

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer KAIOLU PROPERTIES, LLC

Address 1188 Bishop Street, Suite 1209, Honolulu, Hawaii 96813

Project Name(*): KAIOLU SUNRISE

Address 430 Kaiolu Street, Honolulu, Hawaii 96815

Registration No. 5326 (conversion)

Effective date: April 13, 2004

Expiration date: May 13, 2005

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

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

SUPPLEMENTARY: This report updates information contained in the:
(pink)
 Preliminary Public Report dated: _____
 Final Public Report dated: _____
 Supplementary Public Report dated: _____

And

Supersedes all prior public reports
 Must be read together with _____
 This report reactivates the _____
public report(s) which expire on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosure covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

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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. The 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 of the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: KAIOLU PROPERTIES, LLC Phone: (808) 847-1180
Name
1188 Bishop Street, Suite 1209
Business Address
Honolulu, Hawaii 96813

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary)

Yoshie Feaster, Trustee, is the Manager

Real Estate Broker: Coldwell Banker Pacific Properties, Ltd. Phone: (808) 596-0456
Name (Business)
1314 S. King Street, 2nd Floor
Business Address
Honolulu, Hawaii 96814

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0269
Name (Cheryl Fontes)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor: Not Applicable Phone: _____
Name (Business)

Business Address

Condominium Managing Agent: Hawaiiana Management Company, Ltd. Phone: (808) 593-9100
Name (Business)
711 Kapiolani Boulevard, Suite 700
Business Address
Honolulu, Hawaii 96813

Attorney for Developer: Michael H. Sakai, Esq. Phone: (808) 531-4171
Name (Business)
201 Merchant Street, Suite 902
Business Address
Honolulu, Hawaii 96813-2977

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

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 1812951

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

Restatement of the Declaration of Condominium Property Regime dated February 20, 2004, filed in said Office, as Document No. 3077393.
First Amendment to Restatement of the Declaration dated March 22, 2004, filed in said Office, as Document No. 3087794.

- 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. _____
 Filed - Land Court Condo Map No. 837

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

Restatement of the Declaration of Condominium Property Regime dated February 20, 2004, filed in said Office, as Document No. 3077393.

- 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 manners which affect how the condominium project will be governed.

The Bylaws for this condominium re:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
 Filed - Land Court: Document No. 1812952

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

Restatement of the Bylaws of the Association of Apartment Owners of Kaiolu Sunrise dated February 20, 2004, filed in said Office as Document No. 3077394.

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

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

*The percentage 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:

A summary of the reserved rights are as follows (references are to paragraphs in the Declaration):

Par. 6.0(d). The Developer reserved the right to use apartments and parking stalls that it owns for sales and marketing operations.

Par. 18.0. The Developer reserved the right to file an amendment as provided by Section 514A-12, Hawaii Revised Statutes.

Par. 25.0. The Developer reserved the right to make certain changes and/or improvements to the Project. See Exhibit "B" attached hereto which contains excerpts of some of the Developers Reserved Rights.

The Developer also reserved the right to amend the Declaration under certain circumstances as described in Section 14 of the Deposit Receipt and Sales Contract.

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Automatically Annually

Exhibit ____ contains a schedule of the lease rent for each apartment per Month Year

For Subleaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 - Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.
- Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s) _____

Lease Rent Payable: Monthly Quarterly
 Semi-Automatically 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 period 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 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: 430 Kaiolu Street, Honolulu, Hawaii 96815
Tax Map Key (TMK): (1) 2-6-017-060

Address TMK is expected to change because _____

Land Area: 16,124 [X] square feet acre(s) [X] Zoning: A-1

Fee Owner: KAIOLU PROPERTIES, LLC
1188 Bishop Street, Suite 1209, Honolulu, Hawaii 96813

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 1 Floors Per Building 11 story
 Exhibit _____ contains further explanations.
3. **Principal Construction Material:**
 Concrete Hollow Tile Wood
 Other Allied building materials
4. **Permitted Uses by Zoning:**

	<u>No of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>89</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other:	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

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

Pets: Pets are permitted with Board approval (see House Rules, Par. 2.P)

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>A</u>	<u>9</u>	<u>2/1</u>	<u>798</u>	<u>93</u>	<u>lanai</u>
<u>B</u>	<u>10</u>	<u>1/1</u>	<u>634</u>	<u>103</u>	<u>lanai</u>
<u>C</u>	<u>40</u>	<u>1/1</u>	<u>627</u>	<u>105</u>	<u>lanai</u>
<u>D</u>	<u>20</u>	<u>1/1</u>	<u>625</u>	<u>105</u>	<u>lanai</u>
<u>E</u>	<u>9</u>	<u>1/1</u>	<u>649</u>	<u>105</u>	<u>lanai</u>
<u>F</u>	<u>1</u>	<u>2/2</u>	<u>1616 w/trash chute</u>	<u>317</u>	<u>lanais</u>
			<u>1575 w/o trash chute</u>		

Total Apartments: 89

***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: (from Par. 4.2 of Declaration of Condominium Property Regime)

Limits of Apartments: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the undecorated or unfinished surfaces of each lanai including the railing, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines running through an apartment which are utilized for or serve more than one apartment, the same being deemed common elements. Each apartment shall be deemed to include all the walls, windows, doors (including all hardware) and partitions which are not loadbearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and all fixtures originally installed therein.

Permitted Alterations to Apartments:

Each unit owner may alter the interior of an apartment, but subject to certain restrictions, as provided in paragraph 20 of the Declaration of Condominium Property Regime.

Apartments Designated for Owner-Occupant Only:

Fifty percent (50%) of **residential** apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has elected to provide the information in a published announcement

or advertisement.

7. Parking Stalls:

Total Parking Stalls: 57

	<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 (total) (for each unit)	<u>28</u>	<u> </u>	<u>29</u>	<u> </u>	<u> </u>	<u> </u>	<u>57</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
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:	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open	<u>28</u>	<u> </u>	<u>29</u>	<u> </u>	<u>0</u>	<u> </u>	<u>57</u>

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

*Not all apartments have an assignment parking stall. See Exhibit "C" for additional information.

Commercial parking garage permitted in condominium project.

Exhibit A contain additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

There are no recreational facilities

Swimming pool Storage Area Recreation Area

Laundry Area* Tennis Court Trash Chute/Enclosure(s)*

Other: _____

*Developer may install laundry rooms on each floor and may install a trash chute.

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

See Exhibit "G" for further information.

1. 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 C .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit C.

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:

described in Exhibit C.

as follows:

The common interest was determined by dividing a units living area by the total of a living areas with some rounding to make the total add up to 100%.

- 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 D describes the encumbrances against the title contained in the title report dated January 12, 2004 issued by Title Guaranty of Hawaii, Inc.

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 specific sums so that individual apartments can be conveyed to buyers free and clear of the lien.

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

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

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	If the Developer defaults under the Mortgage, the lender may foreclose on the Project. If a foreclosure occurs, all deposits will be refunded to the prospective purchaser, less escrow cancellation fee.

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:

None. There are no warranties, express or implied. See Exhibit "E" for further information.

2. Appliances:

None. There are no warranties, express or implied. However, Developer will assign new manufactures warranty for the new appliances, if any, that are with the apartment.

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

The Building was completed around 1963.

Developer purchased the property in October, 2002 and since that time under took this conversion. Developer had nothing to do with the original construction of the buildings and the operation of the Project prior to October, 2002.

H. **Project Phases:**

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

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

IV. CONDOMINIUM MANAGEMENT

A. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

not affiliated with the Developer the Developer or the Developer's affiliate.
 self-managed by the Association of Apartment Owners other _____

B. **Estimate of Initial Maintenance Fees:**

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

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

Exhibit H contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change)

See Page 20

C. **Utility Charges for Apartments:**

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

None Electricity (Common Elements only Common Elements & Apartments)

Gas (Common Elements only Common Elements & Apartments)

Water Sewer Television Cable

Other trash pick-up; pest control

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

Specimen Sales Contract

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

Escrow Agreement dated March 1, 2004.

Exhibit F 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 cancellation fee up to \$250.00.

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

Final Report or Supplementary Report to a Final Report: Sales made by a 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 as superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;

AND

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

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

C) One of the following has occurred:

1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or

2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or

3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

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

B) The buyer has not waived the right to rescind.

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

2. Rights Under the Sales Contract: Before signing 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 Report 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, if any.
 - E) Condominium Map
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (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 or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
Website to access unofficial copy of law: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is part of Registration No. 5326 filed with the Real Estate Commission on March 9, 2004.

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

yellow paper stock white paper stock pink paper stock

C. **Additional Information Not Covered Above**

RESERVES. Developer discloses that a reserve study was done by Hawaiiana Management Company, Ltd., in accordance with Section 514A-83.6, Hawaii Revised Statutes, and replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended. See Exhibit "H" for further details. The figures are only estimates which means that more reserves may be required which is dependent on when a replacement is needed and the cost of the replacement. The monthly maintenance fees could increase if more reserves are needed or operating cost are higher than presently estimated. Reserve figures are also influenced by maintenance, repair, and upkeep of the Project. Developer makes no representation or warranty as to the accuracy of such estimates.

KITCHEN & BATH RENOVATIONS. The Developer intends to renovate the kitchen and bathroom of each apartment. If a purchaser is purchasing a renovated apartment, the closing will not occur until after the renovation is completed. The Developer has the right to choose the type of materials, fixtures and appliances for each apartment.

NO WARRANTIES OR REPRESENTATIONS. The Developer is not making any representation or warranty about the apartment, its furnishing and appliances, any electrical, plumbing or mechanical component of the apartment, and the Project. See Exhibit "D" for further information. A purchaser must conduct his or her own inspection of the apartment, its appliances, and all other features of the apartment and the Project. THE DEVELOPER IS NOT OBLIGATED TO MAKE ANY REPAIRS TO ANY PART OF THE APARTMENT OR PROJECT.

MODEL UNITS. The model unit in the Project is merely to show a purchaser how an apartment could be decorated. Each apartment has different features and/or appliances.

ASBESTOS, LEAD BASED PAINT, ENVIRONMENTAL STUDY. Lead based paint and asbestos maybe present in the apartment and Project. See Exhibit "E" attached hereto which includes copies of Addendum "B" and "C" and additional information on each of the foregoing. Each purchaser is advised to review each of the foregoing items as the Developer is not required to remove or abate any asbestos, lead based paint, or any other hazardous materials present in an apartment or the Project.

COMMENCEMENT OF MAINTENANCE FEES. The Developer intends that each purchase of an apartment in the Project commence paying monthly maintenance fees upon closing. However, the Developer reserves the right to assume all actual common expenses of the Project in lieu of paying the Developer's respective share of the budgeted common expenses. If the Developer will assume the common expenses, each purchaser will be notified of this fact at the closing of his or her purchase. Developer will then pay for all such expenses until the date specified in a disclosure abstract filed by the Developer with the Real Estate Commission, State of Hawaii (which date shall be no less than 30 days from the date of filing), which disclosure abstract shall provide that after such specified date each owner of an apartment in the Project shall be obligated to pay for such owner's respective share of common expenses allocated to its respective apartment. A copy of the foregoing disclosure abstract shall be delivered or given to each of the apartment owners show maintenance expenses were assumed by the Developer. Purchasers will be responsible for real property taxes and any separately metered or charge utilities for, such as cable television and phone services for from the closing date.

ENGINEERING REPORTS. An undated Inspection Report prepared by Lyon & Associate is attached hereto as Exhibit "G." Certain remedial work may have been done by the Developer; however because the apartment is being sold in "as is - where is" condition, each purchaser should conduct his or her own inspection and where appropriate, hire its own consultants and experts.

ELECTRIC SUB-STATION. A property adjacent to the Project is owned by Hawaiian Electric Co., Inc. ("HEI"). There is an electric sub-station on that property. A sub-station may emit and/or cause electric and magnetic fields ("EMFs"). EMFs are invisible fields of force created by electric voltage (electric fields) and by electric current (magnetic fields). Whenever there is a flow of electricity both electric and magnetic fields are present. A prospective purchaser is advised to consult HEI or other applicable governmental agencies to determine whether there are any known health hazards or other risks associated with this particular facility and the level of EMFs that may be emitted from such facility. The Developer does not make any statement about whether or not exposure to EMFs emanating from the facility is a health hazard. Each purchaser will have to make his or her own assessment and evaluate any potential health risk.

- D. The developer declares subject to the penalties set forth in section 154A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A- 1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

KIAIOLU SUNRISE, LLC, a Hawaii limited liability company

Printed Name of Developer



YOSHIE FEASTER, Trustee of the Yoshie Feaster
Revocable Living Trust dated October 20, 1989
Its Manager

March 01, 2004

Date

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu

*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.

EXHIBIT "A"

Description of Apartments

The apartments in the Project consist of six types of apartments each of which are separately designated and described freehold estates as follows:

a. Type A. Type A apartments consist of two bedrooms, one bathroom, a kitchen, and a living area. The net living area consists of approximately 798 square feet. The appurtenant limited common element lanai consists of approximately 93 square feet. There are 9 Type A apartments.

b. Type B. Type B apartments consist of one bedroom, one bathroom, a kitchen, and a living area. The net living area consists of approximately 634 square feet. The appurtenant limited common element lanai consists of approximately 103 square feet. There are 10 Type B apartments.

c. Type C. Type C apartments consist of one bedroom, one bathroom, a kitchen, and a living area. The net living area consists of approximately 627 square feet. The appurtenant limited common element lanai consists of approximately 105 square feet. There are 40 Type C apartments.

d. Type D. Type D apartments consist of one bedroom, one bathroom, a kitchen, and a living area. The net living area consists of approximately 625 square feet. The appurtenant limited common element lanai consists of approximately 105 square feet. There are 20 Type D apartments.

e. Type E. Type E apartments consist of one bedroom, one bathroom, a kitchen, and a living area. The net living area consists of approximately 649 square feet. The appurtenant limited common element lanai consists of approximately 105 square feet. There are 9 Type E apartments.

f. Type F. Type F apartment consists of two bedrooms, two bathrooms, a kitchen, and a living area. The net living area consists of approximately 1,575 square feet. If the trash chute is not installed, the net living area of this apartment will be 1,616 square feet, however, this will not change its common interest. The appurtenant limited common element lanais consist of approximately 317 square feet. There is only one Type F apartment.

g. Floor Area. The floor area of an apartment is the net living area and is measured from the interior surface of the apartment's perimeter walls.

h. Partition Wall. The Developer reserved the right to have or install sliding doors between the bedroom and living room of each apartment rather than a solid wall. Sliding doors would permit the bedroom to be opened up with the living area.

Section 25.0 of the Declaration of Condominium Property Regime contains the Developer's reserved rights.

i. Conversion of Type F Apartment. The Developer reserved the right to cause the Type F apartment to be converted into two apartments and to alter its living area by the installation of a trash chute. The conversion would require causing an additional kitchen to be installed in this apartment so that after the conversion each apartment would be a one bedroom/one bathroom apartment with kitchen and living area. The conversion may add to the present common element corridor or hallway. The total common interest appurtenant to the converted units shall be equal to the common interest for the Type F apartment. Developer shall, upon such conversion, cause an amendment to be made to the Declaration of Condominium Property Regime and the Condominium Map to reflect the conversion, as built. The Developer would be responsible for all cost and expenses associated with such conversion. Section 25.0 of the Declaration of Condominium Property Regime contains the Developer's reserved rights.

EXHIBIT "B"

Developer's Reserved Rights

The Developer shall have the right to execute, acknowledge, process and record any and all instruments necessary or appropriate for the purposes of carrying out the provisions and exercising the rights, powers and privileges granted by Section 25.0 of the Declaration of Condominium Property Regime, and the provisions of Sections 4.0h, i, 4.5f and 4.6c (collectively the "Reserved Rights"), all as the true and lawful attorney-in-fact of the respective owners of apartments in this Project. The grant of the power of attorney is coupled with an interest and shall be irrevocable. If not previously exercised, the Reserved Rights shall terminate on December 31, 2014. The Developer shall not be required to obtain the consent or joinder of any person, including the Association, any apartment owner, or any mortgagee. The Reserved Rights include making an amendment to this Declaration, Bylaws of the Association, and Condominium Map that may be necessary or desirable to correct any typographical error, to comply with any request of an institutional lender for the Project, or title insurer, or to otherwise comply with the requirements of Chapter 514A, Hawaii Revised Statutes, any Building Code, or Zoning Ordinance.

In exercising the foregoing Reserved Rights, the Developer may at any time file and process to final approval an application for building permits, grant easements, execute and file instruments and documents, record amendments, deeds, or other instruments necessary or appropriate to carry out any of the foregoing.

Each and every owner acquiring an interest in an apartment in the Project consents to the Reserved Rights contained in Section 25.0 of the Declaration of Condominium Property Regime and the amendments to the Declaration of Condominium Property Regime and the Condominium Map and the filing thereof.

EXHIBIT "C"

Common Elements

- a. The land described herein in fee simple.
- b. The foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and loadbearing walls of each apartment, roof, elevator, stairs, stairways, rails, office, storage room, laundry room and facilities, (if any) trash chute and trash room (if any), walkways around and between the buildings, the swimming pool, pavilion and recreation area, and storage room.
- c. Except as may otherwise be specifically provided for herein, all yards, landscaping, planters, driveways, any open parking stalls which are not appurtenant or assigned to an apartment, and the trash enclosure and like facilities.
- d. All pipes, wires, conduits or other utility or service lines running through one apartment which are utilized for or serve more than one apartment, all fire safety and sprinkler systems (including the portion which extends into each apartment) and any other central and appurtenant installations for utility services used or necessary to the existence, maintenance and safety of the Project.
- e. Any and all other structures, apparatus and installations of common use, and all other parts of the Project necessary or convenient to the existence, maintenance and safety of the Project, or normally in common use.
- f. Laundry Room and Trash Chute. Developer reserved the right to convert the pavilion on the ground level into a common laundry room rather than have a laundry room on each floor. Developer also reserved the right to not install a trash chute or trash room. If the trash chute is not installed, the trash disposal would be on the ground level in the refuse area delineated on the Condominium Map. Section 25.0 of the Declaration of Condominium Property Regime contains the Developer's reserved rights.

Limited Common Elements

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

- a. Lanais. The lanai immediately adjacent to each apartment in the Project shall be appurtenant to and for the exclusive use and enjoyment of the adjacent apartment as shown on the Condominium Map.

b. Mailboxes. The mailbox assigned to an apartment shall be limited to the use of such apartment. Each apartment shall at all times have at least one mailbox appurtenant to it.

c. Parking. Certain apartments in the Project shall have the use of a parking stall. Parking stall assignments are set forth in Exhibit "C-1" attached hereto and made a part hereof. Each such assigned parking stall is hereby designated as a limited common element appurtenant to and for the exclusive use of such apartment, as shown on the Condominium Map. Until an apartment is sold, the Developer reserved the right to redesignate or reassign a parking stall to another or different apartment. Developer also reserved the right to cause any un-assigned parking stall to be used for a different purpose such as a trash room.

d. Other. All common elements of the Project which are rationally related to less than all of the apartments shall be limited to the use of such apartment or apartments to which the same are related.

EXHIBIT "C-1"

Apartment Type; Common Interest and Parking Stall Assignments

<u>Apt. No.</u>	<u>Apt. Type</u>	<u>Common Int. %</u>	<u>Parking</u>
201	A	1.3637	15
202	E	1.1091	
203	C	1.0715	
204	B	1.0834	
205	C	1.0715	
206	C	1.0715	
207	C	1.0715	
208	D	1.0680	
209	D	1.0680	
301	A	1.3637	18
302	E	1.1091	
303	C	1.0715	
304	B	1.0834	
305	C	1.0715	
306	C	1.0715	
307	C	1.0715	
308	D	1.0680	
309	D	1.0680	
401	A	1.3637	17
402	E	1.1091	
403	C	1.0715	
404	B	1.0834	
405	C	1.0715	
406	C	1.0715	
407	C	1.0715	
408	D	1.0680	
409	D	1.0680	
501	A	1.3637	16
502	E	1.1091	
503	C	1.0715	
504	B	1.0834	
505	C	1.0715	
506	C	1.0715	
507	C	1.0715	
508	D	1.0680	
509	D	1.0680	
601	A	1.3637	10
602	E	1.1091	11
603	C	1.0715	12
604	B	1.0834	13
605	C	1.0715	14
606	C	1.0715	2
607	C	1.0715	1
608	D	1.0680	20
609	D	1.0680	
701	A	1.3637	30
702	E	1.1091	19
703	C	1.0715	3

704	B	1.0834	4
705	C	1.0715	5
706	C	1.0715	6
707	C	1.0715	7
708	D	1.0680	8
709	D	1.0680	9
801	A	1.3637	31
802	E	1.1091	32
803	C	1.0715	28
804	B	1.0834	27
805	C	1.0715	25
806	C	1.0715	24
807	C	1.0715	23
808	D	1.0680	22
809	D	1.0680	21
901	A	1.3637	47
902	E	1.1091	48
903	C	1.0715	49
904	B	1.0834	50
905	C	1.0715	37
906	C	1.0715	36
907	C	1.0715	35
908	D	1.0680	34
909	D	1.0680	33
1001	A	1.3637	38
1002	E	1.1091	39
1003	C	1.0715	40
1004	B	1.0834	41
1005	C	1.0715	42
1006	C	1.0715	43
1007	C	1.0715	44
1008	D	1.0680	45
1009	D	1.0680	46
1101	F	2.6908	58/59
1103	C	1.0715	60
1104	B	1.0834	56
1105	C	1.0715	55
1106	C	1.0715	54
1107	C	1.0715	53
1108	D	1.0680	52
1109	D	<u>1.0680</u>	51
	Total:	100.0000 %	

The Condominium Map shows which stalls are compact or regular stalls.

Stall Nos. 26, 29 and 57 are set aside for access or such other uses that may be designated, such as a trash room for stall no. 29

The allocation of common interest is based upon an apartment's net living area, excluding any lanai, in comparison with the other apartments in the Project, with some rounding in order to bring the total to 100%. In this instance, the common interest of apartment 1101 was changed from 2.6914% to 2.6908% in order to bring the total to 100.0000%. The 2.6908% will be the common interest of Apartment 1101 whether or not the trash chute is installed and its net living area changes.

EXHIBIT "D"

Encumbrances Against Title

1. For real property taxes due and owing your attention is directed to the Director of Finance, City and County of Honolulu.

2. AS TO PARCEL SECOND (Lots 34, 35 and 36):

(a) Designation of Easement "A" for public utilities purposes as shown on Map 1, Land Court Application No. 1293.

(b) Grant of Easement dated August 10, 1966, in favor of the City and County of Honolulu, granting an easement for sanitary sewer purposes over said Easement "A", filed in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 433587. Consent given by Tower Development Corporation by instrument dated October 12, 1966, filed in said Office, as Document No. 433590.

(c) The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Agreement dated March 13, 1940, in re: poles and wire lines and underground conduit lines, recorded in the Bureau of Conveyances, State of Hawaii, in Book 1568, Page 377.

3. Any existing setback for street widening purposes established by the City and County of Honolulu, State of Hawaii, along the street frontage of the land described herein, as set forth in Deed dated June 23, 1980, filed in said Office, as Document No. 1018023.

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Condominium Property Regime for "Jano Arms" Condominium Project dated April 15, 1991, filed in said Office, as Document No. 1812951. Condominium Map No. 837 and any amendments thereto.

Restatement of Declaration of Condominium Property Regime dated February 20, 2004, filed in said Office, as Document No. 3077393.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the By-Laws of the Association of Apartment Owners dated April 15, 1991, filed in said Office, as Document No. 1812952.

Restatement of Bylaws of the Association of Apartment Owners dated February 20, 2004, filed in said Office as Document No. 3077394.

6. Encroachments or any other matters as shown on survey map prepared by Lester T. Shimabukuro, Land Surveyor, with Towill Shigeoka & Associates, Inc., dated September 19, 2000 and September 11, 2002.

7. The rights of tenants, as tenants only, with no purchase options and no rights of first refusal, under unrecorded leases, for the terms and upon the terms, covenants, conditions and provisions contained therein.

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Consent to Encroachment dated September 16, 2002, filed in said Office, as Document No. 2847176.

9. Mortgage, Assignment of Rents, Security Agreement and Fixture Filing dated October 8, 2002, but effective October 16, 2002, in favor of Column Financial, Inc., a Delaware corporation, as collateral agent for the benefit of the holder or holders of the A Note and the B Note and their respective successors and assigns, filed in said Office, as Document No. 2852230.

Said above Mortgage, Assignment of Rents, Security Agreement, and Fixtures Filing was assigned in favor of Wells Fargo Bank Minnesota, N.A., as Trustee for the registered holders of Credit Suisse First Boston Mortgage Securities Corp., Commercial Mortgage Pass-Through Certificates, Series 2003CPN1, dated October 14, 2002, filed in said Office, as Document No. 3043318.

10. Assignment of Assignment of Leases and Rents dated October 8, 2002, but effective October 16, 2002, in favor of Column Financial, Inc., a Delaware corporation, as collateral agent for the benefit of the older or holders of the A Note and the B Note and their respective successors and assigns, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 2002-186470.

11. Financing Statement recorded in said Bureau, as Document No. 2002-186471.

Said Financing Statement was amended by Document recorded in said Bureau, as Document No. 2003-278922.

EXHIBIT "E"

Summary of Sales Contract

The Sales Contract (Deposit, Receipt Sales Contract) contains the purchase price, description and location of the apartment and other terms and conditions under which a Purchaser will agree to buy an apartment in the Project.

Among other things, the Sales Contract:

1. Provides a section for financing to be completed and agreed to by the parties which will set forth how Purchaser will pay the purchase price.

2. Identifies the escrow agent and states that purchaser's deposit will be held in escrow until the Sales Contract is closed or canceled.

3. Requires that Purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. Permits the Developer without the consent or approval of a purchaser to modify the Declaration, By-Laws Condominium Map or other documents provided that purchaser may cancel the Sales Contract and obtain a refund if such modification:

a. substantially and materially impairs the use and enjoyment of the apartment;

b. substantially and materially alters the arrangement of the rooms or usable space of an apartment or building;

c. renders unenforceable a purchasers' loan commitment;

d. increases the purchaser's share of common expenses or maintenance fees;

e. reduces the obligations of Developer of common expenses on unsold apartments.

5. Provides that the Developer is selling the apartments in "AS-IS WHERE-IS" condition. This means that the Developer is not making any warranties or representations with respect to the apartments and Project. Section 19 of the Sales Contract reads as follows:

"a. As Is - Where Is. Notwithstanding any other provision in this Agreement to the contrary, the Buyer agrees and acknowledges that the Seller is selling the Apartment in an "AS IS, WHERE IS" condition. All land, improvements and other real and personal property will be sold, conveyed, and assigned by the Seller to the Buyer "AS IS,

WHERE IS" without any warranty or representations, express or implied, as to condition or fitness for any purpose whatsoever. The Buyer agrees, acknowledges, and affirms to the Seller that the Buyer as had full opportunity to inspect the same, and accepts all land, improvements and other real and personal property in their "AS IS, WHERE IS" condition. Buyer understands that Buyer is responsible to protect his own interest and that he should conduct his own thorough inspections. The Seller will not be required to make any repairs or pay any expenses concerning the condition of the Apartment or any other improvement in the Project. Seller specifically, without limiting the foregoing, makes no warranties or representations with regard to the following:

(1) The condition, state of repair, operating order, safety, structural soundness, construction or habitability of any improvements on or under the land, Apartment and Project;

(2) The fitness of any improvements for any particular purpose;

(3) The compliance or regulation of the Apartment or Project or any improvements thereon with or under any building, environmental, archaeological, wetlands, endangered species, health, zoning, land use, subdivision, setback, or other applicable law, ordinance, rule or regulation;

(4) The compliance of any easement, right-of-way or driveway with any building, health, zoning, land use, subdivision, setback or other applicable law, ordinance, rule or regulation;

(5) The compaction, stability, composition, erosion or other condition of the soil for the buildings or any other purposes;

(6) The existence of any improvements on or under the Project which go over the boundary lines of any adjoining lands;

(7) The existence of any improvements on or under any adjoining lands which go over the boundary lines of the Project;

(8) Any matter concerning the mechanical and other installations for electricity, water, gas, plumbing, sewer, telephone, cable television or any other utility for the Apartment (if any);

(9) Any matter concerning the electrical, water, gas, plumbing, sewer, or any other utility systems (if any);

(10) Any matter concerning any drainage easement or drainage system (if any) on or for the Project or on any adjoining or other lands over which any such drainage easement or drainage system may go;

(11) Any staking or survey done by any person;

(12) The existence or non-existence of any hazardous materials such as lead based paint, asbestos, except as specifically disclosed in Addendum "B" and "C" attached to and made a part of this Agreement and the compliance of such materials with any applicable federal, state or local law;

(13) The compliance of the improvements with any Fair Housing and other laws, rules and regulations relating to accessibility; AND

(14) The existence or non-existence of any mold or mildew on or within the Apartment and whether the design or layout of an Apartment may or may not affect the growth or existence of such mold or mildew.

b. No Reliance by Buyer. Buyer is not relying on any representations or warranties (written, pictorial, oral, or otherwise) concerning the Apartment and Project and assumes all risks of the development or marketability of the Apartment and Project, the risk of changes in applicable laws, and the risk of obtaining any governmental approvals. Without limiting the foregoing, Buyer acknowledges that neither Seller nor any of Seller's employees, or Broker, or any of its salespersons have made any representation or warranty that the Apartment has good investment potential or will increase in value or can be successfully developed.

c. The Condominium Map Is Not A Warranty. The Condominium Map for the Project is intended to show only the layout, location, apartment numbers and dimensions of the apartments in the Project. BUYER AGREES THAT THE CONDOMINIUM MAP IS NOT INTENDED TO BE AND IS NOT A WARRANTY OR PROMISE OF ANY KIND BY SELLER OR BROKER. The living areas of the apartments and the lanais were based on information provided by design professionals hired by Seller. Buyer agrees that if it is discovered that the area of the Apartment, its lanai, and the dimensions of the parking stall are smaller or different in any manner from the Condominium Map that such differences shall not affect the Total Purchase Price. Buyer further acknowledges and agrees that his decision to purchase was not made or based on the living areas or the foregoing dimensions but rather, based on Buyer's inspection and viewing of the Apartment. Buyer has inspected and approves the design and location of the parking stall (if any). Seller did not develop or construct the Apartment or any of the buildings. Seller only purchased the Project in October, 2002.

d. Seller Makes No Promises or Warranty About the Amount of Monthly Maintenance Charges. Buyer has examined and approved the estimate of monthly

maintenance charges and assessments for the Apartment and the Project as shown in the Budget for the Project prepared by the Seller and/or Managing Agent. Seller, Broker, and Managing Agent make no promises or warranties about the accuracy of those amounts. Buyer understands that those amounts are only estimates and may change for a lot of reasons. Buyer accepts and approves any changes in such estimate made by Seller or the Managing Agent.

e. Seller Makes No Promises About Rentals. BUYER AGREES THAT NO ONE (INCLUDING THE SELLER, BROKER OR ANY SALESPERSON) HAS TALKED TO BUYER AT ALL ABOUT ANY RENTAL INCOME OR RENTAL OR SALES SERVICES FOR BUYER'S APARTMENT. IF BUYER WANTS TO RENT OR SELL THE APARTMENT, HOW BUYER DOES IT WILL BE UP TO BUYER, BUT SUBJECT TO ANY APPLICABLE OWNER-OCCUPANT RESTRICTIONS. BUYER ALSO AGREES THAT NO ONE HAS TALKED TO BUYER AT ALL ABOUT INCOME FROM THE APARTMENT OR ANY OTHER ECONOMIC BENEFIT TO BE DERIVED FROM THE PURCHASE OR OWNERSHIP OF THE APARTMENT OR ABOUT THE TAX EFFECTS OF BUYING THE APARTMENT.

f. Acceptance of Conditions; Release. Buyer hereby accepts all of the foregoing terms and conditions described in paragraphs a through e above as well as any loss or value, marketability, losses, expenses, damages, injury, sickness, inconvenience or annoyance which Buyer or any occupant may experience as a result of such conditions and hereby expressly waives any rights, claims or actions which he might otherwise have against Seller as a result of such circumstances (collectively the "Claims"). The Buyer, for himself, his heirs, personal representatives, successors, assigns, and any person using or occupying the Apartment, hereby fully, finally and forever, releases, and agrees to indemnify and hold harmless, Seller, Broker, Managing Agent, Seller's agents, and each of their respective employees, contractors, professionals, and its consultants, and each of their respective successors and assigns from and against any and all damages, liability, personal injury claims or illness, property damage claims, cost and expenses including reasonable attorney's fees, relating to any claim by the Buyer or any person using or occupying the Apartment arising directly or indirectly out of or from the Claims, including impairment of the use and enjoyment of the Apartment and loss of market value and hereby agrees to these provisions which shall also be contained in the Apartment Deed and Buyer shall further include these provisions in any subsequent conveyance of the Apartment. Buyer furthermore agrees that Buyer will not file suit or make any claim against Seller, Broker, Managing Agent, and any of their respective officers, directors, employees, agents, successors and assigns, on account of or resulting from the Claims or any inconvenience, disturbance, damages, claims, liability, and/or injury arising from or related to the conditions set forth in this Section 19. Buyer represents and warrants to Seller that Buyer, in Buyer's sole discretion, has determined that the benefits of owning and enjoying the Apartment outweighs the risks of any of the conditions described in paragraphs a through e above. The terms of this Section 19 shall survive the occupancy of the Apartment by Buyer and the delivery and recording of the Apartment Deed to Buyer."

6. If purchaser dies (any one of them) prior to closing, Developer has the right to return purchaser's funds, less any escrow cancellation fees and cost, and cancel the Sales Contract.

7. Provides that the closing cost shall be paid as follows:

a. By purchaser: title insurance, drafting of any note and mortgage, purchaser notary fees, recording fees, all escrow fees, and also a start fee for common expenses.

b. By Developer: drafting of apartment deed and Developer notary fees, and conveyance taxes.

8. Provides the following remedies, in the event of default under the Sales Contract:

by purchaser:

- a. Developer may bring an action against purchaser for breach of contract;
- b. Developer may retain initial deposit;
- c. Purchaser shall be responsible for expenses incurred.

by Developer:

- a. Purchaser may bring an action against Developer for breach of Contract;
- b. Purchaser may bring an action to terminate contract and obtain refund of deposits;
- c. Developer shall be responsible for expenses incurred.

Any awards to the prevailing party in any action are subordinate to escrow's expenses.

9. Provides that purchaser may not assign his/her interest in the Sales Contract without the prior written consent of Developer.

10. Contains Addendum "B" regarding Lead-Based Paint and Addendum "C" regarding Environmental Matters which Purchasers must acknowledge as part of the Sales Contract. The two Addendums but not the enclosures (excerpts) are attached hereto.

The Sales Contract contains various other provisions which purchaser should become acquainted with.

ADDENDUM "B"

Disclosure of Information on Lead-Based Paint and/or Lead-Based Paint Hazards

Lead Warning Statement

Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage including leaning disabilities, reduced intelligence quotient, behavioral problems and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazard is recommended prior to purchase.

Seller's Disclosure

(a) Presence of lead-based paint and/or lead-based paint hazards (check (i) or (ii) below):
(i) _____ Known lead-based paint and/or lead-based hazards are present in the housing (explain)

(ii) X Seller has no knowledge of lead-based paint and/or lead-based paint hazards in the housing.

(b) Records and reports available to the seller (check (i) or (ii) below):

(i) X Seller has provided the purchaser with all available records and reports pertaining to lead-based paint and /or lead-based paint hazards in the housing (list documents below).

See report dated October 29, 2002, Property Solutions Incorporated

(ii) _____ Seller has no reports or records pertaining to lead-based paint and/or lead-based paint hazards in the housing.

Purchaser's Acknowledgement (initial)

(c) X Purchaser has received copies of all information listed above.

(d) X Purchaser has received the pamphlet *Protect Your Family from Lead in Your Home*.

(e) Purchaser has (check (i) or (ii) below):

(i) _____ received a 10-day opportunity (or mutually agreed upon period) to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards; or

(ii) _____ waived the opportunity to conduct a risk assessment or inspection for the presence of lead-based paint and/or lead-based paint hazards.

Agent's Acknowledgment (initial):

(f) _____ Agent has informed the seller of the seller's obligations under 42 U.S.C. 4852(d) and is aware of his/her responsibility to ensure compliance.

Certification of Accuracy

The following parties have reviewed the information above and certify, to the best of their knowledge, that the information they have provided is true and accurate.

KAIOLU PROPERTIES, LLC

By Its Manager Date

Purchaser Date

Agent Date

Purchaser Date

ADDENDUM "C"

Disclosure of Information Regarding Environmental Matters.

1. Definitions

A. As used herein, the term "Hazardous Materials Laws" means and includes all federal, state or local laws, ordinances or regulations, now or hereafter in effect, relating to environmental conditions, industrial hygiene or Hazardous Materials on, within, under or about the Apartment and Project, including, without limitation, the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. Section 9601, et seq., the Resource Conservation and Recovery Act, 42 U.S.C. Section 6901, et seq., the Hazardous Materials Transportation Act, 49 U.S.C. Section 1801, et seq., the Clean Water Act, 33 U.S.C. Section 1251, et seq., the Substances Control Act, 15 U.S.C. Section 2601 through 2629, the Safe Drinking Water Act, 42 U.S.C. Sections 300f through 300j, and any similar state or local laws or ordinances and the regulation now or hereafter adopted, published and/or promulgated pursuant thereto.

B. As used herein, the term "Hazardous Material" means and includes any and all radioactive materials, asbestos, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or material defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials", or "toxic materials", or "toxic substances" under, or for the purposes of, the Hazardous Materials Laws.

C. As used herein, the term "Hazardous Discharge" means any event involving the use, deposit, spill, release or discharge of any Hazardous Material on, within or under the Apartment and Project.

D. As used herein, the term "Hazardous Materials Claims" means and includes (i) any and all enforcement, clean-up, removal, mitigation or other governmental or regulatory actions instituted, contemplated or threatened, in respect of the Apartment and Project pursuant to any Hazardous Materials Laws, and (ii) any and all claims made or to the best of the Buyer's knowledge contemplated or threatened, by any third party against the Buyer seeking damages, contributions, cost recovery, compensation, injunctive relief or similar relief resulting from any Hazardous Discharge or from the existence of any Hazardous Material on, within or under the Apartment and Project.

2. Disclosures

A. Seller does not represent and has no knowledge of the manner in which the Apartment and Project was or may have been used by any previous owner thereof with regard to any Hazardous Material. The Seller only recently purchased the Project and registered the 89 apartments in the building as a condominium project with the Real Estate Commission, State of Hawaii. Seller did not construct or develop nor is it related to or affiliated with the person(s) or company that did construct and develop the building comprising the Project.

B. Seller has received the following reports, copies of which have been made available to the Buyer for Buyer's own review, information and use (collectively the "Environmental Reports"):

(1) Phase I Environmental Assessment dated October 29, 2002, prepared by Property Solutions, Incorporated, environmental professionals. The portion of said Assessment that is entitled "Summary" is attached hereto as Exhibit "1".

(2) Asbestos Containing Materials Operations and Maintenance Program dated October 29, 2002 ("Report") prepared by Property Solutions, Incorporated, environmental consultants. The portions of the Report entitled "Summary of Visual Review" is attached hereto as Exhibit "2".

C. Except as set forth and described in the Environmental Reports, Seller has no knowledge of any Hazardous Materials or Hazardous Material Claims with respect to the Apartment and Project.

3. Agreement of Buyer

A. Buyer covenants to the Seller that the Buyer will not use, generate, manufacture, treat, handle, refine, produce, process, store, discharge, release, dispose of or allow to exist on, within, under or about the Apartment and Project, any Hazardous Material, except in full compliance with all applicable Hazardous Materials Laws. Buyer acknowledges and understands that the manner in which Buyer maintains and repairs the Apartment, including the walls, any flooring, and other improvements may have an adverse negative impact on the Hazardous Materials.

B. Buyer will indemnify the Seller against and hold the Seller, the Broker, and its consultants harmless from all costs and expenses (including reasonable fees of legal counsel), losses, damages (including foreseeable or unforeseeable consequential damages) and liabilities incurred by the Seller, the Broker, and its consultants, which may arise out of or may be directly or indirectly attributable to (1) the use, generation, manufacture, treatment, handling, refining, production, processing, storage, release, discharge, disposal or presence of any Hazardous Materials on, within, under or about the Apartment and Project, (2) the Seller's investigation and handling (including the defense) of any Hazardous Materials Claims, whether or not any lawsuit or other formal legal proceeding shall have been commenced in respect thereof, and (3) the Seller's enforcement of this Addendum "C", whether or not suit is brought therefor.

C. By signing below, Buyer acknowledges that Buyer has been given the opportunity to review the Environmental Reports and conduct his own investigation of the Apartment..

4. Miscellaneous Provisions

A. The provisions of Addendum "C", shall survive (1) the conveyance of the Apartment to the Buyer and by the Buyer to any subsequent purchaser and (2) any transfer of an interest in the Apartment by any security agreement, including a mortgage, and (3) any default or foreclosure thereof.

B. This paragraph shall inure to the benefit of and may be enforced by the Seller and shall be binding upon and enforceable against the Buyer and the heirs, personal representatives, successors and assigns of the Buyer.

C. If any term or provision of this Addendum "C" or the application thereof to any person or entity or circumstance shall to any extent be invalid or unenforceable, the remainder of this Addendum "C", or the application of such term or provision to persons or entities or circumstances other than those as to which it is invalid or unenforceable, shall not be affected thereby, and each term and provision of this Addendum "C" shall be valid and enforceable to the fullest extent permitted by law.

Seller:

KAIOLU PROPERTIES, LLC

By _____
Its Manager

Buyer:

Name:

Name:

Date:

EXHIBIT "F"

Summary of Escrow Agreement

The Escrow Agreement sets up an arrangement under which the deposits which a purchaser makes under a Sales Contract will be held by a neutral party ("Escrow"). Escrow is TITLE GUARANTY ESCROW SERVICES, INC.. Under the Escrow Agreement dated March 1, 2004, these things will or may happen:

(a) Developer or Escrow will let purchasers know when payments are due and all monies received from a purchaser will be deposited in Escrow. Any interest earned on the deposits will belong to Developer.

(b) Escrow will arrange for purchasers to sign all necessary documents.

(c) The Escrow Agreement specifies when purchaser funds may be disbursed upon closing of a sale. The conditions include:

i) Escrow receives the purchasers' signed "Receipt for Public Report(s) and Notice of Right to Cancel";

ii) Escrow receives a certification from the Developer that the Sales Contract is effective and that the rescission right requirements in favor of purchasers have been complied with by the Developer; and

iii) The apartment deed conveying the unit to the purchaser has been recorded in the Bureau of Conveyances.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser. Refunds can occur under the following situations:

i) If Purchaser elects to cancel the transaction in accordance with the "Receipt for the Final Public Report and Notice of Right to Cancel". The Receipt provides that purchasers may cancel the Sales Contract and purchaser is the Receipt is mailed or sent by telegram to Developer before (1) the apartment unit is conveyed to purchaser or (2) midnight of the 30th day after delivery of the Public Report(s) to me, whichever is earlier.

ii) The Developer and purchaser agree to terminate the Sales Contract;

iii) if the Developer exercises any right to cancel the transaction which it may have reserved.

NOTE: If a transaction is cancelled, the purchaser must return all documents to the Developer.

(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract. If a purchaser defaults, all deposits previously placed into Escrow will be forfeited by purchaser and Escrow may release such funds to Developer. See paragraph 11 of Escrow Agreement.

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "G"

(Engineering Report)



CIVIL ENGINEERS
CONSTRUCTION MANAGERS

ENGINEER INSPECTION REPORT
(conversion)

REAL ESTATE COMMISSION
Department of Commerce and Consumer Affairs
State of Hawaii
Seventh Floor, 1010 Richards Street
Honolulu, HI 96813

Re: Kaiolu Sunrise CPR
430 Kaiolu Street, Honolulu, HI 96813
(1) 2-6-017:060

Submission for Final Public Report

Dear Commissioners:

The undersigned, being Registered Professional Engineer Number 8256-C in the State of Hawaii, hereby declares as follows:

1. I have examined the 11 story residential structure containing Units 201 to 1001, 202 to 1002, 203 to 1003, 204 to 1004, 205 to 1005, 206 to 1006, 207 to 1007, 208 to 1008, 209 to 1009, 1101, 1103, 1104, 1105, 1106, 1107, 1108, and 1109 on the above referenced property; and
2. Without invasive examination of covered components, the structures and mechanical components of the apartments identified as the above referenced Units on the condominium map appeared to be in good condition; and
3. The useful remaining life of the residential structures is estimated to be 20 years however with appropriate attention and maintenance the useful remaining life of the building should exceed 30 years for the above referenced Units as of the date hereof.

Please feel free to contact me if you should have any questions regarding the foregoing.

Sincerely,

A handwritten signature in black ink, appearing to read "Frank Lyon", written over a circular stamp or seal.

Frank James Lyon
Registered Professional
Engineer No. 8256-C

EXHIBIT "H"

(Estimate of Initial Maintenance Fees and Estimate
of Maintenance Fee Disbursements)

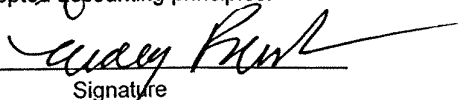
Estimate of Maintenance Fee Disbursement

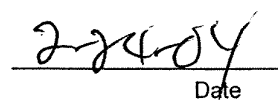
2-4-04

**Kaiolu Sunrise
(89 units)**

	Monthly	Yearly
Utilities and Services		
Cable	\$0	\$0
Electricity	\$4,450	\$53,400
Refuse	\$900	\$10,800
Sewer	\$2,225	\$26,700
Telephone	\$600	\$7,200
Water	\$2,170	\$26,040
Salaries		
Site Management	\$3,000	\$36,000
Maintenance		
Building/Supplies/Repairs	\$950	\$11,400
Grounds	\$300	\$3,600
Pool Maintenance & Supplies	\$325	\$3,900
Elevator	\$1,600	\$19,200
Fire Systems	\$170	\$2,040
Equipment	\$700	\$8,400
Pest Control	\$250	\$3,000
Window washing	\$150	\$1,800
Management		
Audit/Tax fees	\$100	\$1,200
Legal Fees	\$200	\$2,400
Management fees	\$1,410	\$16,920
Admin. Services/Supplies	\$500	\$6,000
Payroll Preparation	\$125	\$1,500
Reserve Study	\$30	\$360
Board Expense/Meetings	\$100	\$1,200
Taxes-Income	\$50	\$600
GET/Other	\$50	\$600
Insurance		
Property/fire and hurricane	\$1,155	\$13,860
CGL	\$595	\$7,140
Umbrella	\$202	\$2,424
D & O	\$100	\$1,200
Flood	\$1,572	\$18,864
Bond	\$42	\$504
Boiler Machinery	\$112	\$1,344
Medical Coverage	\$400	\$4,800
Payroll Coverage	\$400	\$4,800
Reserves	\$13,350	\$160,200
TOTAL	\$38,283	\$459,396
Divided by 89 Units/Avg per unit	\$ 430.15	\$5,161.75

I, Emory Bush, as agent for/and/or employed by Hawaiiana Management Company, the condominium managing agent for Kaiolu Sunrise condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


Signature


Date

Pursuant to 514A-83.6, Hawaii Revised Statutes, a new association created after January 1, 1993 need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting. The Developer has not conducted a reserve study for the Project. The budget amount for Reserves is an estimate only.

Estimate of Initial Maintenance Fees

Kaiolu Sunrise
(89 units)

Apartment Type	Apartment Number	% Common Interest	Monthly Fee	Yearly Total
A	201	1.3637%	\$522.07	\$6,264.78
A	301	1.3637%	\$522.07	\$6,264.78
A	401	1.3637%	\$522.07	\$6,264.78
A	501	1.3637%	\$522.07	\$6,264.78
A	601	1.3637%	\$522.07	\$6,264.78
A	701	1.3637%	\$522.07	\$6,264.78
A	801	1.3637%	\$522.07	\$6,264.78
A	901	1.3637%	\$522.07	\$6,264.78
A	1001	1.3637%	\$522.07	\$6,264.78
B	204	1.0834%	\$414.76	\$4,977.10
B	304	1.0834%	\$414.76	\$4,977.10
B	404	1.0834%	\$414.76	\$4,977.10
B	504	1.0834%	\$414.76	\$4,977.10
B	604	1.0834%	\$414.76	\$4,977.10
B	704	1.0834%	\$414.76	\$4,977.10
B	804	1.0834%	\$414.76	\$4,977.10
B	904	1.0834%	\$414.76	\$4,977.10
B	1004	1.0834%	\$414.76	\$4,977.10
B	1104	1.0834%	\$414.76	\$4,977.10
C	203	1.0715%	\$410.20	\$4,922.43
C	303	1.0715%	\$410.20	\$4,922.43
C	403	1.0715%	\$410.20	\$4,922.43
C	503	1.0715%	\$410.20	\$4,922.43
C	603	1.0715%	\$410.20	\$4,922.43
C	703	1.0715%	\$410.20	\$4,922.43
C	803	1.0715%	\$410.20	\$4,922.43
C	903	1.0715%	\$410.20	\$4,922.43
C	1003	1.0715%	\$410.20	\$4,922.43
C	1103	1.0715%	\$410.20	\$4,922.43
C	205	1.0715%	\$410.20	\$4,922.43
C	305	1.0715%	\$410.20	\$4,922.43
C	405	1.0715%	\$410.20	\$4,922.43
C	505	1.0715%	\$410.20	\$4,922.43
C	605	1.0715%	\$410.20	\$4,922.43
C	705	1.0715%	\$410.20	\$4,922.43
C	805	1.0715%	\$410.20	\$4,922.43
C	905	1.0715%	\$410.20	\$4,922.43
C	1005	1.0715%	\$410.20	\$4,922.43
C	1105	1.0715%	\$410.20	\$4,922.43
C	206	1.0715%	\$410.20	\$4,922.43

Estimate of Initial Maintenance Fees

Apartment Type	Apartment Number	% Common Interest	Monthly Fee	Yearly Total
C	306	1.0715%	\$410.20	\$4,922.43
C	406	1.0715%	\$410.20	\$4,922.43
C	506	1.0715%	\$410.20	\$4,922.43
C	606	1.0715%	\$410.20	\$4,922.43
C	706	1.0715%	\$410.20	\$4,922.43
C	806	1.0715%	\$410.20	\$4,922.43
C	906	1.0715%	\$410.20	\$4,922.43
C	1006	1.0715%	\$410.20	\$4,922.43
C	1106	1.0715%	\$410.20	\$4,922.43
C	207	1.0715%	\$410.20	\$4,922.43
C	307	1.0715%	\$410.20	\$4,922.43
C	407	1.0715%	\$410.20	\$4,922.43
C	507	1.0715%	\$410.20	\$4,922.43
C	607	1.0715%	\$410.20	\$4,922.43
C	707	1.0715%	\$410.20	\$4,922.43
C	807	1.0715%	\$410.20	\$4,922.43
C	907	1.0715%	\$410.20	\$4,922.43
C	1007	1.0715%	\$410.20	\$4,922.43
C	1107	1.0715%	\$410.20	\$4,922.43
D	208	1.0680%	\$408.86	\$4,906.35
D	308	1.0680%	\$408.86	\$4,906.35
D	408	1.0680%	\$408.86	\$4,906.35
D	508	1.0680%	\$408.86	\$4,906.35
D	608	1.0680%	\$408.86	\$4,906.35
D	708	1.0680%	\$408.86	\$4,906.35
D	808	1.0680%	\$408.86	\$4,906.35
D	908	1.0680%	\$408.86	\$4,906.35
D	1008	1.0680%	\$408.86	\$4,906.35
D	1108	1.0680%	\$408.86	\$4,906.35
D	209	1.0680%	\$408.86	\$4,906.35
D	309	1.0680%	\$408.86	\$4,906.35
D	409	1.0680%	\$408.86	\$4,906.35
D	509	1.0680%	\$408.86	\$4,906.35
D	609	1.0680%	\$408.86	\$4,906.35
D	709	1.0680%	\$408.86	\$4,906.35
D	809	1.0680%	\$408.86	\$4,906.35
D	709	1.0680%	\$408.86	\$4,906.35
D	1009	1.0680%	\$408.86	\$4,906.35
D	1109	1.0680%	\$408.86	\$4,906.35
E	202	1.1091%	\$424.60	\$5,095.16

Estimate of Initial Maintenance Fees

Kaiolu Sunrise
(89 units)

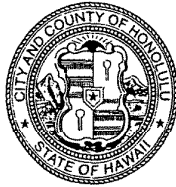
Apartment Type	Apartment Number	% Common Interest	Monthly Fee	Yearly Total
E	302	1.1091%	\$424.60	\$5,095.16
E	402	1.1091%	\$424.60	\$5,095.16
E	502	1.1091%	\$424.60	\$5,095.16
E	602	1.1091%	\$424.60	\$5,095.16
E	702	1.1091%	\$424.60	\$5,095.16
E	802	1.1091%	\$424.60	\$5,095.16
E	902	1.1091%	\$424.60	\$5,095.16
E	1002	1.1091%	\$424.60	\$5,095.16
F	1101	2.6908%	\$1,030.12	\$12,361.43
TOTALS		100.0000%	\$38,283.00	\$459,396.00

EXHIBIT "T"

DEPARTMENT OF PLANNING AND PERMITTING
CITY AND COUNTY OF HONOLULU

650 SOUTH KING STREET • HONOLULU, HAWAII 96813
TELEPHONE: (808) 523-4414 • FAX: (808) 527-6743 • INTERNET: www.co.honolulu.hi.us

JEREMY HARRIS
MAYOR



ERIC G. CRISPIN, AIA
DIRECTOR

BARBARA KIM STANTON
DEPUTY DIRECTOR

KATHY SOKUGAWA
ACTING DEPUTY DIRECTOR

2004/ELOG-152(AS)

March 5, 2004

Mr. Michael H. Sakai
Attorney At Law
902 City Financial Tower
201 Merchant Street
Honolulu, Hawaii 96813-2929

RECEIVED
MAR 10 2004
Law Office of
MICHAEL SAKAI

Dear Mr. Sakai:

Subject: Condominium Conversion Project
Maunakea Prince
430 Kaiolu Street
Tax Map Key: 2-6-017: 060

This is in response to your letter dated January 23, 2004 requesting verification that the structure on the above-mentioned property met all applicable code requirements at the time of construction.

Investigation revealed that the 11-story with basement, 89-unit apartment building with 56 all-weather surface off-street parking spaces met all applicable code requirements when it was constructed in 1962 on this 16,124-square foot Apartment Precinct zoned lot.

On July 1, 1991, the Director of the Department of Land Utilization (now the Department of Planning and Permitting) granted *PARTIAL APPROVAL* of Variance No. 91/VAR-6, subject to conditions. The variance allowed reductions in required open space and landscaping to provide for required handicap ramps and a new fence and gate.

The number of parking spaces (56), along with the open space, landscaping, density and setbacks approved with the variance are considered nonconforming.

No other variances or special permits were granted to allow deviations from any applicable codes.


Mr. Michael H. Sakai
March 5, 2004
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For your information, the Department of Planning and Permitting cannot determine all other legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

Conversion to a condominium property regime (CPR) is not recognized by the City and County as an approved subdivision. CPR delineates ownership; it does not create a separate lot of record.

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of our Commercial and Multi-family Code Enforcement Branch at 527-6341.

Sincerely yours,


for ERIC G. CRISPIN, AIA
Director of Planning and Permitting

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