

Addendum to “Seller’s Real Property Disclosure Statement” (Item#46)

Discovery Bay Condominium Association is unique in that the AOO (Association of Apartment Owners) currently owns 62.675% of the Beneficial Interest in the Trust which administers the Lease on behalf of all Lessors.

Discovery Bay thus receives \$2,117,688 (=62.675%) of the annual lease rent collected.

This amount is sufficient to pay all costs associated with the loan acquired to purchase Beneficial Interest without necessitating an owner assessment. Furthermore, the excess lease rent results in surplus income of more than \$500,000 per annum which remains available to reduce the loan principal, to purchase additional Beneficial Interest, or for other Association needs.

The Association recently refinanced this loan and obtained terms which were much more attractive for the above needs. It continues to actively pursue additional shares of Beneficial Interest, and intends to collect the 100% required to terminate the leased fee status.

In any event, the Association ownership of 62+% of the Beneficial Interest has led to Discovery Bay being considered “fee qualified” by experienced real estate experts and financial institutions, and has led to renewed interest in Discovery Bay as a secured investment that will never revert to the Trust.

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12/17/2011

LEASEHOLD Status for Discovery Bay as of September 2010:

1. Bank of Hawaii, in its capacity as Trustee of the Discovery Bay Trust, administers the leased fee interest in the land under Discovery Bay. The Trust has multiple beneficiaries. Each beneficiary owns what is called a “beneficial interest” in the trust. This ownership is like owning stock in a company – the beneficiaries own the stock but the corporation holds title to the assets. Each beneficiary owns a percentage of the total beneficial interests of the Trust. Some beneficiaries own larger percentages than others. Like a stockholder, a beneficiary can sell his beneficial interest. Under the terms of the governing Trust document, the AOA cannot obtain the leased fee interest held by the Trustee until it owns 100% of the beneficial interest.

The AOA of Discovery Bay (the condo homeowners association) is attempting to purchase the beneficial interest of every beneficiary. As of today, the AOA has purchased, and now owns, over 62% of the beneficial interest and is negotiating the purchase of additional beneficial interest. These purchases were made possible by a loan taken out by the AOA. Special assessments are not necessary to cover the AOA’s loan commitments. The income from the AOA’s 62.675% share of the lease rent not only covers the payment for the loan principal and interest, but it also provides excess funds of approximately \$500,000 annually, thus ensuring that the Association will have available a significant amount of money with which to pay down the loan principal and/or to buy additional beneficial interest when it becomes available. Discovery Bay remains solvent, financially healthy, and very sound investment.

2. Benefits of the AOA’s purchases: (A) When the AOA purchases 100% of the beneficial interest in the Trust, it will have the power to convert its beneficial interest into the leased fee interest in the land under Discovery Bay, and then sell to each owner the leased fee interest to his unit; and (B) As a beneficiary, the AOA receives lease rent income (currently approximately 62% of the total lease rent) for its share of beneficial interest.

If an owner purchases the leased fee interest from the AOA (assuming the AOA owns 100% of the beneficial interest), he will own the unit in FEE SIMPLE. This should make his unit more marketable, which, in turn, will make the Discovery Bay project more attractive to buyers.

The leased fee interest price for each unit (also referred to as a “fee purchase” by an owner) will be based on the price the AOA pays to acquire 100% of the beneficial interest, which is comprised of the current outstanding loan balance, together with the estimated cost to acquire the remaining 37+% of the beneficial interest. Each unit’s share would then be calculated by multiplying that total cost to the AOA by the unit’s common interest percentage share. The fee purchase price cannot be determined until the AOA has acquired 100% of the beneficial interest. It is impossible to provide a firm quote for the fee purchase price at this time, as any estimates would be subject to changing conditions in the loan balance and the final cost to purchase the remaining beneficial interest and could not be guaranteed.

Discovery Bay is one of the few projects in Hawaii of its kind: a land trust with multiple beneficiaries and an asset (the interest to the land under Discovery Bay) that cannot be altered without the agreement of 100% of the beneficiaries. The current and prospective owners must therefore be more informed than the average person on the street in order to make their decisions regarding ownership in Discovery Bay.

Further questions related to the beneficial interest status or the lease-to-fee conversion process can be directed to the Discovery Bay Management office.

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SELLER'S REAL PROPERTY DISCLOSURE STATEMENT
Hawaii Association of REALTORS® Standard Form
Revised 12/09 For Release 5/10



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Information Obtained from Public Records (May Be Completed by Listing Broker)
Seller(s) Name(s) (All on Title): Barry Feather Barbara Feather
Property Reference or Address: 1778 Ala Moana Blvd. Apts. 3819/3820 - This disclosure is for two TMK#, 1-2-6-012-010-0631 & 0632
Tax Map Key: Div. 1 /Zone 2 /Sec. 6 /Plat 012 /Parcel 010 /CPR 0631 (if applicable).
County Zoning: 05 - R-5 Residential District State Land Use Designation: Urban [] Fee Simple [X] Leasehold
Licensee: Bryn Kaufman, Wanida Tienchai Brokerage Firm: Realty Executives Oahu

Purpose of Disclosure Statement: Pursuant to Hawaii Revised Statutes, Chapter 508D (for residential real property), and under common law (for all other real estate transactions, including the sale of vacant land) a seller of residential real property is obligated to fully and accurately disclose in writing to a buyer all "material facts" concerning the property.

MUST BE COMPLETED BY SELLER ONLY

Seller's Statement: This is a statement concerning information relating to the condition of Property that: (i) is within the knowledge or control of Seller; (ii) can be observed from visible, accessible areas; or (iii) which is required by Section 508D-4.5 and 508D-15, Hawaii Revised Statutes.

THIS DISCLOSURE STATEMENT IS NOT A WARRANTY OF ANY KIND BY SELLER OR BY ANY AGENT REPRESENTING SELLER AND IS NOT A SUBSTITUTE FOR ANY EXPERT INSPECTION, PROFESSIONAL ADVICE, OR WARRANTY THAT BUYER MAY WISH TO OBTAIN.

If not presently owner occupied, date of Seller's last visit

General Instructions to Seller: (1) Answer ALL questions. (2) If checked or answered yes, explain all material facts known to you in Section I. (3) If additional space is needed to explain material facts, attach additional pages and sign/date at the bottom.

A. DEFECTS OR REPAIRS (Past or present): Check items listed below if you are aware of any past or present defects or repairs. If checked, use the same number and describe in Section I.

- (1) Appliances (12) Fire Sprinkler System (23) Smoke Detectors
(2) Bathtubs/showers/Basins/Toilets (13) Fireplace/Chimney (24) Solar/Water/Electric Systems
(3) Ceilings (14) Floors/Floor Coverings (25) Spa/Hot Tub/Sauna
(4) Ceiling Fans (15) Foundations/Slabs (26) Swimming Pool
(5) Central Vacuum Systems (16) Gutters (27) Walkways
(6) Counters/Cabinets (17) Heating/Ventilating/Cooling (28) Walls Exterior
(7) Decking/Railings/Lanai (18) Lawn Sprinkler System (29) Walls Interior
(8) Doors/Door Bells/Garage Door (19) Plumbing (30) Water Features
(9) Driveways (20) Roofs (31) Water Heater
(10) Electric Outlets/Switches/Lights (21) Security Systems (32) Windows/Jalousies/Skylights
(11) Fences/Perimeter Walls (22) Sinks/Faucets (33) Other Yes

BUYER'S INITIALS & DATE (Signature: BF) SELLER'S INITIALS & DATE (Signature: BEF) 12/17/2011



B. GENERAL: Do any of the following conditions exist? If "yes", use the same number and describe in Section I.

	YES	NO	NTMK	NA	
34)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Does any other party have an unrecorded interest in this Property and/or a say in its disposition?
35)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Are there any lawsuits or foreclosure actions affecting this Property?
36)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Are there any easements affecting this Property?
37)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Are there any roadways, driveways, walls, fences, and/or other improvements which are shared with adjoining land owners?
38)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Are there any known encroachments?
39)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Are there any written agreements concerning items 36, 37 or 38?
40)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Have there ever been substances, materials, or products which may be an environmental hazard such as, but not limited to, asbestos, formaldehyde, radon gas, lead-based paint, fuel or chemical storage tanks, contaminated soil or water?
41)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is there filled land on this Property?
42)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has there ever been any settling or slippage, sliding, subsidence, or other soil problem?
43)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Has there ever been any drainage, water infiltration, seepage, flooding, or grading problems?
44)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Are there any violations of government regulations/ordinances related to this Property?
44a)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) Are there any zoning or setback violations and/or citations?
44b)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(b) Are there any nonconforming uses or restrictions on rebuilding?
45)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property currently rented?
45a)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) Is there a written Rental Agreement?
46)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property subject to any recorded or unrecorded land lease (e.g. Pasture lease, sandwich lease)?
46a)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) If yes, are there any violations of the land leases?
47)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property licensed for any transient accommodations (e.g. TVR, B&B)?
47a)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(a) If yes, are there any periodic re-licensing requirements?
47b)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	(b) Are there any violations of the license?
48)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is this Property subject to Covenants, Conditions and Restrictions (CC&Rs)?
48a)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	(a) Are there any violations of the Covenants, Conditions and Restrictions covering this Property?
49)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is there any damage caused by tree roots?
50)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is the Property located in a Special Management Area?
51)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is this Property located in a geothermal subzone or near a geothermal facility?
52)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property located in a tsunami evacuation zone?
53)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property located in a Special Flood Hazard Area based on FEMA's Flood Insurance Rate Maps?
54)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property located in volcanic hazard Zone 1 or 2? (Only applicable to Island of Hawaii)
55)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Is there any existing or past damage to the Property or any of the structures from earthquake, fire, flooding, landslides, falling rocks, tsunami, volcanic activity, or wind?
56)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property subject to excessive air pollution? (e.g., "VOG")
57)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Are you aware of any adverse conditions existing in this general neighborhood/area (e.g., pesticides, soil problems, irrigation, odors etc.)?
58)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property exposed to other types of recurring excessive noise (e.g., night club, school, street traffic, animals (e.g. coqui frogs, birds, barking dogs etc.)?
59)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is there any wildlife refuge or sanctuary in the neighborhood/area?
60)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Are there any additional facts regarding the Property or neighborhood (e.g., history of homicide, felony, or suicide, pending development in the area, road widening projects, zoning changes; etc.)?
61)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property located in the regular path of aircraft and does it experience regular excessive aircraft noise?
62)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Property located within the boundaries of the Air Installation Compatibility Use Zone of any Air Force, Army, Navy, or Marine Corps airport as officially designated by military authorities?
63)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Are you aware of the presence of or removal of unexploded military ordnance in this general area?
64)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is access to the Property restricted?

Private Road By easement Other

C. IMPROVEMENTS: Do any of the following conditions exist? If "yes", use the same number and describe in Section I.

	YES	NO	NTMK	NA	
65)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Were any improvements, additions, structural modifications or alterations built without building permits, association design committee or other governmental approvals?
66)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Were any of the building permits not finalized (closed) by the permitting agency?
67)	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	Were any of the improvements to this Property built under an owner-builder permit?
67a)					(a) Date of Completion of the improvements covered under the owner-builder permit: _____
68)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Is the Seller/Builder a licensed contractor who is providing warranties?
69)	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Have you given any release or waiver of liability, or release from a warranty to any government agency, contractor, engineer, architect, land surveyor, or landscape architect, for any defect, mistake, or omission in the design or construction of this Property?
70)	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	Has the roof been repaired or replaced?
70a)					(a) When and by whom? <u>Building roof replaced by Contractor hired by the Building Association</u>
70b)					(b) What is the age of the roof? <u>Approximately 2-3 years</u>
70c)	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	Are there any transferable warranties?

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SELLER'S INITIALS & DATE

BUYER'S INITIALS & DATE

- | | YES | NO | NTMK | NA | |
|------|--------------------------|-------------------------------------|-------------------------------------|-------------------------------------|--|
| 71) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Has there ever been any sign of mold, mildew and/or fungus? |
| 72) | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Has there been any sign of, or are you aware of any pest problems (e.g., roaches, fleas, bedbugs, mites, ticks, ants, rats, etc.)? |
| 73) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Is there any presence of wood destroying organisms (e.g., termites, powder post beetles, dry rot, carpenter ants, etc.) in the improvements? |
| 73a) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (a) Is there any known damage to the improvements caused by wood destroying organisms? |
| 73b) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | (b) Has the problem been treated? |
| 73c) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | (c) Has the damage been repaired? |
| 74) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Has there been any termite treatment? List type and date. _____ |
| 74a) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | (a) Are there any warranties? List type and expiration dates. _____ |
| 75) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | Is there any structural damage due to dry rot or other wood destroying organisms? |

D. ASSOCIATIONS: Do any of the following conditions exist? If "yes", use the same number and describe in Section I.

- | | YES | NO | NTMK | NA | |
|------|-------------------------------------|--------------------------|-------------------------------------|-------------------------------------|---|
| 76) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is the Property part of a Condominium Property Regime (CPR)? |
| 77) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Are there any "common area" facilities (such as pools, tennis courts, walkways, or other areas) co-owned in undivided interest with others? |
| 78) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Is the Property subject to a Homeowners' and/or Community Association or any other Association? |
| 78a) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (a) Is membership mandatory? |
| 78b) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (b) If yes, what are the fees and payments? \$993 per mo. maintenance fee |
| 78c) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | (c) What is included in the fees and payments? all common expenses, including 100% funded reserve for future maint. |
| 78d) | <input type="checkbox"/> | <input type="checkbox"/> | <input checked="" type="checkbox"/> | <input type="checkbox"/> | (d) Are you aware of future maintenance fee increases, special assessments, association loans or pending litigation for or against your Association(s)? |



E. UTILITIES: Complete and describe problems, if any, in Section I.

- 79) What is your source of water supply?
a) Public Private
Is this Property separately metered? Yes No
Is this a submeter? Yes No
Is there a shared water supply? Yes No
b) Catchment: Tank type _____ Capacity _____ Age _____ Condition _____
c) Other _____
- 80) What type of waste water/sewage system do you have?
a) Public Sewer Private Sewer Connected? Yes No
If not, is connection currently required? Yes No
Is there a separate sewer fee? Yes No Amount of current sewer fee _____
b) Cesspool Septic System Individual Sewage Treatment Plant Abandoned septic or cesspool
Location _____
Last Pumped _____ How Often? _____
c) Does the cesspool serve more than one dwelling or living unit (A "dwelling" or "living unit" is defined as having its own kitchen/food preparation area, bathroom and sleeping/living area), including "ohana" units? Yes No
- 81) What is your source of electrical power?
 Public Other: _____
a) Is the Property subject to Special Subdivision Project Provision (SSPP) connection fees? Yes No
b) Hawaii law requires Sellers who pay their electricity bills directly to make a good faith declaration of electricity costs based upon the most recent three-month period that the property was occupied. In this context, please answer the following:
Do you pay your electrical utility bill directly? Yes No
If yes, please state the amount you paid for electricity for the most recent three-month period that the property was occupied.
Mon/Yr: July 2011 Amount: \$176.45 Mon/Yr: Aug. 2011 Amount: \$185.99 Mon/Yr: Sept 2011 Amount: \$174.23
Buyer's actual electricity costs may vary substantially.
- 82) Gas: Piped Tank None
83) Telephone Service: Yes No Only party line
84) Television Cable Service: Yes No Not available Other TV Service
85) Broadband Internet: DSL Cable None Other

F. CONDO SPECIFIC: Do any of the following conditions exist? If "yes", use the same number and describe in Section I.

- | | YES | NO | NTMK | NA | |
|------|-------------------------------------|--------------------------|--------------------------|--------------------------|--|
| 86) | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | Does this unit include parking? If yes, how many? <u>2 in garage</u> |
| 86a) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (a) [2] Assigned [] Unassigned |
| 86b) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (b) [2] Covered [] Partial [] Uncovered [] Private Garage [] Carport |
| 86c) | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> | (c) [2] Standard [] Compact [] Tandem |

BUYER'S INITIALS & DATE



12/17/2011
SELLER'S INITIALS & DATE

- 87) Do you have knowledge of any parking problems for your apartment?
- 88) Do you have assigned and/or deeded storage space outside of your apartment?
- 89) Were additions, modifications, and/or alterations made to your Property without obtaining required association approval?
- 90) Are there any restrictions/prohibitions imposed upon pet ownership?
- 91) Is your dwelling sprinklered for fire protection?
- 92) Has there been any damage to your Property due to leakage or water penetration from apartments above or adjacent to your apartment or damage due to leakage or water penetration to apartments below your apartment?
- 93) Are you aware of any litigation affecting your complex?

G. FURTHER CONDO NOTICES TO BUYER:

UNIT MODIFICATIONS & LANAI ENCLOSURES: If Buyer is contemplating enclosing a lanai or making other modifications to the Property, an attorney, architect or other professionals knowledgeable in such matters should be consulted first. Obtaining permission to make enclosures or other modifications may involve more than approval by the Association's Board of Directors. Approval may be complex and may require approval from the County or State agencies.

RESERVE STUDY: State law requires certain common interest properties to perform a study and make projections of upcoming maintenance expenses for the common elements. The Association must set aside appropriate reserves for those needs. Currently, there is no standardized reserve study. Some studies are very short and simple, while others are long and complex. Some properties may have a summary of the reserve study. It is recommended that Buyer obtain a copy of the summary of the reserve study or if unavailable, the reserve study. Buyer should read the information and seek the guidance of an attorney, accountant and/or other competent professionals to analyze its contents.

H. PLANNED COMMUNITIES:

YES NO NTMK

- 94) Is the real property for sale in a Planned Community, as defined in Chapter 421J-2, Hawaii Revised Statutes? If yes, this "Disclosure Statement" shall incorporate by reference the planned community declaration and association documents as those terms are defined in Chapter 421J-2, Hawaii Revised Statutes.

YES NO

- 95) If answer to previous question is yes, are the Planned Community declaration and association documents attached to this Disclosure Statement?

I. Question Number and Explanation:

- (3) Minor repair made by Disc. Bay staff several years ago to small area of ceiling in dining area due to water intrusion from window in above unit.
- (32) Window systems in original design of Discovery Bay had some problems with water intrusion. A number of years back, Discovery Bay initiated a building project to complete repairs of all affected windows. The only windows in our apartment requiring this repair was in the dining area. They were repaired at that time and we have not had any subsequent problems.
- (46) The land under Discovery Bay is owned by Bank of Hawaii Trust and is Leasehold. Discovery Bay Association owns over 62% of the interest in the Trust. See the separate Addendum to Seller's Real Property Disclosure Statement (Item #46) for details.
- (48) Discovery Bay is regulated by the Association's Declarations, Bylaws and House Rules.
- (52) thru (53) Building is 100% insured against flood damage. We are on 38th floor and are at no risk of flood damage to our units.
- (70) The building's roof was replaced a couple of years ago as part of the regular maintenance covered by the Association's reserve fund.
- (72) The building does mandatory quarterly pest control maintenance to ensure that this does not become a problem.
- (76) thru (78b) Discovery Bay Association includes all owners in Discovery Bay and maintenance fees are set every year in order to meet all common expenses incurred by the Association, including building repairs and maintenance, utilities (basic cable TV, water, hot water, gas, but not electric), etc.
- (90) Bylaws and House Rules allow no dogs except service animals and ones grandfathered in for long-time residents. Other common household pets are allowed.
- (92) See Item (3) above. No other damage from water intrusion from above apartments.

Under Hawaii law, unless otherwise agreed in the Purchase Contract, Buyer shall have fifteen (15) calendar days from the date of receiving the Disclosure Statement to examine the Disclosure Statement and to rescind the Purchase Contract. Such rescission must be made in writing and provided to Seller directly or Seller's agent. If timely written notice is provided, then all deposits made by Buyer shall be immediately returned to Buyer.

Seller gives permission to any Broker to provide this statement to any Buyer whose identity has been made known to Seller, a lending institution, or the escrow company involved in the transaction between the parties.

DocuSigned by:
Barry Feather
SELLER 1B445... 12/17/2011
DATE

DocuSigned by:
Barbara Feather
SELLER 1B4D0... 12/17/2011
DATE

NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

BUYER'S INITIALS & DATE



RECEIPT OF REAL PROPERTY DISCLOSURE STATEMENT
Hawaii Association of REALTORS® Standard Form
Revised 4/07 (NC) For Release 5/10



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Property Reference or Address: 1778 Ala Moana Blvd. Apts. 3819/3820 - This disclosure is for two TMK#,s, 1-2-6-012-010-0631 & 0632

Tax Map Key: Div. 1 /Zone 2 /Sec. 6 /Plat 012 /Parcel 010 /CPR 0631 (if applicable).

Hawaii law, including Hawaii Revised Statutes ("HRS") Chapter 467 (Real Estate Brokers & Salespersons Licensing Laws), HRS Chapter 480 (Consumer Protection), HRS Chapter 508D (Seller's Disclosure Law, when applicable); and the National Association of REALTORS® Code of Ethics require the disclosure of information relating to the condition of the Property with respect to any past or present material facts, defects, and/or conditions.

By signing below, Buyer hereby acknowledges and agrees that Buyer has received a copy of Seller's Disclosure Statement for the above referenced property dated:

11/02/2011 and prepared by: Barry Feather Barbara Feather

(The Disclosure Statement provided must be signed and dated by Seller within six (6) months before or ten (10) calendar days after the acceptance of the Purchase Contract.)

Buyer further understands that:

- 1. The Disclosure Statement was prepared in good faith and with due care by Seller. Buyer may wish to obtain professional advice and/or inspections on the Property within the time frames of the Purchase Contract as agreed to by Buyer and Seller. Unless Buyer has been otherwise advised, Seller has not conducted any inspection of generally inaccessible areas of the Property. There may be material facts of which Seller is not aware which qualified experts may be able to discover or latent or hidden defects which time may reveal. The disclosures made by Seller are provided exclusively to Buyer involved in this Purchase Contract and does not apply to any subsequent sales not involving this Seller.
2. Responses cannot be considered to be substitutes for a careful inspection of the Property by Buyer and/or any inspections which Buyer may choose to obtain.
3. If "NTMK" is marked in response to any questions, Buyer recognizes that this does not mean there may not be a defect which an expert could discover or the passage of time would reveal. Likewise, Buyer recognizes that a problem may be more serious than Seller/Inspector knows.
4. This Disclosure Statement is not a warranty of any kind by Seller or by any agent representing Seller.
5. Unless otherwise agreed in the Purchase Contract, as provided in HRS section 508D-5(b)(2), Buyer shall have fifteen (15) calendar days from the date of receiving the Disclosure Statement to rescind the Offer to purchase the Property. Such rescission must be made in writing and provided to Seller or Seller's Agent. If timely written notice is provided, then all deposits made by Buyer shall be immediately returned to Buyer.
6. Hawaii law requires that Buyer shall sign a receipt of the Seller's Disclosure Statement, which Buyer shall provide to Seller. Seller or Seller's agent shall retain said receipt for a period of three years.

Buyer Date Buyer Date

NOTE: THERE IS NO WARRANTY ON PLAIN LANGUAGE. An effort has been made to put this agreement into plain language. But there is no promise that it is in plain language. In legal terms, THERE IS NO WARRANTY, EXPRESSED OR IMPLIED, THAT THIS AGREEMENT COMPLIES WITH CHAPTER 487A OF THE HAWAII REVISED STATUTES, AS AMENDED. This means that the Hawaii Association of REALTORS® is not liable to any Buyer, Seller, or other person who uses this form for any damages or penalty because of any violation of Chapter 487A. People are cautioned to see their own attorneys about Chapter 487A (and other laws that may apply).

