1.96	3,825
11	1.96	3,825
12	1.96	3,825
13	1.96	4,028
14	1.96	4,255
15	1.96	3,825
16	1.96	3,825
17	1.96	3,825
18	1.96	3,825
19	1.965	7,888
20	1.965	8,269
21	1.965	8,507
22	1.96	5,351
23	1.965	13,812
24	1.96	3,726
25	1.96	4,011
26	1.96	4,416
27	1.96	4,032
28	1.96	4,032
29	1.96	4,032
30	1.96	3,946
31	1.965	9,182
32	1.96	4,030
33	1.96	3,026
34	1.96	3,266
35	1.96	3,432
36	1.96	3,525
37	1.96	3,526
38	1.96	3,526
39	1.96	3,526
40	1.96	3,440
41	1.96	3,440
42	1.96	3,440
43	1.96	3,440
44	1.96	3,440
45	1.96	3,665
46	1.96	4,146
47	1.96	4,128
48	1.96	4,128
49	1.96	4,128
50	1.96	4,125
51	1.96	4,474

100%

THE AREAS SHOWN ABOVE ARE APPROXIMATE ONLY, AND THE DEVELOPER MAKES NO REPRESENTATIONS OR WARRANTIES AS TO THE AREA OF ANY PARTICULAR RESIDENCE OR THE AREA OF THE LIMITED COMMON ELEMENT APPURTENANT TO A RESIDENCE.

EXHIBIT B

Description of Buildings

The project shall consist of fifty-one (51) separate residence (apartment) buildings, constructed principally of wood, glass, concrete and gypsum board. The fifty-one (51) buildings are designated as Residences 1 to 51, respectively. No residence building contains a basement.

The residence (apartment) buildings will be numbered as shown on the Condominium Map.

EXHIBIT C

Common Elements

One freehold estate is hereby designated in all of the remaining portions of the Project, herein called the "common elements", including specifically but not limited to:

- (a) Said land in fee simple;
- (b) retaining walls, drainage ditches, channels, pipes or swales, and fences;
- (c) The roadways providing ingress and egress to and from a public road or highway and the Property and any sidewalk, street light system or berm or sign located along or within the roadways, all yards, planting areas, driveways connecting the common roadway to each residence;
- (d) All common premises for the use of maintenance personnel or other persons employed for operation of the Property, if any;
- (e) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the Property which serve more than one residence for services such as power, light, gas, sewage, drainage, telephone, radio and television signal distribution, if any that is not owned by the governmental agency or electric, telephone or cable television company; provided, however, that ownership of any common element by the Association shall start from the meter box or other measuring device or the start of the limited common element along the roadway; subject, however, to ownership in case of any governmental agency, or electric, telephone or television signal improvements as provided in the laws, rules or regulations applicable to the governmental agency or company providing such services; any meter or other measuring device not owned by the public utility or governmental agency providing the service shall be a common element;
- (f) The street lighting system;
- (g) All other parts of the Property necessary or convenient to its existence, maintenance, and safety or normally in common use.

PROVIDED, HOWEVER, that certain portions of the Land are very steep or hazardous and unsafe for anyone, particularly children, to walk on or over. These areas are designated as "Restricted Common Element Area" on the Condominium Map (Sheet CPR-8) and are further described in Exhibit "C" attached to the Declaration. No one, except those authorized in writing by the Board of Directors, can enter into or walk on any portion of the Restricted Common Element Area.

EXHIBIT D TO THE FINAL PUBLIC REPORT

LIMITED COMMON ELEMENTS

A. The Declaration describes the limited common elements as follows:

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of a specified residence (subject to those easements shown on the Condominium Map [Sheet CPR-8]), and such residence shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows: Each residence shall have for its exclusive use (a) the mailbox bearing the same number or street address of such residence; subject to the right of Declarant to determine the type, size, color, materials, construction method, and exact location of the mailbox for each residence; (b) the area of land around and upon which each residence is located designated as "LCE" and shown on Condominium Map No. 857 (CPR-8); the driveway from the roadway to the garage located in the residence building and any other common element serving only such residence and not more than one residence; (d) any meter box or measuring device for the exclusive use of a residence which is not owned by any governmental agency or electric, telephone or cable television company. Each residence shall have the right to use the limited common elements appurtenant to such Declaration according and subject to the provisions set forth in Exhibits "C" and "D" attached to the Declaration. Each residence shall also have the obligation to keep and maintain the limited common elements appurtenant to such residence in good condition, fair wear and tear being excepted.

B. Exhibit "D" to the Declaration sets forth the terms under which the limited common elements appurtenant to each residence can be used. Exhibit "D" to the Declaration reads in its entirety as follows:

**EXHIBIT "D" TO DECLARATION
OF CONDOMINIUM PROPERTY REGIME OF HALE LUMI**

**Criteria for Use of Residence and
Limited Common Elements Appurtenant to Each Residence**

General Statement:

It is Declarant's intention that, except as limited by this Declaration or the By-laws and by applicable laws, ordinances, governmental rules and regulations, the owner of a residence shall have the right to determine what happens to or in the residence or the limited common elements appurtenant to such residence as if such residence and the limited common elements appurtenant to such residence were part of a separate subdivided lot. On the other hand, the owner of a residence also has the duty and obligation to repair, maintain and, where necessary, replace, the residence and any improvement or common element located within the limited common element appurtenant to such residence that does not serve more than one residence and is not owned by a governmental agency or electric, telephone or cable television company. Hence, for example, the driveway from the common roadway to the garage of a residence or the walkway from the driveway to the front entrance to the residence must be repaired, maintained or, if necessary, replaced, at the expense of the owner of the residence and not by any other owner or owners; the yard, other landscaping or fence around a residence must be planted, watered, mowed and otherwise maintained by the residence owner.

Specific Limitations:

ARTICLE I.

Definitions

As used herein, "residence" means and includes the residence as defined in Section 3 of the Declaration and the limited common element appurtenant to a residence as shown in the Condominium Map.

ARTICLE II.

Limitations Independent of Government Land Use Regulations

The covenants, conditions and restrictions hereby imposed upon the residences are intended to be independent of any government land use restriction imposed upon the residences that regulates the use thereof, and independent of any government ordinance, statute, regulation, or the like, that specifies any permitted use for the residences. The covenants, conditions and restrictions hereby imposed upon the residences by this Declaration shall be observed and performed, and shall be valid and enforced, even

though the same may be more restrictive, or in some respect different from, any government land use restriction imposed upon the residences, or different from any government ordinance, statute, regulation, or the like, that specifies a permitted use for the residences.

ARTICLE III.

Permitted and Prohibited Uses of Residences

SECTION 3.1: Permitted Use.

Each residence shall be used solely for single family residential purposes unless otherwise permitted by law, ordinance or regulation; except that no residence shall be used to provide child care services for compensation of any kind or nature.

SECTION 3.2: Permitted Improvements.

No building shall be erected, altered, placed or permitted to remain on any part of a residence other than a freestanding single family dwelling, an auxiliary private garage for two (2) or more automobiles, and "ohana" type dwelling or accessory dwelling, unless otherwise permitted by law, ordinance or regulation. No quonset hut, tent, shack, house trailer, mobile home or temporary building, outhouse, shed or trailer shall be moved to or built upon any part of a residence.

SECTION 3.3: Minimum Enclosed Floor Area.

Each single family dwelling constructed on a residence shall have an enclosed floor area of not less than One Thousand (1,000) square feet; provided, however, that the 1,000 square feet minimum shall not apply to "ohana" type dwelling or accessory dwellings which shall satisfy and comply with all applicable governmental codes and regulations.

SECTION 3.4: Maintenance of Residence Landscaping.

Each Owner shall install, maintain and replace, as necessary, all landscaping planted in or on his residence.

SECTION 3.5: Trash; Residence Maintenance and Overgrowth.

No residence shall be used or maintained as a dumping ground for fill material, rubbish, trash, garbage or other waste. No such material shall be kept except in sanitary containers. Each Owner shall maintain his residence in a clean condition, trimmed, and clear of any overgrowth of weeds and bushes. No part of any residence shall be filled, excavated or otherwise altered as to grade on such a manner as to adversely affect drainage of any adjoining residence.

SECTION 3.6: Signs.

One residential sign, not more than one square foot in size, identifying the Owner, may be placed on a residence. A "for sale" sign, not more than four square feet in size, referring only to the residence, may be placed on the residence. Notwithstanding any language contained herein to the contrary, Declarant has the right to use any residence, even though sold to a third party by Declarant, for sales and construction purposes as provided in Section 5.04 of the Declaration.

SECTION 3.7: No Subdivision of Residence.

No residence shall be subdivided into two or more parcels of land, including but not limited to another condominium property regime, except with the written approval of all other residence owners.

SECTION 3.8: Nuisance.

No noxious or offensive activity shall be carried on upon any of the residences, nor shall anything be done thereon which may be or may become an annoyance or nuisance to the neighborhood.

SECTION 3.9: Materials.

All materials used in the construction of any improvement upon any portion of a residence shall be new materials except that used decorative or structural materials may be used to enhance the appearance of an improvement. There shall not be placed or maintained upon any residence any used buildings which have been moved from another location. Roofs of all improvements shall be constructed

of or covered with wood shingles or shakes, asphalt or fiberglass shingles, tar and gravel, or cement or fired tiles. The use of the following types of roofs is prohibited: (1) Asphalt felt roll roofing, (2) Corrugated metal roofing, (3) Fiberglass panels, (4) Flat metal roofs, and (5) Any reflective metal or material. All exterior surfaces of improvements, excluding roofs, clear glass or plastic panels or panes, shall be painted or stained. The exterior of all residences shall be painted or stained in earth tones, white or gray. Any repainting of the exterior of any improvement or structure or replacement of any roof prior to December 31, 1996, shall be done using the same color of paint or stain as the original paint or stain. Construction of improvements shall comply with all governmental laws, rules and regulations.

SECTION 3.10: Antenna/Solar Panels.

If underground cable television is provided, then there shall be no exterior television antenna placed or constructed on the residence; except that a satellite antenna located within an enclosure to screen or block the view of the antenna from the common roadway, is permitted. Solar panels for water heating or other purposes shall be permitted.

SECTION 3.11: Completion of Construction.

Excluding any work by Declarant, any construction, renovation, reconstruction or repair of any improvement upon a residence shall be completed within twelve months after the visible commencement thereof.

SECTION 3.12: Maintenance of Residence Improvements.

Each Owner shall at his expense keep the exterior of the improvements on his residence in good repair. If any improvements shall be substantially damaged, the Owner shall at his expense, within six (6) months after the occurrence of such damage, commence the visible reconstruction of such improvements, or clear the residence of all debris so that the residence is in a clean condition.

SECTION 3.13: Noise.

No exterior speakers, horns, whistles, bells, or other sound devices, except security devices used exclusively to protect the security of persons on the residence, shall be placed or used upon any residence. In addition all noise regulations shall be strictly observed.

SECTION 3.14: Garage/Vehicle.

No use shall be made of the garage of any house on any residence except for normal garage use such as the parking of vehicles and the storage of household or yard equipment and materials except that a garage may be converted to another use so long as a replacement garage or carport is constructed.

SECTION 3.15: Inoperable Vehicles.

No residence owner shall allow any inoperable vehicle, trailer or equipment to be placed or located on his property, other than in an enclosed garage, for more than two weeks.

SECTION 3.16: Storage of Goods.

No residence owner shall store, place or locate any furniture, fixtures, appliances or other goods and chattels not in active, current use, or clothes drying lines except inside the residence building or in the back yard of the residence or one sideyard in case of a residence located at a street corner.

SECTION 3.17: No Fires.

No residence owner shall burn any rubbish or permit any fire, including an "imu" or other ground oven, or permit any condition that will create a fire or smoke hazard in or on the limited common element appurtenant to his residence except small barbecue fires for domestic cooking purposes.

SECTION 3.18: Alteration of Residence; Construction of Different Residence.

An owner of a residence, including the Declarant, shall have the right to alter, modify, extend, change the design, layout and area of his/her/their residence, including the construction of a different residence than the residence Declarant proposes to construct or has constructed, so long as the owner complies with each of the following:

- (1) all other applicable provisions of this Declaration are satisfactorily performed.
- (2) the plans and specifications are prepared by a registered, licensed architect in Hawaii and comply with all applicable laws, ordinances, rules and regulations.
- (3) Each residence must observe the setbacks from each boundary of the limited common element that is appurtenant to such residence as required by law, ordinance, rule or regulation.
- (4) no building, structure or concrete slab shall be built over a common element serving more than one residence building; provided that such common element may be relocated at the expense of the owner of the residence building that is proposed to be altered, modified, extended, changed, or built with the prior approval of a majority of the Board of Directors of the Association, which approval shall not be unreasonably withheld or delayed.
- (5) the owner of the residence that is altered, modified, extended or changed or that constructs a different residence than the residence Declarant proposes to construct shall record an "as-built" certificate as required by §514A-12, Hawaii Revised Statutes, including a verified statement of a registered architect or professional engineer certifying that the final plans being filed simultaneously with such amendment fully and accurately depict the layout, location, residence number and dimensions of the residence as altered, modified, extended, changed or constructed in lieu of the residence Declarant proposed to be constructed and as built.

ARTICLE IV.

Enforcement

SECTION 4.1: No Obligation of Declarant to Enforce Declaration.

The violation of any condition, covenant or restriction set forth in this Criteria shall not entitle the Declarant to re-enter or retake any residence. Nor shall any condition or covenant set forth in this Declaration be deemed to reserve or grant to Declarant a right of entry, power of entry, power of revocation, or possibility of reverter with respect to any residence. The Declarant shall not have any right (except as the owner of a residence) or obligation to bring any action for the violation of any condition, covenant or restriction set forth in this Declaration.

SECTION 4.2: Association to Enforce.

The Association, through the Board of Directors, shall enforce any violation or breach of this Criteria. The Association is authorized to pursue any lawful remedy to enforce this Criteria.

EXHIBIT E

Encumbrances Against Title

The Status Title Report by Title Guaranty of Hawaii, Incorporated, dated June 20, 1991, reflects that fee simple title to the land is held by Halelumi Partners, a Hawaii limited partnership.

Said Status Title Report and Developer's report show title to the property to be subject to the following encumbrances:

1. Easement 266 (40 feet wide) for existing ditch and maintenance purposes, as shown on Map 141, and as set forth by Land Court Order No. 194550, filed October 13, 1961.
2. Grant of Easement dated December 19, 1956, in favor of Hawaiian Electric Company, Limited, a Hawaii corporation, for utility purposes, filed in said Office of the Assistant Registrar as Document No. 199314. Partial Cancellation dated October 4, 1982, filed as Land Court Document No. 1136601.
4. Grant of Easement dated March 2, 1970, in favor of Hawaiian Electric Company, Inc., filed in said Office of the Assistant Registrar as Document No. 501732; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity.
5. Grant of Easement dated October 4, 1982, in favor of Hawaiian Electric Company, Inc., filed in said office of the Assistant Registrar as Document No. 1136602; granting a perpetual right and easement to build, construct, reconstruct, rebuild, repair, maintain and operate pole and wire lines and/or underground lines, etc., for the transmission and distribution of electricity.
6. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated June 20, 1991, filed in said Office of the Assistant Registrar as Document No. 1831055, as the same are or may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 857).
7. By-Laws of the Association of Apartment Owners of the condominium project known as "HALE LUMI", dated June 20, 1991, filed in said Office of the Assistant Registrar as Document No. 1831056, as the same may hereafter be amended.
8. Real property taxes as may be due and owing. Check with the County Tax Assessor for further information.

EXHIBIT F

HALE LUMI

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Residence</u>	<u>Monthly</u> x 12 months = <u>Yearly Total</u>	
Residences 1, 2, 3, 4, 5 9, 10, 11, 12, 13, 14, 15, 16, 17, 18, 22, 24, 25, 26, 27, 28, 29, 30, 32, 33, 34, 35, 36, 37, 38, 39, 40, 41, 42, 43, 44, 45, 46, 47, 48, 49, 50, 51	\$99.96	\$1,199.52
Residences 6, 7, 8, 19, 20, 21, 23, 31	\$100.22	\$1,202.64

[✓] Revised on JUNE 20, 1991

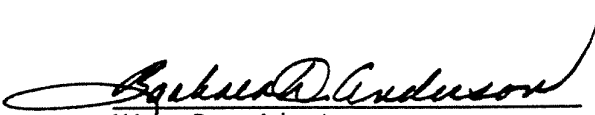
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

HALE LUMI

Estimate of Maintenance Fee Disbursements:

	<u>Monthly x 12 months =</u>	<u>Yearly Total</u>
Utilities and Services		
Air Conditioning		
Electricity	\$ 200	\$ 2,400
<input checked="" type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Gas		
Refuse Collection		
Telephone		
Water and Sewer	150	1,800
Maintenance, Repairs and Supplies		
Building		
Grounds	1,210	14,250
Management		
Management Fee	1,000	12,000
Payroll and Payroll Taxes		
Office Expenses	200	2,400
Insurance	940	11,280
Reserves	1,180	14,160
Taxes and Government Assessments		
Audit Fees	120	1,440
Other	100	1,200
TOTAL	\$5,100	\$61,200

We Chaney, Brooks & Company, 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.


 Vice President

Date: June 20, 1991

EXHIBIT G

Construction Warranties

The developer shall require that the construction contract with the contractor for the project shall contain a warranty clause similar to Section 13.2.2 of AIA Document A201 which generally provides as follows:

If, within one year after the Date of Substantial Completion of the Work or designated portion thereof or within one year after acceptance by the Owner of designated equipment or within such longer period of time as may be prescribed by law or by the terms of any applicable special warranty required by the Contract Documents, any of the Work is found to be defective or not in accordance with the Contract Documents, the Contractor shall correct it promptly after receipt of a written notice from the Owner to do so unless the Owner has previously given the Contractor a written acceptance of such condition. This obligation shall survive termination of the Contract. The Owner shall give such notice promptly after discovery of the condition.

Developer agrees that if the purchaser shall give developer written notice of any such condition promptly after discovery thereof during the unexpired term of such contractor's warranty, developer shall forward such notice together with a written notice to the contractor to correct such condition. Developer shall assign to purchaser the unexpired term of the general contractor's warranty and of any manufacturer's or dealer's warranties (which may by their terms be so assigned) covering the apartment, any furnishings, fixtures, appliances or consumer products in the apartment. Purchaser acknowledges and agrees that developer is not acting as co-warrantor, but is agreeing to pass through to the purchaser the benefit of any such warranties. The terms of the manufacturer's or dealer's written warranties will be available for purchaser's inspection at the developer's sales office. THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OF MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.

THE ATTENTION OF THE PURCHASER IS DIRECTED TO ARTICLE IV OF THE RESERVATION AND SALES AGREEMENT (INCORPORATED HEREIN BY THIS REFERENCE) PERTAINING TO THE ABSENCE OF REPRESENTATIONS AND WARRANTIES CONCERNING THE APARTMENT, THE PROPERTY, THE PROJECT, ESTIMATED MAINTENANCE FEES AND RENTAL OF THE APARTMENT.

EXHIBIT H

Summary of Pertinent Provisions of Sales Contract

The Sales Contract sets forth the terms and conditions concerning the sale of an apartment in the project for the stated purchase price.

Some of the salient areas of the Sales Contract are:

1. The purchase price may be increased due to unexpected events such as delays due to governmental actions or strike or labor disturbance, but the Buyer is given fifteen (15) days to affirm the price increase or terminate the Sales Contract and receive a refund of all sums paid toward the purchase price.

2. Developer retains certain reserved rights, some of which are:

a. Developer may cancel any Sales Contract and refund Buyer's funds (without interest) if by June 30, 1992, or such later date as Developer shall select, not more than thirty (30) residences have been sold;

b. Developer's construction and sales activities will continue for some time in the future so Developer and its construction and sales representatives and customers may use on-street parking and the common elements and the limited common element of any residence for sales purposes;

c. Developer may cancel the Sales Contract if a Buyer does not have the resources to pay the purchase price or does not diligently follow through with an application to finance the purchase price.

3. Information concerning any contractor's warranties and dealer's or manufacturer's warranties.

This is a summary of selected portions of the Sales Contract and may be incomplete or inadvertently incorrect. The Buyer is requested to read and understand the terms and conditions of the Sales Contract before executing the Sales Contract.

EXHIBIT I

Summary of Pertinent Provisions of Escrow Agreement

The executed escrow agreement dated May 31, 1991, identifies Developers Escrow Services, Inc., as the "Escrow" and provides that a purchaser shall be entitled to a return of his funds, if any one of the following has occurred:

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

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

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above, pay said funds to said purchaser, less a cancellation fee of Escrow of not less than \$15.00 per unit and other costs associated with the purchase up to a maximum of \$250.00, and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(c) Notwithstanding any other provision in the Escrow Agreement to the contrary or the absence of any provision in the Escrow Agreement, Developer agrees to make refunds to purchasers, in accordance with Part VI, Chapter 514A, Hawaii Revised Statutes, out of the funds then on deposit with Escrow, if the Developer and purchaser shall so request in writing and any one of the following events has occurred:

(i) no sales contract has been offered to the purchaser who has been placed on the Developer's reservation list of owner-occupant applicants; or

(ii) Purchaser has been unable to obtain adequate financing, or a commitment for adequate financing, for his unit within forty-five (45) calendar days following the end of the ten (10) calendar day period during which the Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship such as those set forth in §514A-104(1), Hawaii Revised Statutes; or

(iv) the purchaser indicates an intent not to become an owner-occupant of such unit.

Except for cancellations under subparagraph (i) above, Escrow may deduct a cancellation fee from any such refund made to a purchaser.