

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer Hawaii Community Development Authority and Honuakaha  
Address 677 Ala Moana Blvd. Limited Partnership  
Suite 1001, Honolulu, HI 96813  
Project Name(\*): HONUAKAHA  
Address: 545 & 547 Queen Street, Honolulu, Hawaii 96813

Registration No. 3058 Effective date: May 26, 1995  
Expiration date: June 26, 1996

Preparation of this Report:

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

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

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

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

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

Type of Report:

- PRELIMINARY:** (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 \_\_\_\_\_

(\*) Exactly as named in the Declaration



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## General Information on Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

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

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

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

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

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

### Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Hawaii Community Development Authority  
Name -and- Honuakaha Limited Partnership  
677 Ala Moana Blvd., Suite 1001  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 587-2870  
(Business)

Names of officers or general partners of developers who are corporations or partnerships:  
HONUAKAHA LIMITED PARTNERSHIP:  
Hawaii Community Development Authority - General Partner  
First Hawaiian Bank - Limited Partner

Real Estate  
Broker: Properties Unlimited, Inc.  
Name  
4510 Salt Lake Blvd., Suite B-4  
Business Address  
Honolulu, HI 96818-3154

Phone: (808) 487-3855  
(Business)

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

Phone: (808) 521-0211  
(Business)

General  
Contractor: G.W Murphy Construction Co., Inc.  
Name  
650 Kakoi Street  
Business Address  
Honolulu, Hawaii 96817

Phone: (808) 836-0454  
(Business)

Condominium  
Managing  
Agent: Locations Property Management, Inc.  
Name  
320 Ward Avenue, Suite 209  
Business Address  
Honolulu, Hawaii 96814

Phone: (808) 594-7300  
(Business)

Attorney for  
Developer: Jeffrey S. Grad  
Name  
841 Bishop Street, Suite 2001  
Business Address  
Honolulu, Hawaii 96813

Phone: (808) 521-4757  
(Business)

CREATION OF THE CONDOMINIUM;  
CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

- Proposed
- Recorded - Bureau of Conveyances - Document No. 95-048639  
Book \_\_\_\_\_ Page \_\_\_\_\_
- Filed - Land Court - Document No. \_\_\_\_\_

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

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

The Condominium Map for this condominium project is:

- Proposed
- Recorded - Bureau of Conveyances Condo Map No. 2233
- Filed - Land Court Condo Map No. \_\_\_\_\_

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

C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

- Proposed
- Recorded - Bureau of Conveyances - Document No. 95-048640
- Filed - Land Court Condo Map No. \_\_\_\_\_

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

D. House Rules. The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed       Adopted       Developer does not plan to adopt house rules.

E. Changes to Condominium Documents

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75% *	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	--	<u>n/a</u>

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

2. Developer:

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

**See attached Exhibit "A"**

II. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which includes the underlying land will be leasehold.

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

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

Lease Term Expires: \_\_\_\_\_  
Rent Renegotiation Date(s): \_\_\_\_\_

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

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

For Subleaseholds:

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

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

[ ] Individual Apartment in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

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

Lease Term Expires: \_\_\_\_\_  
Rent Renegotiation Date(s): \_\_\_\_\_

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

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



[ ] Other:

**IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS**

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

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

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

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

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

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

**B. Underlying Land:**

Address: 545 & 547 Queen Street Tax Map Key: (1) 2-1-31-21  
Honolulu, Hawaii 96813 (TMK)

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

Land Area: 64,705 [ X ] square feet [ ] acre(s) Zoning: **MUZ-C**



5. Special Use Restrictions.

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

[ X ] Pets: No pets are allowed in any apartment or any other part of the Project

[ X ] Number of Occupants: As permitted by law

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

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators Brewery: 1 Residential: 3      Stairways Brewery: 2 Residential: 3      Trash Chutes 1 (Residential)

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
10 different types Residential Affordable Apts.	93	0&1/1	From 504 to 628	--

SEE ATTACHED EXHIBIT "B"

Elderly Housing Apt.	1	--	51,600	
Commercial/Retail Apt.	1	--	1,338	
Brewery Building	1	--	16,112	

Total Apartments: 96

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

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

Boundaries of Each Apartment:

SEE ATTACHED EXHIBIT "C"

Permitted Alterations to Apartments:

SEE ATTACHED EXHIBIT "D"

7. Parking Stalls:

Total Parking Stalls: 177

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each units)	<u>94</u>	<u>    </u>	<u>63</u>	<u>11</u>	<u>    </u>	<u>    </u>	<u>168</u>
Guest Unassigned	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Extra for Purchase	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>
Other: (Accessible)	<u>9</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>9</u>
Total Covered & Open	<u>103</u>	<u>    </u>	<u>74</u>	<u>    </u>	<u>    </u>	<u>    </u>	<u>    </u>

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

- Commercial parking garage permitted in condominium project.
- Exhibit E contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
  - Swimming pool     Storage Area     Recreation Area
  - Laundry Area     Tennis Court     Trash Chute
  - Other: \* Commemorative Park, yards, grounds, planting areas, walkways, walkway railings, and all toilet and restroom facilities not located within an Apartment
- \* See Page 20 for further disclosure on the Commemorative Park

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

- There are no violations.     Violations will not be cured.
- Violations and cost to cure are listed below.     Violations will be cured by \_\_\_\_\_

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

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

N/A

11. Conformance to Present Zoning Code

a.  No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

described in Exhibit     F    .

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.

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

[ X ] described in Exhibit G; also, see Note below

[ ] as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

[ X ] described in Exhibits B-1 and B-2; also see Note below

[ ] as follows:

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit H describes the encumbrances against the title contained in the title report dated April 13, 1995 and issued by Title Guaranty of Hawaii.

**NOTE:** The Residential Affordable Apartments in this Project will have different percentages for allocating common expenses (see Exhibit B-1) and limited common expenses (see Exhibit B-2). See total projected expenses for each apartment in Exhibit L.

Blanket Liens:

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

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
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F. Construction Warranties:

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

1. Building and Other Improvements:

Seller warrants the materials and workmanship of the Apartment against defects for a period of one (1) year from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than one (1) year from the date of completion of the Apartment.

2. Appliances:

The Developer will assign to buyers the unexpired term, of any, of any manufacturer's or dealer's warranties covering any fixtures or appliances in the apartment. By such assignment, the Developer will be merely passing through to buyers any such manufacturer's or dealer's warranties, and the Developer will not be adopting any such warranties or acting as co-warrantor. Purchaser will be asked to acknowledge and agree that the DEVELOPER IS NOT ADOPTING ANY SUCH CONTRACTOR'S MANUFACTURER'S OR DEALER'S WARRANTIES, OR ACTING AS CO-WARRANTOR, BUT IS MERELY ATTEMPTING TO PASS THROUGH TO PURCHASER THE BENEFIT OF ANY SUCH WARRANTIES.

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

The estimated date of the completion of the Project is August 1, 1995.

**H. Project Phases:**

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

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

The Developer has reserved the right to further subdivide the Elderly Housing Apartment, the Commercial/Retail Apartment and the Brewery Building Apartment into any number of separate apartments.





V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

[ ] Notice to Owner Occupants

[ X ] Specimen Sales Contract

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

[ X ] Escrow Agreement dated January 15, 1994

Exhibit J contains a summary of the pertinent provisions of the escrow agreement.

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

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

A) The Developer delivers to the buyer a copy of:

- 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

- 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;

B) The buyer is given an opportunity to read the report(s); AND

C) One of the following has occurred:

- 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
- 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
- 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

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

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

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

This Public Report is a part of Registration No. 3058 filed with the Real Estate Commission on February 24, 1994.

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C. Additional Information Not Covered Above

SPECIAL NOTATION

DISCLOSURE RELATING TO COMMEMORATIVE PARK

A portion of the Project Land includes an area designated on the Condominium Map as "Commemorative Park". This portion of the Project Land will be developed and landscaped, and thereafter, at the expense of the Association, maintained as a private park. Archeological studies of the Project Land have disclosed that during the 1850s, the area set aside for the Commemorative Park was used as a burial site. There will be no construction above or in the immediate vicinity of this sacred area, which will be preserved with appropriate landscaping.

USE OF THE APARTMENT.

Permitted Uses. The Apartment will be conveyed to Buyer subject to certain restrictions which are summarized in Exhibit "K" attached hereto. Such restrictions require, among other things, that during the ten years following Buyer's purchase of the Apartment, that Buyer occupy the Apartment and use it as a residence. Thus, rental of the Apartment during such period is not permitted. Thereafter, the Apartment may be used only for residential and accessory purposes, and the owner of the Apartment will have the right to rent or lease, or otherwise permit the use of their Apartment, for any length or periods of time.

HCDA FIRST RIGHT TO PURCHASE THE APARTMENT

The ownership by a Buyer of an Apartment (a) is subject to the right of the Seller to repurchase the Apartment if Buyer transfers it during the first ten (10) years, and (b) is also subject to the Seller's right to share in Buyer's equity according to the HCDA Shared Equity Program, the terms of which are more fully described in Exhibit "K" attached hereto.

SELLER'S RIGHT TO INCREASE PURCHASE PRICE

Buyers should be aware of Seller's right to increase the purchase price to the extent necessitated by increases in development and construction costs. See page 11 of Exhibit "I" and the Reservation and Sales Agreement.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

**Hawaii Community Development Authority - AND -  
Honuakaha Limited Partnership**  
\_\_\_\_\_  
Name of Developer

**HAWAII COMMUNITY DEVELOPMENT AUTHORITY**

By Michael Scarfone April 24, 1995  
Duly Authorized Signatory Date

**HONUAKAHA LIMITED PARTNERSHIP**

By **Hawaii Community Development Authority**  
Its General Partner

By Michael Scarfone April 24, 1995  
Its Executive Director Date

Michael N. Scarfone, Executive Director

\_\_\_\_\_  
print name & title of person signing above

**Distribution:**

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

FINAL PUBLIC REPORT

HONUAKAHA

EXHIBIT "A"

RESERVED RIGHTS OF DEVELOPER TO CHANGE DECLARATION

1. Subparagraph 19.2 of the Declaration of Condominium Property Regime provides the Developer shall have the right to amend the Declaration (including, when applicable, the Condominium Map) and to file the "as-built" verified statement (with plans, if applicable) required by Section 514A-12 of Chapter 514A (the "Act").

2. Subparagraph 19.3 of the Declaration provides that prior to the filing in the Recording Offices of Apartment Conveyance Instruments conveying, leasing or otherwise transferring all of the Apartments in the Project to persons other than (a) persons who are signatories to this Declaration, and (b) any mortgagee of the Developer, the Developer shall have the right to amend the Declaration, the Bylaws and the Condominium Map, (i) to make such amendments as may be required by law, by the Real Estate Commission of the State of Hawaii, by any title insurance company issuing a title insurance policy on the Project or any of the Apartments or any interest therein, by any institutional lender lending funds on the security of the Project or any of the Apartments or any interest therein, or by any governmental agency of any state, territory, possession or foreign country or other foreign jurisdiction as a condition precedent to the marketing or sale of the Apartments or any interests therein in any such jurisdiction; provided, however, that no such amendment which would change the common interest appurtenant to limited common interest assigned to or Residential Building limited common interest assigned to an Apartment for which an Apartment Conveyance Instrument has been filed in the Recording Office, or which would substantially change the design, location or size of such Apartment or the building in which it is located, shall be made without the consent to such amendment by the Owner of such Apartment, (ii) to amend or change the common interest appurtenant to the Residential Building limited common interest assigned to, the configuration of, the number of rooms of, the size of, or the location of any Apartment (and the limited common elements appurtenant thereto) for which an Apartment Conveyance Instrument has not been filed in the Recording Office, and (iii) to subdivide any Apartment for which an Apartment Conveyance Instrument has not been filed in the Recording Office into any number of separate Apartments ("Resulting Apartments"), provided that the total common interest appurtenant to the Residential Building limited common interests, if any, assigned to, all Resulting Apartments shall at all times equal in the aggregate the total common interest and Residential Building

limited common interests (if any) of the Apartment prior to such subdivision; and

3. Subparagraph 19.4 of the Declaration provides that prior to filing in the Recording Office of Apartment Conveyance Instruments conveying, leasing or otherwise transferring Apartments to which are appurtenant 25% or more of the common interests, to persons other than (a) persons who are signatories to this Declaration, and (b) any mortgagee of the Developer, the Developer shall have the right to amend the Declaration, the Bylaws and the Condominium Map in any manner whatsoever; provided, however, that no such amendment which would change the common interest appurtenant to Residential Building limited common interest assigned to an Apartment for which an Apartment Conveyance Instrument has been filed in the Recording Office, or substantially change the design, location or size of such Apartment or the building in which it is located, shall be made without the joinder of the Owner of such Apartment.

FINAL PUBLIC REPORT

HONUAKAHA

EXHIBIT "B"

DESCRIPTION OF FLOOR PLANS OF THE VARIOUS TYPES  
OF RESIDENTIAL APARTMENTS

RESIDENTIAL AFFORDABLE APARTMENTS

1. "FLAT" TYPE: There are sixty-eight (68) "Flat" type apartments. Each Flat-type apartment is located on a single floor and consists of three (3) rooms, including one (1) bathroom, a kitchen and a sleeping/living/dining room.

The 68 Flat-type units are further divided into Sub-types C, C1, CR, and C1R. There are:

- (a) 28 Type C Units (five of which are accessible to persons with physical impairments and two of which (Apartments 324 and 424) have provision for persons with audio/visual impairments - those are indicated as "C(ACC)". These units contain a net living area of approximately 510 square feet (two of which include an exterior lanai of approximately 46 square feet).
  - (b) 8 Type C1 Units containing a net living area of 504 square feet (one of which includes an exterior lanai of approximately 46 square feet).
  - (c) 24 Type CR Units (three of which include exterior lanai areas of approximately 46 square feet). They contain a net living area of approximately 510 square feet.
  - (d) 8 Type C1R Units containing a net living area of 504 square feet (one of which includes an exterior lanai of approximately 46 square feet).
2. "LOFT" TYPE: There are twenty-five (25) "Loft" type apartments. Each Loft-type apartment is located on two floors joined by an interior staircase. Each Apartment consists of four (4) rooms, including one (1) bedroom and one (1) bathroom in the loft area and one kitchen and one living/dining room on the first floor of each Apartment.

The 25 Loft-type units are further divided into Sub-types D, D1, DR, D2 and D2R. Each Loft-type unit D and DR contains a net living area of approximately 594 square feet with an exterior lanai area of approximately 28 or 46 square feet.



Each Loft-type unit D1 and D1R contains a net living area of approximately 584 square feet with an exterior lanai of 46 square feet. Each Loft-type D2 and D2R unit contains a net living area of approximately 628 square feet. D2 units have an exterior lanai area of approximately 28 or 46 square feet. D2R units have an exterior lanai area of approximately 46 square feet.

There are:

- (a) 5 Type D Units
- (b) 2 Type D1 Units
- (c) 7 Type DR Units
- (d) 2 Type D1R Units
- (e) 8 Type D2 Units
- (f) 1 Type D2R Units

#### ELDERLY HOUSING APARTMENT

The single Elderly Housing Apartment consists of 151 Elderly Dwelling Units of which 141 are studios and 10 are One Bedroom units. They are further described as follows:

1. "STUDIO" UNITS: Each consists of three (3) rooms including one (1) bathroom, one (1) kitchen and one (1) living/sleeping area.

Studio-type units are further divided into Types A, A1, AR, A1R and A2. Type A1 and A1R units contain a net living area of approximately 326 square feet. Type A, AR and A2 units contain a net living area of approximately 334 square feet.

There are :

46 Type A Units (6 of which are accessible to persons with physical impairments).

18 Type A1 Units.

29 Type AR Units (one of which is accessible to persons with physical impairments and two of which have provision for persons with audio/visual impairments - those are indicated as "A(ACC)").

47 Type A1R Units (one of which has provisions for persons with audio/visual impairments).

1 Type A2.

2. "ONE-BEDROOM" TYPE: Each "One-Bedroom" type dwelling unit consists of four (4) rooms including one (1) bedroom, one (1) bathroom, one (1) kitchen and one (1) living area.

One Bedroom-type units are indicated as Type B and B1. Each of one-bedroom-type unit B contains a net living area of approximately 516 square feet. Each one-bedroom type unit B1 contains a net living area of approximately 488 square feet.

There are:

5 Type B Units (1 of which is accessible to persons with physical impairments - which is indicated as "B(ACC)").

5 Type B1 Units.

# Honuakaha — Final Public Report

## Exhibit B-1 Identification of All Apartments by Type, Area, Common Interest, Etc.

UNIT #	TYPE	BD/BTH	AREA (sf)	LANAI (sf)	COMMON INTEREST
<b>Residential Affordable Apartments</b>					
<b>LEVEL 2</b>					
222	Flat C*	Studio/1Bath	510	0	0.4589%
224	Flat C	Studio/1Bath	510	0	0.4589%
226	Flat CR	Studio/1Bath	510	0	0.4589%
228	Flat C	Studio/1Bath	510	0	0.4589%
230	Flat CR	Studio/1Bath	510	46	0.4589%
232	Flat C	Studio/1Bath	510	46	0.4589%
233	Flat CR	Studio/1Bath	510	0	0.4589%
234	Flat CR	Studio/1Bath	510	46	0.4589%
235	Flat C1R	Studio/1Bath	504	0	0.4589%
236	Flat C1	Studio/1Bath	504	46	0.4589%
237	Flat CR	Studio/1Bath	510	0	0.4589%
238	Flat C1R	Studio/1Bath	504	46	0.4589%
239	Flat C	Studio/1Bath	510	0	0.4589%
240	Flat C	Studio/1Bath	510	46	0.4589%
241	Flat C1	Studio/1Bath	504	0	0.4589%
242	Flat CR	Studio/1Bath	510	46	0.4589%
243	Flat C*	Studio/1Bath	510	0	0.4589%
<b>LEVEL 3</b>					
322	Flat C*	Studio/1Bath	510	0	0.4589%
324	Flat C	Studio/1Bath	510	0	0.4589%
326	Flat CR	Studio/1Bath	510	0	0.4589%
328	Flat C	Studio/1Bath	510	0	0.4589%
330	Flat CR	Studio/1Bath	510	0	0.4589%
332	Flat C	Studio/1Bath	510	0	0.4589%
333	Flat CR	Studio/1Bath	510	0	0.4589%
334	Flat CR	Studio/1Bath	510	0	0.4589%
335	Flat C1R	Studio/1Bath	504	0	0.4589%
336	Flat C1	Studio/1Bath	504	0	0.4589%
337	Flat CR	Studio/1Bath	510	0	0.4589%
338	Flat C1R	Studio/1Bath	504	0	0.4589%
339	Flat C	Studio/1Bath	510	0	0.4589%
340	Flat C	Studio/1Bath	510	0	0.4589%
341	Flat C1	Studio/1Bath	504	0	0.4589%
342	Flat CR	Studio/1Bath	504	0	0.4589%
343	Flat C	Studio/1Bath	510	0	0.4589%
<b>LEVEL 4</b>					
422	Flat C*	Studio/1Bath	510	0	0.4589%
424	Flat CR	Studio/1Bath	510	0	0.4589%
426	Flat CR	Studio/1Bath	510	0	0.4589%
428	Flat C	Studio/1Bath	510	0	0.4589%
430	Flat CR	Studio/1Bath	510	0	0.4589%
432	Flat C	Studio/1Bath	510	0	0.4589%
433	Flat CR	Studio/1Bath	510	0	0.4589%
434	Flat CR	Studio/1Bath	510	0	0.4589%
435	Flat C1R	Studio/1Bath	504	0	0.4589%
436	Flat C1	Studio/1Bath	504	0	0.4589%
437	Flat CR	Studio/1Bath	510	0	0.4589%
438	Flat C1R	Studio/1Bath	504	0	0.4589%
439	Flat C	Studio/1Bath	510	0	0.4589%
440	Flat C	Studio/1Bath	510	0	0.4589%
441	Flat C1	Studio/1Bath	504	0	0.4589%
442	Flat CR	Studio/1Bath	510	0	0.4589%
443	Flat C	Studio/1Bath	510	0	0.4589%

UNIT #	TYPE	BD/BTH	AREA (sf)	LANAI (sf)	COMMON INTEREST
<b>LEVEL 5</b>					
522	Flat C*	Studio/1Bath	510	0	0.4589%
524	Flat C	Studio/1Bath	510	0	0.4589%
526	Flat CR	Studio/1Bath	510	0	0.4589%
528	Flat C	Studio/1Bath	510	0	0.4589%
530	Flat CR	Studio/1Bath	510	0	0.4589%
532	Flat C	Studio/1Bath	510	0	0.4589%
533	Flat CR	Studio/1Bath	510	0	0.4589%
534	Flat CR	Studio/1Bath	510	0	0.4589%
535	Flat C1R	Studio/1Bath	504	0	0.4589%
536	Flat C1	Studio/1Bath	504	0	0.4589%
537	Flat CR	Studio/1Bath	510	0	0.4589%
538	Flat C1R	Studio/1Bath	504	0	0.4589%
539	Flat C	Studio/1Bath	510	0	0.4589%
540	Flat C	Studio/1Bath	510	0	0.4589%
541	Flat C1	Studio/1Bath	504	0	0.4589%
542	Flat CR	Studio/1Bath	510	0	0.4589%
543	Flat C	Studio/1Bath	510	0	0.4589%
<b>LEVEL 6</b>					
622	Loft D2	1Bedrm/1Bath	628	46	0.4589%
624	Loft D2	1Bedrm/1Bath	628	28	0.4589%
626	Loft D2	1Bedrm/1Bath	628	46	0.4589%
628	Loft D2	1Bedrm/1Bath	628	46	0.4589%
630	Loft D2	1Bedrm/1Bath	628	28	0.4589%
632	Loft D2	1Bedrm/1Bath	628	46	0.4589%
633	Loft D2R	1Bedrm/1Bath	628	46	0.4589%
634	Loft DR	1Bedrm/1Bath	594	46	0.4589%
635	Loft D2	1Bedrm/1Bath	628	46	0.4589%
636	Loft D2	1Bedrm/1Bath	628	28	0.4589%
637	Loft DR	1Bedrm/1Bath	594	28	0.4589%
638	Loft D1	1Bedrm/1Bath	584	46	0.4589%
639	Loft DR	1Bedrm/1Bath	594	46	0.4589%
640	Loft DR	1Bedrm/1Bath	594	46	0.4589%
641	Loft D1	1Bedrm/1Bath	584	46	0.4589%
642	Loft DR	1Bedrm/1Bath	594	28	0.4589%
643	Loft D	1Bedrm/1Bath	594	28	0.4589%
644	Loft D	1Bedrm/1Bath	594	46	0.4589%
645	Loft D1R	1Bedrm/1Bath	584	46	0.4589%
646	Loft D1R	1Bedrm/1Bath	584	46	0.4589%
647	Loft D	1Bedrm/1Bath	594	46	0.4589%
648	Loft DR	1Bedrm/1Bath	594	28	0.4589%
649	Loft D	1Bedrm/1Bath	594	28	0.4589%
650	Loft D	1Bedrm/1Bath	594	46	0.4589%
651	Loft DR	1Bedrm/1Bath	594	46	0.4589%
			49,694		42.6777%
<b>Commercial/Retail Apartment</b>			1,338		1.1500%
<b>Elderly Housing Apartment</b>			51,594		44.3100%
<b>Brewery Building Apartment</b>			16,112		11.8623%
<b>Total Interest</b>					100.0000%

\* = Handicap Accessible Unit

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## Exhibit B-2 Allocation of Residential Building Limited Common Expenses

UNIT #	TYPE		PERCENT ALLOCATION
Residential Affordable Apartments			
LEVEL 2			
222	Flat	C*	0.5207%
224	Flat	C	0.5207%
226	Flat	CR	0.5207%
228	Flat	C	0.5207%
230	Flat	CR	0.5207%
232	Flat	C	0.5207%
233	Flat	CR	0.5207%
234	Flat	CR	0.5207%
235	Flat	C1R	0.5207%
236	Flat	C1	0.5207%
237	Flat	CR	0.5207%
238	Flat	C1R	0.5207%
239	Flat	C	0.5207%
240	Flat	C	0.5207%
241	Flat	C1	0.5207%
242	Flat	CR	0.5207%
243	Flat	C*	0.5207%
LEVEL 3			
322	Flat	C*	0.5207%
324	Flat	C	0.5207%
326	Flat	CR	0.5207%
328	Flat	C	0.5207%
330	Flat	CR	0.5207%
332	Flat	C	0.5207%
333	Flat	CR	0.5207%
334	Flat	CR	0.5207%
335	Flat	C1R	0.5207%
336	Flat	C1	0.5207%
337	Flat	CR	0.5207%
338	Flat	C1R	0.5207%
339	Flat	C	0.5207%
340	Flat	C	0.5207%
341	Flat	C1	0.5207%
342	Flat	CR	0.5207%
343	Flat	C	0.5207%
LEVEL 4			
422	Flat	C*	0.5207%
424	Flat	C	0.5207%
426	Flat	CR	0.5207%
428	Flat	C	0.5207%
430	Flat	CR	0.5207%
432	Flat	C	0.5207%
433	Flat	CR	0.5207%
434	Flat	CR	0.5207%
435	Flat	C1R	0.5207%
436	Flat	C1	0.5207%
437	Flat	CR	0.5207%
438	Flat	C1R	0.5207%
439	Flat	C	0.5207%
440	Flat	C	0.5207%
441	Flat	C1	0.5207%
442	Flat	CR	0.5207%
443	Flat	C	0.5207%

UNIT #	TYPE		PERCENT ALLOCATION
LEVEL 5			
522	Flat	C*	0.5207%
524	Flat	C	0.5207%
526	Flat	CR	0.5207%
528	Flat	C	0.5207%
530	Flat	CR	0.5207%
532	Flat	C	0.5207%
533	Flat	CR	0.5207%
534	Flat	CR	0.5207%
535	Flat	C1R	0.5207%
536	Flat	C1	0.5207%
537	Flat	CR	0.5207%
538	Flat	C1R	0.5207%
539	Flat	C	0.5207%
540	Flat	C	0.5207%
541	Flat	C1	0.5207%
542	Flat	CR	0.5207%
543	Flat	C	0.5207%
LEVEL 6			
622	Loft	D2	0.5207%
624	Loft	D2	0.5207%
626	Loft	D2	0.5207%
628	Loft	D2	0.5207%
630	Loft	D2	0.5207%
632	Loft	D2	0.5207%
633	Loft	D2R	0.5207%
634	Loft	DR	0.5207%
635	Loft	D2	0.5207%
636	Loft	D2	0.5207%
637	Loft	DR	0.5207%
638	Loft	D1	0.5207%
639	Loft	DR	0.5207%
640	Loft	DR	0.5207%
641	Loft	D1	0.5207%
642	Loft	DR	0.5207%
643	Loft	D	0.5207%
644	Loft	D	0.5207%
645	Loft	D1R	0.5207%
646	Loft	D1R	0.5207%
647	Loft	D	0.5207%
648	Loft	DR	0.5207%
649	Loft	D	0.5207%
650	Loft	D	0.5207%
651	Loft	DR	0.5207%
			48.4251%
Commercial/Retail			1.3048%
Elderly Housing			50.2701%
Total Percent Allocated			100.0000%

\* = Handicap Accessible Unit

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HONUAKAHA

EXHIBIT "C"

BOUNDARIES OF EACH APARTMENT

(a) Boundaries of Residential Building Apartments. Each Residential Apartment consists of the spaces within the perimeter and party walls, windows, doors, floors and ceiling of the respective Residential Building Apartment as shown on the Condominium Map. Each Residential Apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, doors and door frames, windows and window frames, louvers (if any), shutters (if any), panels, the inner decorated or finished surfaces of all walls, floors and ceilings, the lanais shown on the Condominium Map to the inner decorated or finished surfaces of the exterior perimeter walls of such lanais and to the exterior edge of the exterior railings or other boundaries of such lanais, and all fixtures originally installed therein. (See Subparagraph 4.5.3 of the Declaration.)

(b) Boundaries of the Brewery Building Apartment. The Brewery Building Apartment consists of a five story structure and includes (a) all footings, floors, foundations, perimeter walls and roofs from time to time located upon the Brewery Building Exclusive Use Area; (b) all of the space, walls, pipes, wires, vents, shafts, ducts, conduits or other utility or service lines or enclosed spaces for wiring, pipes, air exhaust, or air conditioning and other improvements located within such footings, floors, foundations, perimeter walls and roofs; and (c) all exterior surfaces and finishes of such footings, floors, foundations, perimeter walls and roofs. (See Subparagraph 4.6.1 of the Declaration.)

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EXHIBIT "D"

ALTERATION OF THE PROJECT AND THE APARTMENTS

1. Prohibitions. Subject to Section 17 of the Declaration, neither the Association nor any Apartment Owner shall perform any of the following acts (except pursuant to plans and specifications therefor approved in writing by the Board of Directors, the Fee Owner and the Partnership):

(a) Restoring, replacing or rebuilding any Apartment or any of the common elements (other than the Individual limited common elements) in a manner different in any material respect from the Condominium Map,

(b) Engaging in any alterations which will affect the structural integrity of any Apartment or the common elements,

(c) Constructing on the common elements, exclusive of the Individual limited common elements, any new building or structure, or

(d) Enclosing any lanai or enclosing any parking stall which is an Individual limited common element.

2. Except as otherwise provided above or in paragraph 17.2 of the Declaration, each Apartment Owner shall be free to make such alterations and improvements within such Owner's Apartment or within or on the Individual limited common elements appurtenant thereto, including enclosing all or a portion of such Individual limited common elements, without the consent or joinder of the Board of Directors, the Association, any Apartment Owner, the Fee Owner, the Partnership or any other person.

3. Connection between Apartments. The Owner of any two or more adjacent Apartments separated by a common element which is a wall may alter or remove all or portions of the intervening wall (and, if the Owner so desires, install a door within the opening created by such removal), if the structural integrity of the common elements or any other Apartment in the Project will not thereby be adversely affected and if the finish of the common element then remaining is placed in a condition substantially comparable to that of the common element prior to such alterations. As used above, "adjacent Apartments" also includes Apartments which are located above or beneath one another on different floors, and in such event all references to "intervening wall" shall mean the intervening floor, ceiling or slab separating such floors. Prior to commencing any such alteration or removal, the Apartment Owner shall meet the conditions imposed by Paragraph 17.3 of the Declaration.

4. Subdivision of Apartments. The Owner of the Elderly Housing Apartment, the Commercial/Retail Apartment, or the Brewery Building Apartment may with the consent of all mortgagees of record of any interest in such Apartment, from time to time subdivide such

Apartment (the "Original Apartment") into any number of separate Apartments of the same type (the "Resulting Apartments"); provided, however, that with respect to the Elderly Housing Apartment, it may be subdivided only into the existing Elderly Dwelling Units. In connection with any such subdivision permitted, the Owner of the Original Apartment may create walls, partitions, doors, foyers, corridors or vestibules between the Resulting Apartments, and may allocate any Individual limited common elements appurtenant to the Original Apartment to the Resulting Apartments, upon the terms and conditions set forth in Paragraph 17.4 of the Declaration.

# Honukaha Final Public Report Exhibit E

## List of Parking Stalls Appurtenant to the Apartments

Parking Stall #	Residential Building Apartment Number or Apartment Name	Parking Stall #	Residential Building Apartment Number or Apartment Name	Parking Stall #	Residential Building Apartment Number or Apartment Name	Parking Stall #	Residential Building Apartment Number or Apartment Name	Parking Stall #	Residential Building Apartment Number or Apartment Name	Parking Stall #	Residential Building Apartment Number or Apartment Name
C 101	441	141	648	C 181	236	238	Brewery	278	Elderly		
C 102	442	142	647	182	235	239	Brewery	279	Elderly		
C 103	443	143	646	C 183	341	240	Brewery	C 280	274		
C 104	543	144	645	184	340	241	Brewery	281	242		
C 105	542	145	644	C 201	Brewery	242	Brewery	282	343		
C 106	541	146	643	C 203	Brewery	243	Brewery	283	342		
C 107	Elderly	147	642	204	Brewery	244	Brewery	C 284	Elderly		
C 108	Elderly	148	641	C 205	Brewery	245	Brewery	C 285	Elderly		
C 109	537	H 149	Elderly	206	Brewery	246	Brewery	C 286	Elderly		
C 110	538	H 150	522	C 207	Brewery	247	Brewery	C 287	Elderly		
C 111	539	151	524	208	Brewery	248	Brewery	C 288	Elderly		
C 112	540	152	526	C 209	Brewery	249	Brewery	C 289	Elderly		
C 113	333	153	528	210	Brewery	250	Brewery	C 290	Elderly		
C 114	332	154	433	C 211	Brewery	251	Elderly	C 291	Elderly		
C 115	226	155	432	212	Commercial/Retail	252	222	C 292	Elderly		
C 116	Elderly	156	440	213	Commercial/Retail	253	322	C 293	Elderly		
C 117	Elderly	157	439	214	Commercial/Retail	254	Elderly	C 294	Elderly		
C 118	536	158	438	215	Brewery	255	Elderly				
C 119	535	159	437	216	Brewery	256	330				
C 120	534	C 160	436	217	Brewery	257	328				
C 121	533	161	435	218	Brewery	258	326				
C 122	532	162	434	219	Brewery	259	324				
C 123	530	163	339	220	Brewery	260	334				
C 124	651	164	234	221	Brewery	261	335				
C 125	635	C 165	Elderly	222	Brewery	262	336				
C 126	636	C 166	Elderly	223	Brewery	263	337				
C 127	637	C 167	Elderly	224	Brewery	264	338				
C 128	638	H 168	Elderly	225	Brewery	265	241				
C 129	639	169	634	226	Brewery	266	Elderly	177	Total		
C 130	640	170	633	C 227	Brewery	267	Elderly				
C 131	430	C 171	632	228	Elderly	268	243				
C 132	428	C 172	630	229	Elderly	269	422	9	Handicap Accessible		
C 133	426	C 173	628	230	Brewery	270	Elderly	74	Compact		
C 134	424	C 174	626	231	Brewery	271	Elderly	94	Standard		
C 135	233	C 175	624	232	Brewery	272	Elderly	177	Total		
C 136	232	C 176	622	233	Brewery	273	Elderly				
C 137	230	C 177	240	234	Brewery	274	Elderly				
C 138	228	C 178	239	235	Brewery	275	Elderly				
C 139	650	C 179	238	236	Brewery	276	Elderly				
C 140	649	C 180	237	237	Brewery	277	Elderly				

H handicap stall L loading stall C compact stall



FINAL PUBLIC REPORT

HONUAKAHA

EXHIBIT "F"

DESCRIPTION OF THE COMMON ELEMENTS

All of the portions of the Project not included within the definition of an "Apartment" are called the "common elements". They include specifically, but are not limited to the following:

(a) The Land on which the Project is located, in fee simple;

(b) The Commemorative Park, as designated on the Condominium Map;

(c) Unless located within a single Apartment and serving only such Apartment, all foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter, party and load-bearing walls and partitions, floors, ceilings and roofs (herein, the "Structural Elements");

(d) Unless located within a single Apartment and serving only such Apartment, all stairways, elevators, walkways, corridors, lobby areas, ramps, entrances, loading areas, entry ways and exits of all buildings of the Project, and all storage and trash rooms;

(e) All roadways, driveways, driveway ramps, parking stalls and related facilities of the Project (all such parking stalls other than the loading stall being Individual limited common elements);

(f) Unless located within a single Apartment and serving only such Apartment, all fences (if any), trellises, and mail boxes;

(g) Unless located within a single Apartment and serving only such Apartment, all yards, grounds, planting areas, planters, walkways, walkway railings, landscaping, waterscape areas, pond areas and gardens, recreation decks, lounges, laundry areas, entry courts and all toilet and restroom facilities and recreational facilities and appurtenances;

(h) Unless located within a single Apartment and serving only such Apartment, all ducts, vents, shafts, utility lines, conduits, sewage treatment and refuse equipment and facilities (if any), air conditioning equipment, mechanical equipment, electrical equipment, telephone equipment, pipes, tanks, pumps, motors, fans, compressors, wiring and other central and appurtenant transmission facilities and installations over, under

and across the Project for services such as power, light, water, gas (if any), temperature control, fire safety, sanitary waste, cablevision (if any), air conditioning, sewer, refuse, telephone, and radio and television signal distribution and any rooms or other enclosures in which such foregoing facilities are housed; and

(i) Unless located within a single Apartment and serving only such Apartment, any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, or normally in common use.

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HONUAKAHA

EXHIBIT "G"

DESCRIPTION OF LIMITED COMMON ELEMENTS

Limited Common Elements. Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for (a) the exclusive use of one or more Apartments, but in the case of the Residential Building, not all of the Residential Building Apartments (such limited common elements being herein sometimes referred to as "Individual limited common elements"), and (b) the exclusive use collectively of all of the Residential Building Apartments (such limited common elements being herein sometimes referred to as "Residential Building limited common elements"). Such Apartment or Residential Building Apartments, as the case may be, shall have appurtenant thereto exclusive easements for the use of such limited common elements.

The limited common elements so set aside and reserved are described below.

1. Individual Limited Common Elements.

(a) Each Apartment shall have appurtenant thereto and reserved for its exclusive use the parking stall or stalls assigned to it as set forth in Exhibit "E" attached hereto; provided, however, that (i) each Apartment Owner's access to the stall or stalls assigned to the Owner's Apartment shall be subject to such entry and exit system and rules established from time to time by the Association of Apartment Owners, and (ii) each Residential Affordable Apartment shall at all times have appurtenant thereto at least one (1) parking stall.

(b) Each Residential Building Apartment shall have appurtenant thereto and reserved for its exclusive use any mailbox assigned to such Apartment by the Association or the Developer, such mailbox being located in the Residential Building mailroom on the L1 level.

(c) The Elderly Housing Apartment shall have appurtenant thereto and reserved for its exclusive use that portion of Land shown on the Condominium Map as the "Community Garden."

(d) The Brewery Building Apartment shall have appurtenant thereto and reserved for its exclusive use that portion of the Land beneath and immediately adjacent to the Brewery Building, as shown on the Condominium Map as "Brewery Building Exclusive Use Area", together with the airspace above such portion of the Land.

(e) Commercial/Retail Apartment shall have appurtenant thereto and reserved for its use the right of access, including the right to penetrate any wall located between Commercial/Retail Apartment and the Residential Building lobby, so as to permit pedestrian access between the Commercial/Retail Apartment and said lobby, subject, however, to the closure of such access, for security purposes after ordinary business hours.

2. Residential Building Limited Common Elements. The Residential Building Apartments shall have appurtenant thereto and reserved for their exclusive use those common elements which are utilized exclusively by and benefit the Residential Building Apartments (Residential Affordable Apartments), the Elderly Housing Apartments and the Commercial/Retail Apartment, as determined initially by Developer, subject to amendment by the Board thereafter, and which include, without limitation, any limited common elements more particularly designated as "Residential Building limited common elements" on the Condominium Map.

FINAL PUBLIC REPORT

HONUAKAHA

EXHIBIT "H"

ENCUMBRANCES AGAINST TITLE

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

2. A 10-foot Master Plan setback line along Queen Street, as shown on map dated July 10, 1963 attached to that certain Deed dated December 23, 1963, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 4665, Page 203.

3. The existence of an artesian well situate on the herein premises, as disclosed by that certain Deed dated March 9, 1934, recorded in said Bureau in Liber 1232, Page 303.

4. The rights in favor of adjoining land owners to lay and perpetually maintain a four-inch pipe over and across the herein premises, as disclosed by that certain Deed dated March 9, 1934, recorded in said Bureau in Liber 1232, Page 303.

5. Terms and provisions of that certain Deed made by and between American Brewing Company, Limited, a Hawaiian corporation, "Grantor", and Hawaiian Okolehao Distilleries, Ltd., a Hawaiian corporation, "Grantee", dated March 9, 1934, recorded in said Bureau in Liber 1232, Page 303.

6. A "Commemorative Park" of approximately 10,000 square feet, containing native Hawaiian burials, as set forth in that certain Planned Development Permit for Honuakaha Affordable Housing Complex dated November 10, 1993, as shown on Figure 1, Site Plan attached thereto.

7. -AS TO AN UNDIVIDED 47/100 INTEREST-:

An unrecorded Lease dated December 3, 1993, by and between HAWAII COMMUNITY DEVELOPMENT AUTHORITY, a public body and body corporate and politic of the State of Hawaii, as Lessor, and HONUAKAHA LIMITED PARTNERSHIP, a Hawaii limited partnership, as Lessee.

8. The following encroachments as shown on survey map prepared by Russell Figueiroa, Licensed Professional Land Surveyor, with R.M. Towill Corporation, dated May 13, 1994, to-wit:

(a) An electrical pole and guy wire;

(b) A portion of a metal air vent along the northerly boundary encroaches into Lot A; and

(c) A portion of the brick building and the stone footing of said building encroaches into the Queen Street right-of-way.

9. That certain Real Property Mortgage and Financing Statement dated May 31, 1994, in favor of FIRST HAWAIIAN BANK, a Hawaii corporation, recorded in said Bureau as Document No. 94-090841.

10. Absolute Assignment of Rentals and Lessor's Interest in Lease dated May 31, 1994, recorded in said Bureau as Document No. 94-090842, whereby HAWAII COMMUNITY DEVELOPMENT AUTHORITY, a body corporate and public instrumentality of the State of Hawaii, "Assignor", assigned to FIRST HAWAIIAN BANK, a Hawaii corporation, "Assignee", all right, title and interest in and to that certain unrecorded Lease dated December 3, 1993, as security for the repayment of that certain Promissory Note dated May 31, 1994, in the principal sum of \$15,100,000.00.

11. Any facts or findings a modern metes and bounds survey may reveal.

12. Real property taxes as may be due and owing. Check with the Tax Assessor for further information.

In addition, the property is subject to condominium project documents noted on page 6 of this Public Report.

FINAL PUBLIC REPORT

HONUAKAHA

EXHIBIT "I"

SUMMARY OF THE CONDOMINIUM RESERVATION  
AGREEMENT DEPOSIT RECEIPT AND SALES AGREEMENT

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

1. Property being conveyed to Purchaser.

(a) Apartment Deed. Seller shall cause to be delivered by Seller to Buyer an apartment deed conveying a fee simple interest in the Apartment and an undivided interest in the common elements.

(b) Title to the Apartment. Title to the Apartment shall be conveyed subject to the following matters: (i) real property taxes and assessments not delinquent; (ii) the terms, covenants, conditions, easements, rights, reservations, agreements and other provisions mentioned or contained in the apartment deed and provisions set forth in the Declaration or the Bylaws of the Association of Apartment Owners of Honuakaha, as the same may be amended from time to time; (iii) any encumbrances which do not materially and adversely affect the use of the Apartment for its intended purposes; (iv) restrictions on transfer of the Apartment and requirement that the Apartment be occupied by its owner, including an option in favor of the Seller to purchase the Apartment and to share in the purchaser's equity; and (v) any encumbrances approved or created by Buyer or which are mentioned or referred to in the Public Reports for the Project.

2. Interest On Funds. All funds received by Escrow may be held together with other monies received by Escrow and may be deposited by Escrow in an interest bearing account. Any interest earned on Buyer's deposits shall accrue to Seller. Buyer shall have no right to direct Escrow as to how or where the funds received by Escrow from Buyer shall be deposited or otherwise invested. No interest will be payable upon Buyer's deposits when Buyer's deposit are either refunded by Seller or returned by Seller.

3. Disbursement Of Escrow Funds To Pay For Development Costs. In order to pay for development costs of the Project, Payments A and B referred to in Section C of the Sales Agreement

may be disbursed by Escrow subject to the terms of the Escrow Agreement prior to the Closing Date and the date of completion of the Project in accordance with the Hawaii Condominium Act.

4. Seller's Right to Change the Project and the Project Documents.

(a) Changes Prior to Effective Date. If the Sales Agreement is a reservation agreement, then until the Effective Date (as defined in Section F.1 of the Sales Agreement), Seller shall have the right for any reason to change the Project and to modify the Project Documents in any way, including the right to cancel or terminate the Project.

(b) Changes After Effective Date.

(i) At any time prior to the conveyance of all of the apartments in the Project to persons other than the Seller or any mortgagee of Seller, Seller reserves the right to modify the Project Documents as may be required by law, the Real Estate Commission of the State of Hawaii, a title insurance company, an institutional mortgagee or any governmental agency;

(ii) Seller reserves the right to amend or change the common interest appurtenant to, the limited common interest assigned to, the configuration of, the number of rooms of, the size of or the location of any apartment in the Project for which an apartment conveyance document has not been recorded with the Recording Office);

(iii) Seller reserves the right to subdivide any Apartment (other than a Residential Affordable Apartment) in the Project for which an apartment deed has not been recorded in the Recording Office into any number of separate apartments in accordance with the Declaration;

(iv) Seller reserves the right to require alterations of the Project (and to modify any of such Project Documents accordingly) to change the configuration of, to alter the number of rooms of, to decrease or increase the size of, or to change the location of any other apartment and/or parking area, and to make other minor changes in Buyer's Apartment, any of the other apartments, or the common elements;

(v) The Architect for the Project in his sole discretion may: (aa) make any changes he deems appropriate in the common elements of the Project (including without limitation the lobbies, the Project landscaping, the parking areas, and whether such changes relate to financial or aesthetic considerations) and (bb) may increase or decrease the thickness of any foundation, wall, column or floor slab within or outside the Apartment



resulting in the room dimensions becoming smaller or larger than those shown on the Condominium Map, or resulting in a building height or elevation different from those shown on the Condominium Map or stated in the Declaration. The Architect may make changes necessary to correct any design errors or other shortcomings; and the Architect may vary the type of window glass and install different types of glass throughout the Project to achieve the best combination of energy savings and esthetics;

(vi) Seller reserves the right to deviate from the plans and specifications for the Project and to substitute materials of equal utility and service, without Buyer's consent or approval, subject, however, to the above provisions. Seller may increase or decrease the number of parking stalls (other than any stalls which may be assigned to the Apartment); and

(vii) Notwithstanding subparagraphs (i), (ii), (iii) (iv) or (v) above, no modification as provided therein shall (aa) increase Buyer's share of common expenses or allocated share of limited common expenses without his consent; or (bb) reduce the obligations of Seller for common expenses on unsold apartments; or (cc) render unenforceable the Buyer's Mortgage Loan Commitment; or (dd) increase the Total Purchase Price of the Apartment; or (ee) directly, substantially and adversely affect the use or the value of the Apartment or limited common elements appurtenant thereto or the amenities of the Project available for Buyer's use.

5. Seller's Reserved Rights. The Sales Agreement sets forth certain rights and certain other provisions under which Buyer consents to certain actions by Seller and others. Such include, without limitation, the following:

(a) Seller and Seller's mortgage lender have the right to conduct extensive activities until December 31, 1999, on or from the Project, including the common elements, in connection with the sale or leasing of the Apartments in the Project, including the use of model apartments, sales, leasing and management offices, parking stalls and extensive sales and leasing displays and other activities. These rights and easements may exist until all of the apartments in the Project are sold or leased.

(b) Seller has reserved the right to grant rights of way and other easements over, under, across, or through the common elements for any reasonable purpose.

(c) Seller has reserved an easement over and upon any portion of the Project, including the common elements and any Apartment, as may be reasonably necessary for the completion of any improvements to and correction of defects and other punch-list items in the common elements or any apartment in the Project.

7. No Present Transfer; Subordination to Construction Loan. The Sales Agreement is not to be construed as a present transfer of any interest in the Apartment but rather it is an agreement to transfer in the future. Buyer is required to acknowledge that Seller has entered into or may enter in the future into a Construction Mortgage Loan with an institutional construction lender pursuant to which the Construction Lender may loan or has loaned funds to Seller to cover construction costs and other associated costs of the Project. To secure the Loan, Seller has granted or will grant to the Lender security interests covering the Seller's interest in the Project Land and the Project, including the Apartment covered by the Sales Agreement. All security interests obtained by the Lender in connection with the Construction Mortgage Loan, as well as any extensions, renewals and modifications of the security interests, shall be and remain at all times, until the final closing and delivery by Seller of the conveyance document to Buyer, a lien or charge on the Project, including the Apartment, prior to and superior to any and all liens or charges on the Project arising from the Sales Agreement or any prior agreement. BUYER INTENTIONALLY WAIVES, RELINQUISHES AND SUBORDINATES THE PRIORITY OR SUPERIORITY OF ANY LIEN OR OTHER LEGAL OR EQUITABLE INTEREST ARISING UNDER THE SALES AGREEMENT IN FAVOR OF THE LIEN OR CHARGE ON THE PROJECT OR THE SECURITY INTERESTS OF THE CONSTRUCTION LENDER.

8. Completion Date of the Apartment.

(a) Estimated Date. The estimated completion date of the Apartment is August 1, 1995. Such date is an approximate date given to the best of Seller's information and belief. The actual date of completion may be substantially earlier or later depending upon financing contingencies and the progress of construction. If the Project is not completed and ready for occupancy within twelve (12) months after the estimated completion date, then at the sole option of Seller, the obligations of both Buyer and Seller under the Sales Agreement shall terminate and all sums paid by Buyer (less any escrow cancellation fee) shall be refunded without interest, and Seller shall be relieved and released of all further liability hereunder.

(b) Outside Completion Date. Notwithstanding anything to the contrary contained in the Sales Agreement, Seller shall complete construction of the Apartment, the Building in which the Apartment is located, and other amenities of the Project, so as to permit normal occupancy within two (2) years after the date of the execution by Buyer of the earlier of the receipt for the Final Public Report or, if Seller so elects, of the Confirmation

Agreement for the Apartment referred to in Paragraph F.1 of the Sales Agreement. Said two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in beginning or completing construction if said delay is caused by matters or conditions beyond the control of Seller.

9. Limited Warranty.

(a) Project Construction Agreement. Seller warrants the materials and workmanship of the Apartment against defects for a period of one (1) year from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period less than one (1) year from the date of completion of the Apartment.

(b) Manufacturer's and Dealer's Warranties. The closing of the sale of the Apartment shall also constitute the assignment without recourse by Seller to Buyer, for the unexpired term, if any, of any manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances that are part of the Apartment.

(c) Disclaimer of Warranties. Except for the agreements set forth above. There are no warranties which extend beyond the description on the face of the Sales Agreement. DEVELOPER MAKES NO WARRANTIES OR PROMISES OF "MERCHANTABILITY", "HABITABILITY", "WORKMANLIKE CONSTRUCTION" OR "FITNESS FOR A PARTICULAR USE OR PURPOSE" OR ANY OTHER WARRANTIES OR PROMISES OF ANY KIND, EXPRESS OR IMPLIED, ABOUT THE APARTMENT, OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS OF THE PROJECT, OR ABOUT ANY FURNISHINGS, FIXTURES, APPLIANCES OR OTHER CONSUMER PRODUCTS OR ANYTHING ELSE INSTALLED, ATTACHED, AFFIXED OR OTHERWISE CONTAINED IN THE APARTMENT, OR THE PROJECT (INCLUDING THE COMMON ELEMENTS AND LIMITED COMMON ELEMENTS THEREOF)).

10. Financing of Purchase.

(a) Buyer represents in the Sales Agreement that Buyer is financially capable of making, when due, all of the payments required to be made under the Sales Agreement.

(b) Buyer's Obligation to Seek a Loan Commitment. If financing to purchase the Apartment is required by Buyer and Buyer shall not already have applied for mortgage financing, then Buyer is required within ten (10) days from the date of his execution of the Sales Agreement to apply for mortgage financing from a financial institution or other institutional lender authorized to make mortgage loans in the State of Hawaii. Seller shall have no obligation to arrange for Buyer's mortgage financing.

(c) Buyer Shall Provide Evidence of Funds to Make Payments. As a condition of Buyer's offer, Buyer is also required, if Buyer shall not have previously done so, within ten (10) days from the date of Buyer's execution of the Sales Agreement to give Seller evidence of Buyer's ability to pay the Total Purchase Price (less any amounts to be paid from a mortgage approved by Seller) at the times specified in the Sales Agreement. If Seller rejects Buyer's evidence of Buyer's ability to pay as unacceptable, Seller shall notify Buyer of such rejection in writing within fifteen (15) days of Seller's receipt of such evidence of Buyer's ability to pay, in which case Buyer's offer to buy the Apartment shall be deemed rejected by Seller and shall be null and void.

(d) Seller's Rights Upon Failure to Obtain a Mortgage Loan. If any of the following occurs:

(i) Buyer fails to obtain pre-qualification approval by a Mortgage Lender (which approval may be subject to verification of loan application items, credit report and property appraisal) that Buyer is qualified for the Mortgage Loan within thirty (30) days from the Seller has accepted the Sales Agreement.

(ii) Buyer fails to provide evidence of Buyer's ability to pay the cash portion of the purchase price to Seller or any proposed Mortgage Lender within ten (10) days of request thereof by said proposed mortgage lender or Seller.

(iii) Seller, in its sole discretion, after reviewing the written evidence of Buyer's ability to pay determines Seller is not satisfied as to Buyer's ability to make the cash Payments.

(iv) Buyer fails to obtain adequate financing or a Mortgage Loan commitment for adequate financing within sixty (60) days from the date that Seller has notified Buyer to obtain a Mortgage Loan commitment.

In any of the foregoing events, Seller may cancel the Sales Agreement by giving written notice to Buyer. Escrow shall refund to Buyer all sums paid hereunder by Buyer, without interest. If Seller elects to cancel the Sales Agreement for the reasons set forth in this paragraph, Seller shall not be liable for any damages Buyer may suffer as result of such cancellation.

(e) Buyer's Rights Upon Failure to Obtain Mortgage Loan. If Buyer has failed to obtain (i) the pre-qualification approval within thirty (30) days from the date Seller has accepted the Sales Agreement, despite diligent efforts to do so, or (ii) adequate financing or a Mortgage Loan Commitment for adequate financing within sixty (60) days from the date that Seller has notified Buyer to obtain a Mortgage Loan commitment, then, in either event, Buyer may cancel the Sales Agreement. Upon such cancellation, Seller

shall direct Escrow to refund to Buyer all sums paid hereunder by Buyer, without interest.

11. Hawaii's Owner-Occupant Presale Law. Under Hawaii's Owner-Occupant Presale Law, Buyer may qualify as an owner-occupant purchaser by (i) signing an Owner-Occupant Affidavit, (ii) being listed on Seller's owner-occupant reservation list, and (iii) signing the Sales Agreement within ten (10) days after the Preliminary Public Report for the Project is issued. If Buyer is an owner-occupant purchaser, Buyer agrees to deliver to Seller a copy of the satisfactory loan commitment from the Mortgage Lender within sixty (60) days after Seller's written notice to Buyer that Buyer shall obtain the loan commitment and if Buyer fails to obtain such a commitment or if during the ten (10) day period following issuance of the first Public Report for the Project, Buyer wishes to cancel his commitment as an Owner-Occupant because of personal hardship contemplated by the Hawaii Owner-Occupant Presale Law (such as the serious illness of Buyer or a member of Buyer's family, job or military transfer, unforeseeable change in marital status or birth of a child) after signing the Owner-Occupancy Affidavit that cause Buyer to be unable to occupy the Apartment or if Buyer indicates during the ten day period an intent not to be an Owner-occupant, the Sales Agreement will be canceled and Seller will cause Escrow to refund to Buyer all of Buyer's deposits into Escrow without any interest less a reasonable amount (not to exceed \$15 for expenses and handling charges. In the event Buyer enters into the Sales Agreement as an owner-occupant, then Buyer shall be required to re-affirm upon the prospective owner-occupant's execution of receipt for a Final Public Report of such person's intent to be an owner-occupant as set forth under the Owner-Occupant Pre-sale Law. If Buyer is unable to make such reaffirmation, then, at Seller's request, Buyer shall be required to rescind the Sales Agreement. In the event of such rescission, Seller may retain the Buyer's deposit as liquidated damages or exercise the remedies provided for in the Sales Agreement and any other remedies provided by law. These special cancellation provisions are in addition to, and do not supersede or replace those rights of Buyer in Paragraph F.1 of the Sales Agreement. Seller will give notice of cancellation in such case to Buyer and to Escrow. If Buyer has signed an Owner-Occupant Affidavit, failure to make the reaffirmation shall constitute a breach by Buyer of his obligations under the Sales Agreement.

12. Closing Obligations.

(a) Closing. The term "Scheduled Closing Date" means the later of (i) seventy-five (75) days following the date of Seller's execution of the Sales Agreement or (ii) the date which

Seller selects in its sole discretion and identifies in a written notice sent to Buyer. However, the Scheduled Closing Date may not be earlier than the date the Building Department of the City and County of Honolulu has issued a certificate of occupancy (permanent or temporary) covering the Apartment. If the Sales Agreement is executed by Buyer before the City and County of Honolulu has issued a certificate of occupancy covering the Apartment, then Seller may (and Buyer agrees to) pre-close the sale by having all documents necessary for closing executed and deposited with Escrow prior to the time of closing up to and including ninety (90) days prior to Seller's estimated Scheduled Closing Date.

(b) Payment of Cash Portions of the Purchase Price. Buyer agrees that on or prior to the Scheduled Closing Date, Buyer shall pay into Escrow the following sums by either a cashier's check or wired funds.

(i) The remaining portion of the Total Purchase Price which Buyer shall not have already paid; provided, however, the proceeds from any Mortgage Loan shall be deposited with Escrow one (1) business day before the Scheduled Closing Date; and

(ii) Buyer's share of the closing costs provided for in Paragraph F.18(e)(i) of the Sales Agreement; and

(iii) All other additional costs and expenses provided for in Paragraph F.18(f) of the Sales Agreement; and

(iv) All other sums of money which Buyer is required to pay under the Sales Agreement and which Buyer shall not have yet paid.

(c) Closing Costs and Prorations. Buyer is required to pay for the following closing costs: (aa) Buyer's notary fees; (bb) the cost of title reports and premiums for title insurance requested by Buyer; (cc) any fees or charges pertaining to Buyer's use of the Apartment, including telephone installation and cable television connections; (dd) one-half of Escrow's fees; and (ee) any other closing costs not mentioned above which are customarily paid or incurred by the Buyer in connection with the purchase and sale of Hawaii residential real estate.

Seller shall pay for the following closing costs: (aa) Seller's notary fees; (bb) the cost of preparation and recording the Apartment Deed; (cc) the cost of providing evidence of title to the Apartment; (dd) conveyance taxes, if any; (ee) one-half of Escrow's fees; and (ff) any other closing costs not mentioned above which are customarily paid or incurred by the Seller in connection with the purchase and sale of Hawaii residential real estate.

(d) Prepayment of Common Expenses and Start-Up Fees. In addition to the closing costs and the prorations above, Buyer shall also pay at closing (i) the estimated common expenses and Residential Building limited common expenses allocable to the Apartment for the first two months after the Scheduled Closing Date and (ii) a non-refundable and non-transferable "start up fee" equal to two (2) months' estimated common expenses and Residential Building limited common expenses.

13. Time of the Essence; Remedies on Default.

(a) Time of the Essence and Non-Waiver. Time is of the essence of the obligations of Buyer under the Sales Agreement.

(b) Seller's Remedies on Buyer's Default. Buyer shall be in default if Buyer fails to make a payment when due or if Buyer fails to perform any other required obligation (other than relating to the making of payment) and such other failure continues for fifteen (15) days after Seller gives written notice to Buyer of such failure. In the event of any such default, Seller may, at Seller's option and in addition to any other rights contained in the Sales Agreement, do any one or more of the following:

(i) Seller may terminate the Sales Agreement. In view of Seller's financial commitments with respect to the Project; the connection between the sale, cancellation or default with respect to one apartment and the sale, cancellation or default with respect to other apartments in the Project; and the nature of the real estate market in Hawaii, 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 in the Sales Agreement that the sums previously paid by Buyer under the Agreement shall at Seller's option belong to Seller as liquidated damages. It is understood that the damages suffered by Seller by virtue of a default later in time will likely be greater than such a default occurring at an earlier point in time;

(ii) Seller may also file a lawsuit for damages;

(iii) Seller may also file a lawsuit for specific performance;

(iv) Seller may also pursue any other remedy permitted at law or in equity.

(v) All costs, including reasonable attorneys fees, incurred by Seller by reason of default by Buyer shall be paid by Buyer promptly upon Seller's demand.

(c) Buyer's Remedies on Seller's Default. If Seller shall default in the performance of any obligation required of Seller, Buyer shall be entitled to specific performance of the Sales Agreement (unless the Agreement is only a "reservation") or Buyer shall have the right to cancel and terminate the Sales Agreement.

(d) Late Payment. In the event of any default with respect to any payment hereunder, in addition to any other remedies permitted under the Sales Agreement a late charge of one percent (1%) per month (provided such shall not exceed the highest rate as may be permitted by law), prorated on a 30-day month basis, shall accrue from the due date of such payment until such payment together with such late charges, is paid.

14. Common Expenses. In the Sales Agreement, Buyer acknowledges that the estimates of the common expenses and applicable limited common expenses set forth in Seller's Public Report for the Project are only estimates which are likely to change and do not constitute the representations or warranties by Seller or anyone else. Buyer further acknowledges future taxes and maintenance costs are difficult to predict with any accuracy. BUYER AGREES THAT SUCH ESTIMATES ARE NOT INTENDED TO BE AND DO NOT CONSTITUTE ANY REPRESENTATIONS OR WARRANTY BY SELLER, INCLUDING BUT NOT LIMITED TO ANY REPRESENTATION OR WARRANTY AS TO THE ACCURACY OF SUCH ESTIMATES.

15. Use of the Apartment.

(a) Permitted Uses and Seller's Right to Buy Back Apartment. Each Residential Apartment is conveyed to Buyer subject to certain restrictions which are summarized in Exhibit "K" attached hereto. Such restrictions require, among other things, that during the ten years following Buyer's purchase of the Apartment, that Buyer occupy the Apartment and use it as a residence. Thus, rental of the Apartment during such period is not permitted. Thereafter, the Apartment may be used only for residential and accessory purposes, and the owner of the Apartment will have the right to rent or lease, or otherwise permit the use of their Apartment for any length or periods of time.

(b) Seller's Right to Repurchase the Apartment. Seller has the right for ten (10) years following closing of an Apartment to re-purchase the Apartment if the Buyer sells or otherwise transfers it at a price according to a formula which is not based on the current fair market value of the Apartment (and could be at a price substantially below the then current fair market value).



After the end of the ten (10) year period following closing, Buyer may be required to pay Seller any deferred portion of sales price and a share of Buyer's equity according to a formula, as more fully described in Exhibit "K" attached hereto.

16. New Laws and Events Beyond Seller's Control. In the event that the development and construction of the Project is at any time or from time to time delayed due to any governmental law, ordinance, rules, restrictions or regulations, including a zoning change, enacted after the date of acceptance of the Sales Agreement by Seller (the foregoing are referred to as "New Laws"), or by the occurrence of a contingency (such as, without limitation, fire, earthquake, act of God, war, labor disturbance or economic controls, litigation, or threat of litigation or other matters or conditions beyond the control of Seller) (the foregoing are referred to as "Force Majeure Events"), the nonoccurrence of which was a basic assumption on which the Sales Agreement was made, the following provisions shall apply:

(a) Seller's Right to Increase Purchase Price in Certain Circumstances. If Seller determines that increases in the development and construction costs because of such delay require increases in the sales prices of apartments to maintain financial feasibility of the Project, then and in any such event Seller may increase the Total Purchase Price of the Apartment only to the extent necessitated by the increases in development and construction costs and Seller shall notify Buyer in writing of any such increases in the Total Purchase Price.

(b) Right to Cancel. If Seller determines that the New Laws or the Force Majeure Events prevent the construction of the Project, then Seller shall have the right to rescind the Sales Agreement.

17. Arbitration. In the event Buyer shall have a claim against Seller or Seller's agents or representatives (the "Development Team Members"), or if Seller shall have a claim against Buyer arising out of or in any way connected with the Sales Agreement or the design, development, construction, sale, marketing, financing or any other activity relating to the Apartment or the Project, the claims shall be submitted for resolution in Honolulu, Hawaii by a single arbitrator in accordance with the Commercial Arbitration Rules of the American Arbitration Association then in effect. The arbitration shall also be governed by the applicable provisions of Chapter 658 of the Hawaii Revised Statutes, as amended. Other terms and conditions of such arbitration are set forth in Paragraph 35 of the Sales Agreement.

FINAL PUBLIC REPORT

HONUAKAHA

EXHIBIT "K"

SHARED EQUITY PROGRAM AND BUYER'S RESTRICTIONS ON USE AND TRANSFER  
(which will be incorporated in the Buyer's Apartment Deed at closing)

I. SHARED EQUITY PROGRAM

A. RECITALS

1. Honuakaha condominium project (the "Project") was developed by the Hawaii Community Development Authority ("HCDA" or "Seller") in furtherance of the interest of the State of Hawaii in addressing the need for safe, sanitary and reasonably priced housing as more particularly set forth in Hawaii Revised Statutes Chapter 206-E.

2. For the opportunity that HCDA has created to enable the Buyer to purchase Apartment \_\_\_\_\_ in the Project (the "Property") for the "Buyer's Original Purchase Price" rather than for the "Original Fair Market Value", the Buyer, jointly and severally, if more than one Buyer, agrees to the "Shared Equity Program" ("Program") of HCDA.

3. Under the Program, the Buyer agrees to pay to HCDA "HCDA's Equity Sharing Amount" which the Buyer realizes or is deemed to have realized upon the sale or transfer of the Property (as such terms are defined below).

4. The Shared Equity Program is intended to run with and burden the Property.

B. AGREEMENT

NOW, THEREFORE, the Buyer understands and agrees that title to the Property is being or will be conveyed to the Buyer subject to the following terms and conditions.

(1) Meaning of words used in this Section I.

(a) "Original Fair Market Value" means the sum of \$ \_\_\_\_\_ which represents the fair market value of the Property as determined by a Federal Housing Administration ("FHA") appraisal (or if such an appraisal is not available, a comparable appraisal obtained by HCDA) at the time of the Buyer's purchase of the Property from HCDA.

(b) "Buyer's Original Purchase Price" means the sum of \$ \_\_\_\_\_ for which the Buyer is purchasing the Property from HCDA, as the Seller.

(c) "Resale Price" means the fair market value of the Property as defined in Subparagraph (3) at the time of sale or transfer of the Property by the Buyer.

(d) "HCDA's Equity Sharing Amount" will be calculated as follows:

(i) 
$$\frac{\$ \text{Original Fair Market Value (minus) Buyer's Original Purchase Price}}{\text{Original Purchase Price}}$$

Or,

(ii) if the Resale Price is less than the Original Fair Market Value:

Resale Price (minus) Buyer's Original Purchase Price

Or,

(iii) \$0 if the Resale Price is less than the Buyer's Original Purchase Price.

(e) "Fair Market Value" means the fair market value of the Property as agreed upon by the Buyer and Seller or if they fail to agree, then as determined by an appraisal obtained and performed in the manner described below in subparagraph (3) of this Section I if and when the Buyer subsequently sells or transfers the Property.

(2) HCDA's Equity Sharing Amount Due on Sale or Transfer of the Property.

Except for a "Permitted Transfer", as that term is defined below, or a sale or transfer to the HCDA pursuant to Section II hereof, the Buyer promises and agrees that if and when all or any part of or if the Buyer shall be divested of title or any interest in the Property, in any manner, voluntarily or involuntarily, including a judicial or nonjudicial foreclosure sale, HCDA will immediately be entitled and the Buyer shall pay to Seller HCDA's Equity Sharing Amount.

The Buyer agrees to give HCDA written notice as soon as the Buyer has reached an agreement or understanding for the sale or transfer of the Property together with the specific terms of such

sale or transfer. The Buyer shall pay HCDA's Equity Sharing Amount on the effective date of such sale or transfer. If HCDA's Equity Sharing Amount is not paid when due, interest will accrue at the simple annual interest rate of 12% until paid. In addition, HCDA will be entitled to be paid reasonable attorneys' fees and costs to enforce its rights hereunder. Subject to the provisions in subparagraph (7) below, the obligation to pay HCDA's Equity Sharing Amount will survive any Permitted Transfer with respect to the Buyer and will bind any person or entity who acquires an interest in the Property as a result of a Permitted Transfer.

A sale or transfer of the Property will be deemed to have taken place upon the occurrence of any one of the following events:

(a) When the Buyer sells or transfers the Property or any legal or beneficial right, title or ownership interest in the Property, including by way of an agreement of sale or a lease with an option to purchase the Property;

(b) When the Buyer no longer uses the Property as Buyer's principal residence but continues to retain legal and/or equitable title to the Property; or

(c) When the Buyer rents the Property or any part of the Property to someone else but continues to retain legal and/or equitable title to the Property.

(d) When the Buyer further encumbers or mortgages the Property except if such encumbrance or mortgage is a Permitted Transfer as hereinafter defined.

HCDA may, but is not required to, extend the time by when HCDA's Equity Sharing Amount will become due and payable for a period not exceeding one year if: (i) the Property is covered by a First Mortgage [as that term is defined below in subparagraph (7)] which is insured or held by FHA, and (ii) the transfer involves a transfer under (b) or (c), above, and (iii) the transfer is temporary and is for a period of time not exceeding one year, and (iv) HCDA determines, in HCDA's sole discretion, that the transfer under (b) or (c) above is necessary because of adverse circumstances involving the Buyer.

The following transfers ("Permitted Transfers") will not result in HCDA's Equity Sharing Amount becoming due and payable. (However, the Buyer must still notify HCDA and obtain HCDA's consent prior to a voluntary Permitted Transfer and must still notify HCDA on account of any involuntary Permitted Transfer):

(a) The creation of a lien or other encumbrance which does

not relate to a transfer of occupancy in the Property provided that the total amount of all liens and other encumbrance which are secured by the Property must not exceed 80% of the then Fair Market Value as determined by an appraisal obtained by HCDA at the Buyer's cost and expense;

(b) A transfer by devise, descent, or operation of law on the death of a joint tenant or tenant by the entirety;

(c) A transfer to a relative resulting from Buyer's death;

(d) A transfer where Buyer's spouse or children become an owner of the Property;

(e) A transfer resulting from a decree of dissolution of marriage, legal separation agreement, or from an incidental property settlement agreement, by which Buyer's spouse becomes an owner of the Property; and

(f) A transfer into an inter vivos trust in which Buyer is and remains the primary beneficiary and which does not relate to a transfer of rights of occupancy in the Property (i.e., Buyer must continue to use the Property as Buyer's principal residence after the transfer).

(3) Determination of Fair Market Value by Appraisal.

Whenever the Buyer and HCDA shall disagree on the Resale Price of the Property for purposes of determining HCDA's Equity Sharing Amount, HCDA will select an independent appraiser who has any of the qualifications set forth below and who shall prepare a written appraisal of the Fair Market Value of the Property within 45 calendar days after the Buyer has given HCDA written notice that the Buyer will be selling or transferring the Property together with the terms of such sale or transfer. The appraisal shall be based on the Apartment Type and Upgrades, if any as shown above. The appraisal shall not include the value of any improvements which the Buyer may have added to the Property after the date of the Deed. Items of repair and maintenance shall not be considered to be improvements. The Buyer will pay the cost of HCDA's appraisal.

HCDA will send to the Buyer by first class mail a copy of the written appraisal no later than ten (10) business days after the appraisal has been completed together with a notice informing the buyer that the Buyer may procure an independent appraisal within 45 calendar days if the Buyer disputes HCDA's appraisal.

If the Buyer does not dispute HCDA's appraisal, that appraisal will constitute a final and conclusive determination of the Fair

Market Value of the Property. If the Buyer disputes HCDA's appraisal, the Buyer may, at the Buyer's own expense, procure an appraisal by an independent appraiser who has any of the qualifications set forth below. The buyer will send a copy of the Buyer's appraisal to HCDA within 10 business days after it has been completed. If the Buyer's appraisal is lower than HCDA's appraisal, the Fair Market Value of the Property will be taken to be one-half the sum of the two appraisals. If the Buyer's appraisal is not lower, HCDA's appraisal will govern.

All appraisals will be made only by an appraiser having one or more of the following qualifications: (i) Federal National Mortgage Association ("FNMA") approved appraiser; (ii) Society of Real Estate Appraisers ("SREA") appraiser; or (iii) Society of Residential Appraisers ("SRA") appraiser.

(4) Cancellation of this Section I.

Subject to the provisions of subparagraph (7), below, HCDA's right to be paid HCDA's Equity Sharing Amount will continue in full force and effect and will constitute a lien on the Property until either (a) or (b), below, has occurred:

(a) The Buyer has sold or transferred the Property pursuant to Section II hereof; or

(b) The Buyer has sold or transferred the Property and HCDA has been fully paid HCDA's Equity Sharing Amount and any other amounts with the Buyer is obligated to pay to HCDA.

Thereafter, HCDA will sign and cause to be recorded a document which need only be signed by HCDA and which acknowledges that the Buyer's obligation to pay HCDA's Equity Sharing Amount has been fully satisfied and that this Section I is then being cancelled.

(5) Sale or Transfer of the Property to HCDA Pursuant to Section II.

The Provisions in this Section I will not apply in the case where HCDA exercises HCDA's first option to purchase the Property as set forth in Section II hereof.

(6) Payment of HCDA's Equity Sharing Amount in Advance.

The Buyer may elect to pay all or any part of HCDA's Equity Sharing Amount in advance, the Buyer's Original Purchase Price will be increased after the payment is made for the purpose of making any later calculation to determine the balance of HCDA's Equity Sharing Amount. The Buyer's Original Purchase Price, as increased,

will be referred to as the "Buyer's Adjusted Purchase Price" which will be equal to the sum:

Buyer's Original Purchase Price  
+ Partial Payment Amount  
+ Any prior increase(s) to the Buyer's Original Purchase Price.

The Buyer's adjusted Purchase Price will be substituted for the "Buyers Original Purchase Price" for any subsequent calculation of the Equity Sharing Amount under paragraph I.B.(1)F.

(7) First Mortgage Protection.

Notwithstanding any other provisions to the contrary, Section I shall not apply with respect to:

(a) The first purchase money mortgage ("First Mortgage"), if any, which is being placed on the Property when the Property is conveyed from the Seller to the Buyer.

(b) The first purchase money mortgagee ("First Mortgagee") named in the First Mortgage, including the first purchase money mortgagee's successors and assigns.

(c) The rights of the First Mortgagee to foreclose or take title pursuant to the remedies in the First Mortgage, to accept a deed in lieu of foreclosure in the event of default by the Buyer, as mortgagor under the First Mortgage, or to sell or lease the Property acquired by the First Mortgagee.

(d) Any person or persons acquiring the Property as a result of foreclosure or by a deed in lieu of foreclosure of the First Mortgage or any successor, transferee, or assignee of such person or persons.

Provided, however, that the Buyer promises and agrees to provide notice to HCDA of the First Mortgage and to cause the holder of the First Mortgage to provide written notice to HCDA of any default under the First Mortgage. Provided, further, however, if the First Mortgage is insured or held by FHA, the Buyer's failure to cause the holder of the First Mortgage to provide written notice to HCDA of any default under the First Mortgage or any failure of the holder of the First Mortgage to provide such written notice shall not affect such holder's rights under this subparagraph (7).

HCDA specifically subordinates any lien or contingent lien rights that HCDA may have under this Section I to the lien of the First Mortgage. Any holder of the First Mortgage or any person who acquires legal title to the Property as a result of a foreclosure

or a deed in lieu of foreclosure of the First Mortgage shall acquire legal title fees of such lien or contingent lien rights that HCDA may have under Section I. This Section I shall be null and void upon a conveyance of the Property through a foreclosure sale or deed in lieu of foreclosure.

(8) Notice to the Buyer.

THIS SECTION I PROVIDES THAT IF THE BUYER SELLS OR TRANSFERS THE PROPERTY OTHER THAN PURSUANT TO SECTION II, HCDA WILL BE ENTITLED TO BE PAID IMMEDIATELY HCDA'S EQUITY SHARING AMOUNT. THIS SECTION I ALSO EXPLAINS WHEN A SALE OR TRANSFER OF THE PROPERTY HAS OR WILL BE DEEMED TO HAVE TAKEN PLACE. IF THE PROPERTY IS SOLD OR TRANSFERRED AND THE BUYER DOES NOT PAY HCDA'S EQUITY SHARING AMOUNT IN THE PROPERTY AS SET FORTH ABOVE, HCDA MAY TAKE LEGAL ACTION WHICH MAY RESULT IN THE FORECLOSURE SALE OF THE PROPERTY. IF THERE IS A FIRST MORTGAGE COVERING THE PROPERTY WHICH IS INSURED OR HELD BY FHA, FHA MAY NOT BE ABLE TO HELP THE BUYER.

II. Restrictions on Use and Transfer of the Property.

A. The restrictions contained in this Section II shall apply to any transfer of the Property by the Buyer and his heirs, personal representatives and assigns, for a term of ten (10) years from the date of recordation of the deed conveying the Property from the Seller to the Buyer (the "Restriction Period"):

(1) If the Buyer wishes to transfer title to the Property or any interest thereon or portion thereof or if the Property is transferred at any time during the Restriction Period, HCDA shall have the first option to purchase the Property at a price based on the lower of:

(a) The current fair market value of the Property less the HCDA's Equity Sharing Amount as determined by section 15-22-187 of the HCDA's administrative rules (as described in paragraph xx herein); or

(b) The Buyer's Original Purchase Price of the Property plus one percent simple interest per year on the Buyer's Original Purchase Price computed from the date of the original purchase to the date of the transfer.

The HCDA may purchase the Property either: (i) outright, free and clear of all liens and encumbrances; or (ii) by transfer subject to an existing mortgage which, by its terms or upon consent of the mortgagee, is assumable by the HCDA or a designated nominee.



In any purchase by transfer subject to an existing mortgage which is assumable, the HCDA or its nominee, as the case may be, shall agree to assume and to pay the Buyer's obligation on any first mortgage created for the purpose of enabling the Buyer obtain funds for the purchase of the Property and any other mortgages which were created with the approval and consent of the HCDA. In such cases, the amount to be paid to the Buyer by the HCDA or its nominee shall be the principal balance of all mortgages outstanding and assumed at the time of transfer of title to the HCDA or its nominee.

(2) Except for an initial mortgage recorded as a lien against the Property to secure the payment of the original loan in connection with the original purchase price of the Property by Buyer (which shall not require HCDA's consent), the Buyer shall not permit any other lien to be filed or recorded against the Property that is subordinate to the repurchase rights of the HCDA, without first obtaining the written consent of the HCDA. If any such lien is filed or recorded against the Property (with only the exception stated above), and a release of such lien is not obtained by the Buyer within 30 days after HCDA's demand to do so is either delivered to the Buyer or mailed to the Buyer by certified mail, return receipt requested, postage prepaid, at the Buyer's address as shown on the real estate property tax records of HCDA, or other known address of the Buyer, HCDA shall have the option, granted by the Buyer to the HCDA as part of the consideration for the conveyance from Seller, exercisable by the HCDA in its sole and absolute discretion, to repurchase the Property from the Buyer for the price determined by the method set forth in Section I above. HCDA may enforce its rights to exercise this option by appropriate action or suit, as necessary.

(3) Buyer shall agree, and all subsequent lienors are on notice hereby, that after the deed to the Buyer is recorded the option granted under this Section II (1) will be prior, senior, and will take precedence over any liens or interests subsequent thereto, with only the exceptions stated herein, and (2) is intended to run with the Property during the Restriction Period.

B. The restrictions prescribed in subparagraph A of this Section II may be waived if:

(1) The Buyer wishes to transfer or has transferred title to the Property by devise or through the laws of descent to a family member who would otherwise qualify to own the Property under rules established by HCDA; or

(2) The HCDA determines, in accordance with rules adopted by the HCDA, that the sale or transfer of the Property, at

a price and upon terms as the HCDA shall determine, preserves the intent of Chapter 206-E, Hawaii Revised Statutes, without the necessity of repurchasing the Property; provided that the Buyer shall sell the Property and sell or assign the Property to a person who is a "qualified resident". For purposes herein, a "qualified resident" means a person who:

(a) Is a citizen of the United States or a resident alien;

(b) Is at least eighteen years of age;

(c) Is domiciled in the State of Hawaii and has a bona fide intent to reside in the dwelling unit being purchased;

(d) Has a gross income sufficient to qualify for the loan to finance the purchase; and

(e) Is not found by the HCDA to be within one of the following classes:

(i) A person who oneself or whose husband or wife or both (unless husband and wife are living apart under a decree of separation from bed and board issued by the Family Court pursuant to section 580-71, Hawaii Revised Statutes) owns or own in fee simple or leasehold any interest in any real estate; or

(ii) A person who oneself or whose husband or wife (unless husband and wife are living apart under a decree of separation from bed and board issued by the family court pursuant to Section 580-71, Hawaii Revised Statutes) has pending another unrefused application to purchase a reserved housing unit under Chapter 206-E from HCDA.

C. While an owner of the Property during the Restriction Period, the Buyer shall occupy the Property and use same as his residence except as approved in writing by the HCDA. The HCDA has the right, but not the duty, to submit from time to time during the Restriction Period, a verification of Buyer's occupancy of the Property which Buyer shall truthfully complete and return to the HCDA.

III. Mortgagee's Protection. Notwithstanding any provision to the contrary, the Shared Equity Program prescribed in Section I and the restrictions prescribed in Section II herein shall be automatically extinguished and shall not attach in subsequent transfers of title when a mortgage holder or other party becomes the owner of the Property pursuant to a mortgage foreclosure, foreclosure under power of sale, or a conveyance in lieu of foreclosure after a

foreclosure action is commenced; or when a mortgage is assigned to a federal housing agency. Any law to the contrary notwithstanding, a mortgagee under a mortgage covering real property or leasehold interest encumbered by the first option to purchase in favor of HCDA prior to commencing mortgage foreclosure proceedings, shall notify HCDA in writing of (1) any default of the mortgagor under the mortgage within ninety (90) days after the occurrence of the default, and (2) any intention of the mortgagee to foreclose the mortgage under Chapter 667; provided that the mortgagee's failure to provide such written notice to HCDA shall not affect such holder's rights under the mortgage. HCDA shall be a party to any foreclosure action, and shall be entitled to all proceeds remaining in excess of all customary and actual costs and expenses of transfer pursuant to default, including liens and encumbrances of record; provided that the person in default shall be entitled to an amount which shall not exceed the sum of amounts determined pursuant to subparagraph (II)(A)(1)(a) or (b), as applicable.

#### IV. WAIVERS BY HCDA

HCDA is authorized to waive any of the restrictions set forth in Section I or II in order to comply with or conform to requirements set forth in federal laws or regulations governing mortgage insurance or guarantee programs or requirements set forth by federally chartered secondary mortgage market participants.

FINAL PUBLIC REPORT

HONUAKAHA

EXHIBIT "J"

SUMMARY OF THE ESCROW AGREEMENT BETWEEN TITLE GUARANTY ESCROW SERVICES, INC. ("Escrow") and HAWAII COMMUNITY DEVELOPMENT AUTHORITY ("Seller")

1. Sales Contracts Deposited in Escrow. All sales contracts for the sale of a Unit in the Project shall be delivered to Escrow. Each sales contract shall contain the correct names and addresses of the purchasers, shall require that all payments to be made by the purchasers thereunder shall be made directly to Escrow and shall be accompanied by the initial deposit required thereunder.

2. Receipt of Funds by Escrow. Seller shall pay over to Escrow any monies received by Seller from purchasers under sales contracts covering Units in the Project, including all disbursements made on loan commitments, if any, from lending institutions to an individual Unit purchaser. All interest earned from any such interest-bearing account or accounts shall be for the benefit of Seller and shall be held in escrow by Escrow.

3. Conditions to be Met Prior to Disbursement. Except as may be otherwise provided in the Escrow Agreement, no disbursements to Seller of funds held in escrow hereunder shall be made unless and until the following conditions have been fulfilled:

(a) The Real Estate Commission shall have issued an effective date for a Final Public Report on the Project; provided, however, to the extent any sales contracts are entered into and purchaser's funds are obtained prior to the issuance of an effective date for a Final Public Report, no disbursements shall be made from such purchaser's funds until (i) an effective date for such Final Public Report shall have been issued; and (ii) the purchaser shall have been given a copy of said Final Public Report and shall have acknowledged receipt of same or shall have been deemed to have acknowledged receipt of same and Developer's attorney shall have delivered a written opinion to Escrow that the purchaser's sales contract has become effective;

(b) The Developer or Developer's attorney shall have delivered a written opinion to Escrow stating that the requirements of Sections 514A-40, 514A-62 and 514A-63 of the Act have been met;

(c) The Developer shall have given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract; and

(d) These portions of the purchase price of a Residential Apartment received from a purchaser as a non-refundable deposit towards the purchase price of such Residential Apartment may be used by the Developer to pay costs of the construction of the Project in strict accordance with (i) the Escrow Agreement, (ii) the requirements of the Act, and any other applicable laws and ordinances.

(e) Except as set forth in (d) above, disbursements from the Escrow Account shall be made as soon as the individual condominium conveyance documents have been recorded and Escrow has received satisfactory evidence that all mechanics' and materialmen's liens have been cleared (by title insurance or otherwise) or sufficient funds are available to cover claims if liens are filed and construction on the relevant Unit(s) of the Project has been completed.

4. Return of Funds and Documents. Paragraph 4 of the Escrow Agreement provides that Purchaser shall be entitled to a return of funds and Escrow shall pay such funds to such purchaser, without interest, if any 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 an effective date for a Final Public Report, the purchaser has exercised his right to cancel the contract pursuant to Section 514A-62 of the Act; or

(d) A purchaser has exercised his right to rescind the contract pursuant to Section 514A-63 of the Act; or

(e) It is determined that a Unit purchaser has the right to void the sales contract pursuant to Section 514A-69 of the Act, and the purchaser has elected to do so.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c), (d) or (e) 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 \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater, but not greater than that which is permitted under the Act) 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) If the purchaser indicated the purchaser's intention to be an owner-occupant of a Unit under Part VI of the Act by signing a document entitled "Affidavit of Intent to Purchase and Reside in an Owner-Occupant Designated Condominium Residential Unit," and if the purchaser and the Developer so request in writing, Escrow will refund the purchaser's deposits upon the occurrence of one or more of the following events:

(i) No sales contract has been offered to the purchaser (A) within six (6) months of the issuance of an effective date for the Project's first condominium public report (if the "chronological system" defined in section 514A-101 of the Act has been used to establish a final reservation list), or (B) within six (6) months of the public lottery (if the "lottery system" described in section 514A-101 of the Act has been used to establish a final reservation list). In this case only, no cancellation fees will be subtracted from the refund; or

(ii) Before signing a sales contract, the purchaser requests that his name be removed from the Developer's final reservation list; or

(iii) The purchaser chooses not to sign a sales contract; or

(iv) The purchaser is unable to obtain a loan (or a commitment for a loan) for sufficient funds to purchase the Unit by the time the sales contract allows the purchaser to obtain a loan or a commitment for a loan, and either the purchaser or the Developer chooses to cancel the sales contract. The sales contract requires that the purchaser shall have at least sixty (60) calendar days from the day the Developer gives notice to Purchaser to obtain a loan or a commitment for a loan; or

(v) The purchaser is required by the Act to rescind the sales contract because the purchaser will not or cannot reaffirm at the time of purchaser's execution of a receipt for a Final Public Report the purchaser's intention to be an owner-occupant of the Unit. In this case, at Seller's request, the purchaser shall be required to terminate the sales contract. Upon such termination, the Developer may elect to retain (and Escrow will disburse to Developer) what remains (if anything) of purchaser's deposits.

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

6. Purchaser's Default. Developer shall give notice in writing to Escrow of the occurrence of each event which initiates an obligation of a purchaser to make a payment to Escrow pursuant to the sales contract as well as notice of the amount and due date of such payment. Escrow shall thereupon promptly give the purchaser notice of the amount and due date of such payment. If the purchaser fails to make such payment to Escrow on or before the due date thereof or if the purchaser fails to perform in any matter which is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of the purchaser. If Developer subsequently certifies in writing to Escrow that Developer has terminated the sales contract due to any default by such Unit purchaser in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the purchaser, Escrow shall thereafter treat all funds of the purchaser paid on account of such purchaser's sales contract as funds of Developer and not as funds of the purchaser. Thereafter, such funds shall be free of the escrow established by this Agreement and shall be held by Escrow for the account of Developer. Upon written request by Developer, Escrow shall pay such sums to Developer, less any escrow cancellation fee, shall return to Developer the sales contract of such purchaser and any other documents theretofore delivered by Developer to Escrow, and shall return other documents theretofore delivered to Escrow in connection with the purchase of the unit to the person from whom, or entity from which, such documents were received; and, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such purchaser.

FINAL PUBLIC REPORT  
HONUAKAHA

EXHIBIT "L"

DISCLOSURE ABSTRACT

1. (A) PROJECT: HONUAKAHA  
545 Queen Street  
Honolulu, Hawaii 96813
- (B) DEVELOPER: Hawaii Community Development Authority  
-AND-  
Honuakaha Limited Partnership  
  
677 Ala Moana Blvd., Suite 1001  
Honolulu, Hawaii 96813  
Telephone: (808) 587-2870
- (C) MANAGING AGENT: Hawaii Community Development Authority
2. Breakdown of annual maintenance fees and monthly estimate costs for each Apartment are shown on Exhibit "1" attached hereto (revised and updated every twelve (12) months and certified to have been based on generally accepted accounting principles).
3. DESCRIPTION OF ALL WARRANTIES COVERING THE UNITS AND COMMON ELEMENTS.  
  
Developer warrants the materials and workmanship of the Apartment against defects for a period of one (1) year from the Closing Date or the date of occupancy (whichever first occurs); provided, however, that said warranty shall in no event be for a period of less than one (1) year from the date of completion of the Apartment.  
  
The Developer will attempt to assign to buyers the unexpired term, of any, of any manufacturer's or dealer's warranties covering any fixtures or appliances in the apartment. By such assignment, the Developer will be merely passing through to buyers any such manufacturer's or dealer's warranties, and the Developer will not be adopting any such warranties or acting as co-warrantor. Purchaser acknowledges and agrees that THE DEVELOPER IS NOT ADOPTING ANY SUCH CONTRACTOR'S, MANUFACTURER'S OR DEALER'S WARRANTIES, OR ACTING AS CO-WARRANTOR, BUT IS MERELY ATTEMPTING TO PASS THROUGH TO PURCHASER THE BENEFIT OF ANY SUCH WARRANTIES.
4. USE OF UNITS. The Honuakaha Condominium Project will consist of Ninety-Six (96) Apartments, of which ninety-three (93) are Residential Affordable Apartments, one (1)



Commercial/Retail Apartment and One (1) Elderly Housing Apartment, all located in the Residential Building. The Honuakaha Condominium Project will also consist of a Brewery Building.

Residential Affordable Apartments and Elderly Housing Apartment. The Residential Affordable Apartments and the Elderly Housing Apartment may be used only as for residential and accessory purposes.

Commercial/Retail Apartment. The Commercial/Retail Apartment may be used (a) for commercial and retail (including without limitation food and beverage sales and service) and accessory purposes, and (b) for other purposes as permitted under applicable law and approved by the Fee Owner in its reasonable discretion.

Brewery Building Apartment. The Brewery Building Apartment may be used for (a) office, commercial and retail and accessory purposes, including without limitation as a community center to provide community services, and (b) for such other purposes as may be permitted under applicable law and approved by the Fee Owner in its reasonable discretion.

There are restrictions on usage and transfer of the residential affordable apartments during the first ten (10) years of ownership. Refer to Page 20 and Exhibit "K" of this Public Report and the Reservation and Sales Agreement.

FINAL PUBLIC REPORT

HONUAKAHA

ESTIMATED OPERATING EXPENSES

For Period March 1, 1995 to February 29, 1996  
As Prepared by Developer

Estimated Annual Expenses and Estimated Monthly Common Expenses

SEE ATTACHED EXHIBIT "1"

The Developer certifies that the maintenance fees and costs as estimated by the Developer are based on generally accepted accounting principles.

HAWAII COMMUNITY DEVELOPMENT AUTHORITY

By Michael K. Sharfone  
Its Executive Director

HONUAKAHA LIMITED PARTNERSHIP

By Hawaii Community Development Authority  
Its General Partner

By Michael K. Sharfone  
Its Executive Director

# Honuakaha — Final Public Report

## Exhibit 1 Estimated Monthly Common Area Expenses

### And Estimated Monthly Residential Building Limited Common Expenses

UNIT #	Common Area Interest	Common Area Expenses	Res. Building Common Area Interest	Res. Building Common Area Expenses	Total Expenses
Residential Affordable Apartments					
LEVEL 2					
222	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
224	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
226	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
228	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
230	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
232	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
233	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
234	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
235	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
236	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
237	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
238	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
239	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
240	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
241	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
242	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
243	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
LEVEL 3					
322	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
324	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
326	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
328	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
330	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
332	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
333	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
334	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
335	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
336	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
337	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
338	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
339	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
340	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
341	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
342	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
343	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
LEVEL 4					
422	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
424	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
426	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
428	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
430	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
432	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
433	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
434	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
435	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
436	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
437	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
438	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
439	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
440	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
441	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
442	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
443	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69

UNIT #	Common Area Interest	Common Area Expenses	Res. Building Common Area Interest	Res. Building Common Area Expenses	Total Expenses
LEVEL 5					
522	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
524	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
526	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
528	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
530	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
532	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
533	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
534	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
535	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
536	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
537	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
538	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
539	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
540	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
541	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
542	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
543	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
LEVEL 6					
622	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
624	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
626	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
628	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
630	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
632	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
633	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
634	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
635	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
636	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
637	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
638	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
639	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
640	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
641	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
642	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
643	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
644	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
645	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
646	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
647	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
648	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
649	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
650	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
651	0.4589%	\$47.01	0.5207%	\$143.67	\$190.69
	42.6777%	\$4,372.33	48.4251%	\$13,361.45	\$17,733.78
Commercial/Retail					
	1.1500%	\$117.82	1.3048%	\$360.02	\$477.84
Elderly Housing					
	44.3100%	\$4,539.56	50.2701%	\$13,870.53	\$18,410.09
Brewery Building (1)					
	11.8623%	\$1,215.29	0.0000%	\$0.00	\$1,215.29
	100.0000%	\$10,245.00	100.0000%	\$27,592.00	\$37,837.00

(1) Brewery Building Apartment also has estimated limited common area monthly expenses of \$2,310.

EXHIBIT "1"

HONUAKAHA  
PROPOSED ANNUAL OPERATING BUDGET

DISBURSEMENTS

DESCRIPTION	TOTAL EXPENSES		COMMON EXPENSES		RESIDENTIAL BLDG APTS		BREWERY BLDG APT	
UTILITIES	PER MO	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL
CATV	\$150	\$1,800			\$150	\$1,800		
ELECTRICITY	\$3,500	\$42,000	\$200	\$2,400	\$3,133	\$37,600	\$167	\$2,000
TELEPHONE	\$425	\$5,100	\$100	\$1,200	\$275	\$3,300	\$50	\$600
WATER/SEWER	\$7,200	\$86,400	\$125	\$1,500	\$7,000	\$84,000	\$75	\$900
<b>TOTAL UTILITIES:</b>	<b>\$11,275</b>	<b>\$135,300</b>	<b>\$425</b>	<b>\$5,100</b>	<b>\$10,558</b>	<b>\$126,700</b>	<b>\$292</b>	<b>\$3,500</b>
DESCRIPTION	TOTAL EXPENSES		COMMON EXPENSES		RESIDENTIAL BLDG APTS		BREWERY BLDG APT	
BUILDING MAINTENANCE	PER MO	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL
CLEANING SUPPLIES	\$150	\$1,800	\$13	\$154	\$131	\$1,566	\$7	\$80
ELEVATOR MAINTENANCE	\$1,400	\$16,800			\$1,125	\$13,500	\$275	\$3,300
FIRE SYSTEMS	\$25	\$300			\$22	\$264	\$3	\$36
GROUND MAINTENANCE	\$750	\$9,000	\$100	\$1,200	\$650	\$7,800		
JANITORIAL SERVICE	\$1,000	\$12,000	\$130	\$1,563	\$795	\$9,537	\$75	\$900
MISC. PURCHASES	\$200	\$2,400	\$200	\$2,400				
PEST CONTROL	\$250	\$3,000			\$225	\$2,695	\$25	\$305
REFUSE SERVICE	\$800	\$9,600			\$700	\$8,400	\$100	\$1,200
SUPPLIES/PAINTING	\$200	\$2,400	\$200	\$2,400				
SUPPLIES/ELECTRICAL & LIGHTING	\$200	\$2,400	\$200	\$2,400				
SUPPLIES/BUILDING	\$200	\$2,400			\$167	\$2,000	\$33	\$400
<b>TOTAL BUILDING MAINTENANCE:</b>	<b>\$5,175</b>	<b>\$62,100</b>	<b>\$843</b>	<b>\$10,117</b>	<b>\$3,814</b>	<b>\$45,762</b>	<b>\$518</b>	<b>\$6,221</b>
DESCRIPTION	TOTAL EXPENSES		COMMON EXPENSES		RESIDENTIAL BLDG APTS		BREWERY BLDG APT	
ADMINISTRATIVE COSTS	PER MO	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL
AUTO ALLOWANCE	\$30	\$360	\$30	\$360				
OFFICE SUPPLIES	\$50	\$600	\$50	\$600				
PETTY CASH REIMBURSEMENT	\$100	\$1,200	\$100	\$1,200				
<b>TOTAL ADMINISTRATIVE COSTS:</b>	<b>\$180</b>	<b>\$2,160</b>	<b>\$180</b>	<b>\$2,160</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
DESCRIPTION	TOTAL EXPENSES		COMMON EXPENSES		RESIDENTIAL BLDG APTS		BREWERY BLDG APT	
PROFESSIONAL SERVICES	PER MO	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL
AUDIT/TAX FEES	\$500	\$6,000	\$500	\$6,000				
LEGAL FEES	\$125	\$1,500	\$125	\$1,500				
PROPERTY MANAGEMENT FEES	\$3,250	\$39,000	\$3,250	\$39,000				
<b>TOTAL PROFESSIONAL SERVICES:</b>	<b>\$3,875</b>	<b>\$46,500</b>	<b>\$3,875</b>	<b>\$46,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
DESCRIPTION	TOTAL EXPENSES		COMMON EXPENSES		RESIDENTIAL BLDG APTS		BREWERY BLDG APT	
PAYROLL/EMPLOYEE BENEFITS	PER MO	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL
PAYROLL SERVICE	\$24	\$288	\$24	\$288				
PAYROLL TAXES	\$324	\$3,888	\$324	\$3,888				
PAYROLL/MANAGER	\$1,800	\$21,600	\$1,800	\$21,600				
PAYROLL/SECRETARY	\$1,400	\$16,800	\$1,400	\$16,800				
Temporary Disability Insurance (TDI)	\$12	\$144	\$12	\$144				
INSURANCE/Medical & Dental	\$300	\$3,600	\$300	\$3,600				
WORKERS COMP	\$20	\$240	\$20	\$240				
<b>TOTAL PAYROLL/BENEFITS:</b>	<b>\$3,880</b>	<b>\$46,560</b>	<b>\$3,880</b>	<b>\$46,560</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
DESCRIPTION	TOTAL EXPENSES		COMMON EXPENSES		RESIDENTIAL BLDG APTS		BREWERY BLDG APT	
INSURANCE	PER MO	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL
INSURANCE/Bonding	\$42	\$500	\$42	\$500				
INSURANCE/Fire & Commercial	\$1,000	\$12,000	\$1,000	\$12,000				
<b>TOTAL INSURANCE:</b>	<b>\$1,042</b>	<b>\$12,500</b>	<b>\$1,042</b>	<b>\$12,500</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
DESCRIPTION	TOTAL EXPENSES		COMMON EXPENSES		RESIDENTIAL BLDG APTS		BREWERY BLDG APT	
OTHER PROJECT EXPENSES	PER MO	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL	PER MO.	ANNUAL
RECYCLING EXPENSE	\$120	\$1,440			\$120	\$1,440		
RESERVE FOR REPLACEMENT	\$14,600	\$175,200			\$13,100	\$157,200	\$1,500	\$18,000
<b>TOTAL OTHER PROJ EXPENSES:</b>	<b>\$14,720</b>	<b>\$176,640</b>	<b>\$0</b>	<b>\$0</b>	<b>\$13,220</b>	<b>\$158,640</b>	<b>\$1,500</b>	<b>\$18,000</b>
<b>TOTAL EXPENSES:</b>	<b>\$40,147</b>	<b>\$481,760</b>	<b>\$10,245</b>	<b>\$122,937</b>	<b>\$27,592</b>	<b>\$331,102</b>	<b>\$2,310</b>	<b>\$27,721</b>