



**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**

for

1617 MILLER STREET  
1617 Miller Street  
Honolulu, Hawaii 96813

Registration No. 2642 (Conversion)

Issued: June 16, 1992

Expires: June 16, 1993

**Report Purpose:**

This report is based on information and documents submitted by the developer to the Real Estate Commission as of June 2, 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 E      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:

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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

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	SEE PAGE 5a ATTACHED HERETO	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
Total Apartments: <u>10</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>3</u>
Guest Stalls	<u>0</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: _____	<u>0</u>
<b>Total Parking Stalls</b>	<u>3</u> *

### 7. Recreational amenities: Barbeque

- \* The project documents provide that these parking stalls are for the exclusive use of Apartment 10.

<u>Apartment No.</u>	<u>Approximate Net Living Area</u> (square feet)	<u>Percentage Common Interest</u>	<u>Lanai</u> (sq.ft.)
1	355	9.12%	114
2	382	11.08%	114
3	382	11.08%	114
4	382	11.08%	114
5	382	9.36%	114
6	355	9.12%	55
7	382	9.36%	55
8	382	9.36%	55
9	382	9.36%	55
10	382	11.08%	55

All apartments contain 1 bedroom and 1 bathroom.

# PEOPLE CONNECTED WITH THE PROJECT

Developer: 1617 Miller Street, Inc.  
 Name  
90 N. King Street, Suite 207  
 Business Address  
Honolulu, Hawaii 96817

Phone: (808) 531-1621  
 (Business)

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

Simon Bebb - President, Vice President, Secretary, Treasurer,  
Director  
 \_\_\_\_\_  
 \_\_\_\_\_  
 \_\_\_\_\_

Real Estate Broker: Savio Realty, Ltd.  
 Name  
931 University Avenue, Suite 202  
 Business Address  
Honolulu, Hawaii 96826

Phone: (808) 942-7701  
 (Business)

Escrow: Title Guaranty Escrow Services, Inc.  
 Name  
235 Queen Street  
 Business Address  
Honolulu, Hawaii 96813

Phone: (808) 521-0211  
 (Business)

General Contractor: N/A  
 Name  
 \_\_\_\_\_  
 Business Address  
 \_\_\_\_\_

Phone: \_\_\_\_\_  
 (Business)

Condominium Managing Agent: Professional Island Management, Ltd.  
 Name  
560 N. Nimitz Highway, Suite 120  
 Business Address  
Honolulu, Hawaii 96817

Phone: (808) 526-3020  
 (Business)

Attorney for Developer: Edward R. Brooks  
Foley Maehara Judge Nip & Chang  
 Name  
707 Bishop Street, Suite 2700  
 Business Address  
Honolulu, Hawaii 96813

Phone: (808) 526-3011  
 (Business)

## 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. 92- 068930  
Book \_\_\_\_\_ Page \_\_\_\_\_  
☐ Filed - Land Court - Document No. \_\_\_\_\_

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. 1658  
☐ Filed - Land Court Condo Map No. \_\_\_\_\_

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. 92- 068931  
Book \_\_\_\_\_ Page \_\_\_\_\_  
☐ Filed - Land Court - Document No. \_\_\_\_\_

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>by Board approval</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

### III. THE CONDOMINIUM PROJECT

#### A. Interest to be Conveyed to Buyer:

- ☒ Fee Simple: Individual apartments and the common elements which includes the underlying land will be in fee simple.
- ☐ Leasehold or Subleasehold: Individual apartments and the common elements which includes the underlying land will be leasehold.

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

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

Lease Term Expires: \_\_\_\_\_

Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:    ☐ Monthly                                    ☐ Quarterly  
                                 ☐ Semi-Annually                                    ☐ Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  
☐ Month                                    ☐ Year.

- ☐ Individual Apartments in Fee Simple Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

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

Lease Term Expires: \_\_\_\_\_

Rent Renegotiation Date(s): \_\_\_\_\_

Lease Rent Payable:    ☐ Monthly                                    ☐ Quarterly  
                                 ☐ Semi-Annually                                    ☐ Annually

Exhibit \_\_\_\_\_ contains a schedule of the lease rent for each apartment per  
☐ Month                                    ☐ Year.

- ☐ Other:

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: 1617 Miller Street Tax Map Key: (1) 2-2-004-060  
Honolulu, Hawaii 96813 (TMK)

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

Land Area: 6,296 [X] square feet [ ] acre(s) Zoning: A-2

Fee Owner: 1617 Miller Street, Inc.  
Name

90 N. King Street, Suite 207  
Address

Honolulu, Hawaii 96817

Sublessor: (N/A)  
Name

Address

**C Buildings and Other Improvements:**

1. [ ] New Building(s) [X] Conversion of Existing Building(s)  
[ ] Both New Building(s) and Conversion

2. Buildings: 1 Floors Per Building 2

[ ] Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[ ] Other \_\_\_\_\_

4. Permitted Uses by Zoning

	No. of Apts.	Use Determined By Zoning		No. of Apts.	Use Determined By Zoning
<input type="checkbox"/> Commercial	_____	_____	<input type="checkbox"/> Industrial	_____	_____
<input checked="" type="checkbox"/> Residential	<u>10</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 with Board consent. See Exhibit B.

☐ Number of Occupants: \_\_\_\_\_

☒ Other: Residential use only. No transient or other short-term rental is permitted. See Exhibit B.

☐ There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators 0 Stairways 2 Trash Chutes 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	SEE PAGE 5a	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 10

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

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

Boundaries of Each Apartment:

The interior surface of the perimeter walls, floors and ceilings of each of the ten (10) apartments in the Project.

Permitted Alterations to Apartments:

See Exhibit C

7. Parking Stalls:

Total Parking Stalls: 3

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for individual units)		<u>2</u>		<u>1</u>			<u>3</u>
Guest							
Unassigned							
Extra Available for Purchase							
Other:							
Total Covered & Open		<u>2</u>		<u>1</u>			

Each apartment will have the exclusive use of at least 0 parking stall(s).

All three parking stalls have been assigned to and are for the exclusive use of apartment 10.

☐ 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

☒ Storage Area

☐ Recreation Area

☒ Laundry Area

☐ Tennis Court

☐ Trash Chute

☒ Other: Attic

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

No representations are made by the Developer regarding the condition and expected useful life of structural components, mechanical or electrical installations.

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

See Exhibit D.

10. Conformance to Present Zoning Code

- a. ☒ [ X ] No variances to zoning code have been granted. Please refer to the Disclosure Abstract which is a part of this filing.  
☐ [ ] 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>		
Structures		<u>X (See Exhibit D)</u>	
Lot	<u>X</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       E       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       E      

☐ 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                      describes the common interests for each apartment.

☒ As follows:

See page 5a

E. **Encumbrances Against** : An encumbrance is a claim against o . . . ability on the property.

Exhibit F describes the encumbrances against the title contained in the title report dated May 4, 1992 and issued by Title Guaranty of Hawaii, Inc.

**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.

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

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. 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>
<u>Mortgages</u> - listed as encumbrances 2 through 5 in Exhibit F.	If Developer defaults under any mortgage, or if Developer defaults under any future mortgage of the Project given to secure a loan to Developer, prior to conveying the apartments to buyers, buyer's interest could be terminated. In the event of termination, buyers' deposits would be refunded as set forth in their sales contracts.

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:

[X] 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     \*     contains a schedule of maintenance fees and maintenance fee disbursements.

See Disclosure Abstract

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 (common areas)

☐ Television Cable

☐ Gas

☒ Water & Sewer

☒ Other Resident Manager's telephone

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:

Building constructed in 1958. No construction is in progress.

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 7, 1992

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

☐ Other \_\_\_\_\_

**IV. ADDITIONAL INFORMATION NOT COVERED ABOVE**

## 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.

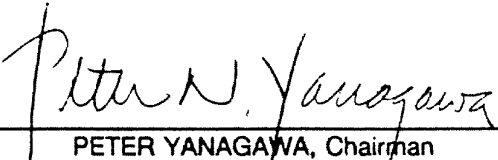
Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS, and Hawaii Administrative Rules, Chapter 16-107) 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. 2642 filed with the Real Estate Commission on May 7, 1992.

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\_\_\_\_\_  
PETER YANAGAWA, Chairman  
REAL ESTATE COMMISSION  
STATE OF HAWAII

Distribution:

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

## EXHIBIT A

### DEVELOPER'S RESERVED RIGHTS TO CHANGE CONDOMINIUM DOCUMENTS

The following provisions in the Declaration, By-Laws and the Sales Contract, as indicated, reflect those rights which the Developer has reserved to change the Declaration, Condominium Map, By-Laws and Rules and Regulations ("House Rules"):

#### I. DECLARATION

Paragraph S. An amendment required to transfer parking stalls pursuant to Section 514A-14 of the Act need only be executed by the owners of the apartments to which and from which such parking stalls are being transferred, and their mortgagee(s), if any, and such transfer of parking stalls between apartments shall be effective only upon recording such amendment in the Bureau. In addition, Developer may, at any time prior to the recordation of an apartment deed in the Bureau conveying an apartment to a party not a signatory hereto, amend this Declaration and the By-Laws in any manner as Developer may deem fit, and specifically, may amend the designation of the parking stalls appurtenant to the apartments.

Paragraph U. In addition to any other rights reserved therein, Developer reserves the right for itself and its agents to do the following:

1. Until the sale of the last apartment, to maintain development facilities and conduct sales of apartments on and at the Project, including, but not limited to, maintaining model apartments, operating a sales office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales; provided, however, that Developer shall not use any apartment (or its limited common elements) with respect to which an apartment deed has been recorded (other than in the name of Developer as grantee); provided, further, that in exercising such right, Developer shall not interfere with the rights of any apartment owner to the use of, or access to, his apartment or any of the common elements or limited common elements appurtenant thereto.

2. Without the joinder or consent of the Association or any other apartment owner, at its sole cost and expense, to (i) construct a deck on the roof of the building in which the apartments are located, and in connection therewith, construct a stairway from said deck to the second floor walkway and from the second floor walkway to the grounds of the Project; (ii) construct a trash enclosure adjacent to the parking stalls; (iii) install grass block paving for the parking stalls; (iv) construct a driveway; (v) install fences and gates along the

boundaries of the limited common element yard areas appurtenant to apartments 2, 3 and 4, and doors from said apartments to said yard areas; (vi) relocate one smaller clothes line and barbecue adjacent to the laundry area; (vii) install security gates and fences along the Prospect and Miller Street boundaries of the Project; and (viii) install two coin-operated washers and dryers in the laundry area, which proposed improvements are shown on the Condominium Map and which shall become common elements or limited common elements of the Project (as the case may be) upon their completion.

## II. BY-LAWS

Article II, Section 2. Developer shall be entitled to exercise the powers, vote and/or act for the Association and the Board on all matters until such time as the first conveyance of an apartment of the Project to a party not a signatory to the By-Laws. Thereafter, the Developer, as the owner of any unsold apartments, shall be entitled to vote the interest of each such apartment.

## III. SALES CONTRACT

The Developer has filed a specimen sales contract with the Hawaii Real Estate Commission as follows: Deposit Receipt and Sales Contract. Developer, as "Seller" under said sales contract, has reserved the following rights:

Paragraph 17. Seller reserves the right to modify all documents related to the Project, including the Declaration, By-Laws, Condominium Map, the Apartment Deed, the House Rules, the Disclosure Abstract, and any exhibits to any such document, to make alterations of the Project (and to modify any of said documents accordingly) to change the configurations of, or to alter the number of rooms of or to decrease or increase the size of, or to change the location of any apartment in accordance with complete plans and specifications therefor prepared by a licensed architect, and to make other changes in any apartments and in the common elements, and to increase or decrease the purchase price of any apartment in the Project. Seller shall disclose to Buyer all material changes in the Project which directly, substantially and adversely affect the use or value of any apartment or the common elements.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE DECLARATION, BY-LAWS AND SALES CONTRACT RESPECTING THE DEVELOPER'S RESERVED RIGHTS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO THE DEVELOPER'S RESERVED RIGHTS CONTAINED IN THE AFORESAID DOCUMENTS.

## EXHIBIT B

### USE RESTRICTIONS FOR APARTMENTS AND COMMON ELEMENTS

The following provisions in the Declaration, By-Laws and House Rules, as indicated, contain restrictions on the use of the apartments and the common elements of the Project:

#### I. DECLARATION

Paragraph J. Each apartment shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. No apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The respective apartments shall not be rented by the apartment owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days; or (ii) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing of laundry and linen, and bellboy service. Neither the apartments nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Other than the foregoing restrictions, the apartment owners of the respective apartments shall have the absolute right to lease the same, provided that such lease covers an entire apartment, is in writing and is made subject to the covenants and restrictions contained in this Declaration and in the By-Laws.

#### II. BY-LAWS

Article VIII, Section 5. There are a variety of restrictions affecting the use of the apartments and common elements, including, without limitation, restrictions as to the posting of advertisements, posters or other signs; noise; disposal of garbage; uses which may cause an increase in the ordinary premium rates or cancellation or invalidation of any insurance maintained by or for the Board; noxious or offensive activities; the storage of furniture, packages or other objects which could obstruct transit through the common elements; the alteration or removal of any furniture belonging to the



Association; the construction or placement in the Project of any building or structure; the alteration of any common elements of the Project; installation or maintenance of any television or other antennas in the Project visible from any point outside of the Project; and the keeping of pets.

Specifically, with respect to pets, subparagraph M of Article VIII, Section 5 provides that no livestock, poultry, rabbits, pets or other animals of any kind, shall be allowed or kept in any part of the Project without the prior written consent of the Board, except as follows:

(1) Visually impaired persons may keep certified seeing-eye dogs, hearing impaired persons may keep certified signal dogs, and physically handicapped persons may keep certified service dogs in their apartments, without the consent of the Board. Upon the death of any such dog, the person may replace the animal with another and continue to do so for so long as the person resides in the Project.

(2) Any apartment owner who keeps a pet in the owner's apartment with the prior written consent of the Board may, upon the death of the animal, replace the animal with another and continue to do so for as long as the owner continues to reside in the owner's apartment or another apartment subject to these By-Laws.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF CERTAIN USE PROVISIONS CONTAINED IN THE DECLARATION AND THE BY-LAWS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE USE-RELATED PROVISIONS CONTAINED IN THE AFORESAID DOCUMENTS, AS WELL AS THE HOUSE RULES.

## EXHIBIT C

### PERMITTED ALTERATIONS TO APARTMENTS

The Declaration permits alterations to the apartments as follows:

#### Paragraph Q.

1. Notwithstanding anything contained in the Declaration to the contrary, and subject to the Act, any alterations or additions within an apartment or within a limited common element appurtenant to and for the exclusive use of an apartment which do not alter the characteristics of such apartment or limited common element, shall require the written consent and approval of the apartment owner's plans therefor only by the holders of all liens affecting such apartment (if the lien holders require such consent and approval) and the Board, and such alterations or additions may be undertaken without an amendment to this Declaration or the filing of a complete set of floor plans of the Project so altered.

2. Notwithstanding anything contained in the Declaration to the contrary, the owner of apartment 10 may from time to time, at its sole cost and expenses, without the consent or joinder of the Association, the Board, or any other apartment owner, construct and install such things as such owner deems necessary so that apartment 10 has its own limited common elements for access between the grounds of the Project and such apartment, including, but not limited to, (i) converting the stairway adjacent to Apartment 10 to a limited common element appurtenant to Apartment 10, provided that such owner constructs one or more additional stairways between the first and second floors of the building, which stairways shall become common elements of the Project; (ii) constructing a bridge from Prospect Street to apartment 10, with guardrails, a fence, columns, a locked gate and a door into apartment 10; and (iii) extending the lanai appurtenant to apartment 10 and installing a gate between such extended lanai and the walkway fronting apartment 9, all of which proposed improvements are shown on the Condominium Map and shall become limited common elements appurtenant to apartment 10 upon their completion. Such work may include, but shall not be limited to, constructing any improvement upon any common element.

THIS EXHIBIT CONTAINS ONLY A BRIEF SUMMARY OF THE PROVISIONS CONTAINED IN THE DECLARATION RESPECTING PERMITTED ALTERATION TO THE APARTMENTS. PROSPECTIVE OWNERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS RELATING TO PERMITTED ALTERATIONS CONTAINED IN THE DECLARATION AND OTHER PROJECT DOCUMENTS.

EXHIBIT D

COMPLIANCE WITH BUILDING  
CODE AND MUNICIPAL REGULATIONS

Paragraph V of the Declaration provides:

"According to a letter from the Building Department of the City and County of Honolulu, the building did not meet the applicable code requirements at the time of its construction in 1958 because three off-street parking spaces are not provided. Notice of violation no. Ex92-2-10 was issued to provide the required parking spaces. Those parking spaces are being provided by the Developer as shown on the Condominium Map. The building is considered a nonconforming structure because it lacks a front yard of ten feet. Therefore, a variance may be required to rebuild in the event of a major casualty. The Developer cannot determine whether the Project contains any legal nonconforming uses as a result of the adoption or amendment of any ordinances or codes. No variances or special permits were granted to allow deviations from any applicable codes."

## EXHIBIT E

### DESCRIPTION OF COMMON ELEMENTS AND LIMITED COMMON ELEMENTS

#### I. COMMON ELEMENTS

Paragraph E of the Declaration provides:

"One freehold estate is hereby designated in all of the remaining portions of the Project (the "common elements"), which shall include the limited common elements described in paragraph F hereinbelow and all portions of the land and improvements other than the apartments, the land on which the apartments are located and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements shall include, but shall not be limited to the following:

1. The land described in Exhibit "A".
2. All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surfaces within each apartment), roofs, attics, corridors, stairways, walkways, entrances and exits of said building.
3. All driveways, yards, grounds and landscaping, refuse and like facilities.
4. The laundry area at the rear of Apartment 5 and the storage area under the stairway adjacent to Apartment 5, as shown on the Condominium Map.
5. All electrical transformer boxes and rooms, storage rooms, laundry rooms and areas, trash areas, central and appurtenant installations for services such as power, lights, telephone, hot and cold water lines, television lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for common use.
6. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any apartment."

## II. LIMITED COMMON ELEMENTS

Paragraph F of the Declaration provides:

"Certain parts of the common elements (the "limited common elements") are hereby set aside and reserved for the exclusive use of certain apartments, which apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each apartment are as follows:

1. Parking Stall Nos. 1, 2 and 3 shall be limited common elements appurtenant to and for the exclusive use of apartment 10.

2. The lanai at the front of each apartment shall be a limited common element appurtenant to and for the exclusive use of such apartment.

3. One (1) mailbox located on the Project grounds, bearing the same number as the number of the apartment.

4. The private yard areas, as shown on the Condominium Map, shall be limited common elements for the exclusive use of apartments 2, 3 and 4, to which they are appurtenant; provided that the owners of such apartments shall be responsible for and shall bear the expense of installing and maintaining all landscaping within their respective limited common element areas, and of repairing, restoring or reinstating any improvements located within such designated limited common element areas."

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. Lease dated March 24, 1956, by and between Eva V. Lemon, as lessor, and Harold Edgar Hicks, as lessee, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 3091 at Page 373. Said Lease was amended by instrument dated July 6, 1960, recorded in Liber 3877 at Page 73.
2. Mortgage dated August 16, 1990, by and between Simon Bebb, as mortgagor, and GECC Financial Corporation, as mortgagee, recorded as aforesaid as Document No. 90-126597.
3. Mortgage dated October 8, 1990, by and between Simon Bebb, as mortgagor, and Blaine D. Pollock and Glenn C. A. Lemon, as Trustees, as mortgagees, recorded as aforesaid as Document No. 90-156492.
4. Mortgage dated September 12, 1991, by and between Simon Bebb, as mortgagor, and Ernie K. Itoga, as mortgagee, recorded as aforesaid as Document No. 91-126805.
5. Mortgage dated February 25, 1992, by and between Simon Bebb, as mortgagor, and David Hicks, et al, as mortgagees, recorded as aforesaid as Document No. 92-027126.
6. Declaration of Condominium Property Regime of 1617 Miller Street, dated May 1, 1992, recorded as aforesaid as Document No. 92-068930.
7. By-Laws of the Association of Apartment Owners of 1617 Miller Street, dated May 1, 1992, recorded as aforesaid as Document No. 92-068931.
8. Any and all unrecorded existing leases and tenancy agreements.

## EXHIBIT G

### CONSTRUCTION WARRANTIES

Paragraph 9(a) of the Deposit Receipt and Sales Contract used in connection with the Project is entitled "Seller's Disclaimer of Warranties" and provided as follows:

"(a) No Warranties of Seller. Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the Apartment or anything installed or contained therein. Each apartment of the Project will be deemed to be sold "AS IS" with "ALL FAULTS", and Seller will not be liable to Buyer for any construction or other defects, including any latent or hidden defects in the Project, the Apartment or anything installed or contained therein. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects later discovered by Buyer."

## EXHIBIT H

### SUMMARY OF PERTINENT PROVISIONS OF SALES CONTRACT

Developer has filed a specimen sales contract with the Hawaii Real Estate Commission as follows: Deposit Receipt and Sales Contract. Among other provisions contained therein, said sales contract contains the following provisions:

4. SELLER'S CANCELLATION RIGHTS. In addition to any other rights of cancellation or termination reserved to Seller in the Sales Contract, if (a) Buyer's initial deposit check is returned for insufficient funds, (b) Buyer (or any one (1) of them if Buyer is more than one (1) person) should die prior to closing, or (c) Seller is not able, using its best efforts, to complete the conversion of the Project for any reason, THEN, Seller reserves the right to instruct Escrow Agent to return Buyer's check or deposits, without interest, and less the processing and cancellation fee imposed by Escrow Agent and any other actual expenses incurred by reason of Buyer's execution of this Agreement.

7. BUYER'S ACKNOWLEDGEMENTS.

(a) Buyer acknowledges that Buyer has examined and approves the form of the Apartment Deed, Declaration and any amendments thereto, By-Laws, House Rules and any amendments thereto, Seller's Disclosure Abstract, Condominium Escrow Agreement, the proposed Final Public Report to be issued by the Commission, as set forth above, and the Condominium Map. Buyer acknowledges that the Condominium Map is intended to show only the layout, location, apartment numbers and dimensions of the apartments and the same is not intended by Seller to contain or to be any other representation or warranty.

(b) Buyer acknowledges the reservation by Seller of the right for Seller and its agents, until the sale of the last apartment, to maintain development facilities and conduct sales of apartments on and at the Project, including, but not limited to, maintaining model apartments, operating a sales office, conducting advertising, placing signs, using parking spaces and erecting lighting in connection with such sales.

(c) Buyer acknowledges the reservation by Seller of the right for Seller to, without the joinder or consent of the Association or any other apartment owner, (i) construct a deck on the roof of the building in which the apartments are located, and in connection therewith, construct a stairway from said deck to the second floor walkway and from the second floor walkway to the grounds of the Project; (ii) construct a trash enclosure adjacent



to the parking stalls; (iii) install grass block paving for the parking stalls; (iv) construct a driveway; (v) install fences and gates along the boundaries of the limited common element yard areas appurtenant to apartments 2, 3 and 4, and doors from said apartments to said yard areas; (vi) relocate one smaller clothes line and barbecue adjacent to the laundry area; (vii) install security gates and fences along the Prospect and Miller Street boundaries of the Project; and (viii) install two coin-operated washers and dryers in the laundry area, as provided in the Declaration.

(d) Buyer acknowledges that Buyer has received and has carefully read a copy of Seller's Disclosure Abstract for the Project, and the exhibits thereto, which is filed in the office of the Commission. The present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of the Project are described in letters from a structural engineer, electrical engineer, mechanical engineer and architect, all of which are attached as Exhibit "B" to Seller's Disclosure Abstract. All recommended work described therein will be the responsibility of the Association, and not that of the Seller or any other party. Notwithstanding the foregoing, Seller may (but shall not be obligated to), without the joinder or consent of the Association or any other apartment owner, at its sole cost and expense, make all or a portion of said repairs.

8. APARTMENT BEING SOLD "AS IS" WITH "ALL FAULTS". The Apartments were constructed in 1958. The Apartment and the Project are being sold in "AS IS" condition with "ALL FAULTS". This means that Seller shall not correct any defects in the Project, the Apartment or anything installed or contained therein. The existence of any defect in the Project, the Apartment or anything installed or contained therein shall not excuse Buyer's obligation to perform all of Buyer's obligations under this Agreement.

9. SELLER'S DISCLAIMER OF WARRANTIES.

(a) Buyer understands and agrees that Seller is disclaiming any warranties, either express or implied, including any implied warranties of habitability, merchantability or fitness for a particular purpose, with respect to the Project, the Apartment or anything installed or contained therein. Each apartment of the Project will be deemed to be sold "AS IS" with "ALL FAULTS", and Seller will not be liable to Buyer for any construction or other defects, including any latent or hidden defects in the Project, the Apartment or anything installed or contained therein. This means that Buyer will not have the right to file any lawsuit for damages against Seller for any defects later discovered by Buyer.

(b) Seller has made no independent investigation as to asbestos or other hazardous substances in the apartments or

in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of hazardous materials laws. Buyer acknowledges that there may be asbestos or other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of asbestos and other hazardous substances, Buyer and the Association should have the Apartment and the Project inspected to determine the extent of such contamination and any necessary remedial action. This means that Seller will not correct any defects in the apartments or in the Project or anything installed or contained therein and that Buyer expressly releases Seller from any liability to Buyer if any hazardous materials are discovered.

18. BUYER'S RIGHT TO RESCIND.

(a) Except for any additions, deletions, modifications and reservations made pursuant to the terms of the Declaration, if there is a material change in the Project which directly, substantially and adversely affects the use or value of (1) Buyer's Apartment or appurtenant limited common elements, or (2) those amenities of the Project available for Buyer's use, Buyer shall have the right to rescind the sale made under this Agreement and to receive a prompt and full refund of any monies paid or deposited.

(b) Buyer's right of rescission under subparagraph (a) above shall be waived upon (1) delivery to Buyer, either personally or by registered or certified mail, return receipt requested, of a disclosure document which describes the material change and contains a provision for Buyer's written approval or acceptance of such change, and (2) Buyer's written approval or acceptance of the material change, or the lapse of ninety (90) days since Buyer has accepted the Apartment, or the occupancy of the Apartment by Buyer.

19. DEFAULT.

(a) Time is of the essence of this Agreement, and if Buyer shall default in any payment when required or fail to perform any other obligations required of Buyer hereunder and shall fail to cure such default within ten (10) days after receipt of written notice thereof from Seller, Seller may, at Seller's option, terminate this Agreement by written notice to Buyer. In the event of such default, the parties hereto understand and agree that the injury to Seller will be uncertain as to nature and amount and difficult to ascertain. As a reasonable estimate of Seller's damages resulting from such default, the parties agree that the sums deposited by Buyer hereunder prior to such default shall belong to Seller as

liquidated damages. At Seller's option, Seller may also pursue any other remedy at law or in equity for specific performance, damages or otherwise. All costs, including reasonable attorneys' fees, incurred by reason of default by Buyer shall be borne by Buyer.

(b) If Seller shall default in the performance of any obligation required of Seller hereunder, Buyer shall be entitled to specific performance of this Agreement or Buyer shall have the right to cancel and terminate this Agreement. In the event of such cancellation and termination, Seller shall return to Buyer all sums deposited by Buyer to Seller or Escrow Agent pursuant to the provisions hereof, and, in addition, Seller shall pay Buyer ONE THOUSAND AND NO/100 DOLLARS (\$1,000.00) as liquidated damages for Seller's default.

21. PRE-PAID ITEMS. Buyer acknowledges that Buyer will be required to prepay: (a) maintenance fees for a period of two (2) months, which amount shall constitute a non-refundable start-up fee to be transferred to the Association for use in paying the initial operating costs of the Project, (b) maintenance fees for a period of two (2) months, which amount shall constitute a contribution to the maintenance reserve fund for the Project pursuant to the Declaration, (c) real property taxes for a period of six (6) months, and (d) insurance premiums to the extent required by any first mortgage lender. Real property taxes, insurance and maintenance expenses shall be prorated by Escrow Agent as of the Closing Date or the date of actual possession, whichever sooner occurs. Buyer further agrees that all insurance, maintenance, assessments and other expenses shall also be prorated between Seller and Buyer as of such proration date for real property taxes.

25. OWNER-OCCUPANT BUYER ON RESERVATION LIST. If, in accordance with Section 514A-104 of the Hawaii Revised Statutes, as amended, Buyer has executed an affidavit of intent to become an owner-occupant of the Apartment and has paid a deposit to Seller to permit Buyer to be put on a reservation list compiled by Seller's broker, the following provisions shall be incorporated into this Agreement:

(a) Notwithstanding anything contained herein to the contrary, this Agreement shall be conditioned upon Buyer obtaining adequate financing, or a commitment for adequate financing, within forty-five (45) calendar days following the end of the ten (10) calendar day period during which Seller is limited to selling to owner-occupants, and if such financing or commitment is not obtained, this Agreement shall be cancelled.

(b) If during the ten (10) calendar day period following the issuance of the first public report for the Project by the Commission, Buyer indicates by written notice to Seller that Buyer desires to cancel this Agreement on account of hardship circumstances such as serious illness of Buyer or a member of Buyer's family, job or military transfer, unforeseeable

change in marital status, or the birth of a child, which causes Buyer to be unable to occupy the Apartment, or if Buyer indicates an intent not to become an owner-occupant of such Apartment, Seller shall cancel this Agreement.

(c) Upon the cancellation of this Agreement as provided in this paragraph 25, Seller shall cause Escrow Agent to refund to Buyer all monies paid without interest, less any escrow cancellation fee and other costs incurred by Seller in processing this Agreement; provided, however, that the cancellation shall be approved by any lender financing the Project.

THIS EXHIBIT CONTAINS EXCERPTS OF PERTINENT PROVISIONS CONTAINED IN THE DEPOSIT RECEIPT AND SALES CONTRACT. PROSPECTIVE PURCHASERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE DOCUMENT.

## EXHIBIT I

### SUMMARY OF PERTINENT PROVISIONS OF ESCROW AGREEMENT

Among other provisions, the Condominium Escrow Agreement dated May 7, 1992 (the "Escrow Agreement"), executed by and between Title Guaranty Escrow Services, Inc., as Escrow, and 1617 Miller Street, Inc., as Developer, provides that a purchaser shall be entitled to a return of his funds and Escrow shall pay such funds to such purchaser, without interest, if any one of the following has occurred:

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

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

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Public Report, the purchaser has exercised his right to cancel the sales contract pursuant to Section 514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63, Hawaii Revised Statutes, as amended.

(e) In any of the foregoing events, Escrow shall, upon the occurrence of the event described in subparagraph (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in subparagraph (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than TWENTY-FIVE AND NO/100 DOLLARS (\$25.00) per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater) and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

(f) Notwithstanding any other provision in this Agreement to the contrary, Escrow further 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 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 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 Developer is limited to selling to owner-occupant; or

(iii) the purchaser desires to cancel the contract on account of hardship circumstances such as those set forth in Section 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 from any such refund made to a purchaser a cancellation fee as set forth above.

No disbursement of purchasers' funds held in escrow shall be made unless and until the apartment lease relating to the disbursements have been filed.

THIS EXHIBIT CONTAINS EXCERPTS OF PERTINENT PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. PROSPECTIVE PURCHASERS SHOULD READ AND UNDERSTAND ALL OF THE PROVISIONS CONTAINED IN THE DOCUMENT.