REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
THE LUKEPANE COURT
Lukepane Avenue
Honolulu, Hawaii

REGISTRATION NO. 1504

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

(1) A copy of this Report has been given to the prospective purchaser,
(2) The latter has been given an opportunity to read same, and,
(3) His receipt taken therefor.

Issued: October 28, 1982
Expires: November 28, 1983

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 8, 1982 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF OCTOBER 25, 1982. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. THE LUKEPANE COURT is a proposed fee simple condominium project which, according to the Developer's plans, will contain twelve (12) residential apartment units located in one apartment building. There will be a total of eighteen parking stalls which are uncovered and located at ground level. Twelve will be regular parking stalls and six will be compact parking stalls.

2. The Developer of the Project has submitted to the Commission for examination all documents and materials deemed necessary by the Commission for the registration of this condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved floor plans) have not been filed in the Office of the Recording Officer.

4. Preliminary advertising or promotional matter has not been submitted pursuant to the rules and regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Hawaii Real Estate Commission Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration of THE LUKEPANE COURT condominium project. The Developer shall be responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers. Securing a signed receipt therefor from each such person is also the responsibility of the Developer.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, October 28, 1982, unless a Final or a Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: THE LUKEPANE COURT

LOCATION: The land to be submitted to the regime and on which the project will be situated is located in Waikiki, Honolulu, City and County of Honolulu, State of Hawaii, being Lot 15-A-1-B, together with easements, if any, appurtenant thereto.

TAX MAP KEY: 2-7-35-110.

ZONING: A-4

DEVELOPER: CHINESE SECURITY DEVELOPMENT, INC., a Hawaii corporation, whose mailing address is 3536 Harding Avenue, Suite 409, Honolulu, Hawaii. Telephone No. (808) 732-0694. The officers of the corporation are: Hilbert Lam, President/ Secretary and Shang Choy Pang, Treasurer.

ATTORNEY REPRESENTING DEVELOPER: Jeffrey S. Grad, Attorney At Law, A Law Corporation, Suite 2001, 841 Bishop Street, Honolulu, Hawaii 96813. Telephone No. (808) 521-4757.

DESCRIPTION OF PROJECT: The proposed Declaration provides that the land submitted to the Regime will be improved, according to the Developer's plans and intention to sell, by constructing thereon a single building of seven stories. The Building has a total of twelve (12) apartments. Two apartments are located on Floors 2 through 7. The Project also has eighteen (18) parking stalls which are uncovered and located at ground level. The Building has no basement. The Building is constructed principally of stucco/concrete block. The slab foundation is reinforced concrete. The exterior walls are constructed of plaster/hollow block and the interior partitions of gypsum board. The interior ceilings are of acoustic spray and the structural floors are constructed of concrete. There is one elevator in the Building.

1. Description of Apartments: There will only be a single type of apartment in the Project with each of the two apartments per floor to be mirror images of each other. Each of the twelve (12) apartments in the Project consists of an entry, combination dining/living area, kitchen, two bedrooms, and two baths. The approximate net living area of each apartment is 952.5 square feet. There are no lanais. In accordance with local practice, the approximate area of each apartment type is measured from the center line of the party walls and the interior boundaries of the interior walls.

Each apartment is furnished with a range/oven with ventless hood, refrigerator, dishwasher, double-compartment stainless steel sink, garbage disposal, and stacked washer and dryer. Each apartment is furnished with an individual solar water heater system connected to a solar reflector which is located on the roof of the Building and is a common element. Floors are carpeted in the bedrooms, hallways and living room. Vinyl asbestos tile flooring is in the kitchen, dining area, bathrooms, and utility closet. The entryway has a marble floor with a wood ceiling.

2. Parking: All parking is uncovered and shall be located on the Land in accordance with the Condominium Map. There will be eighteen stalls, twelve of which will be regular size and six will be compact size. Apartments numbered 51, 52, 61, 62, 71 and 72 will each be assigned a single regular-sized stall and a single compact-sized stall. The remaining apartments will each be assigned only a single regular-sized stall. Exhibit "A" attached hereto is a list of the parking stalls by number and sets forth the Apartment number to which each stall is appurtenant. Regular-sized stalls are 8-1/2 feet wide and 19 feet long and compact-sized stalls are 7-1/2 feet wide and 16 feet long. The stall number which contains the letter "C" means compact.

3. Apartment Numbers and Location: There is a total of twelve (12) apartments in the Project. All apartments are identified by a double-digit number. The first digit indicates the floor on which the apartment is located, and the second digit, if a "1" indicates that it is located as viewed from the elevator, to the left, and if a "2", then it is located to the right. There are only two apartments per floor (Floors 2 through 7). As an example, Apartment 31 is located on the third floor and when leaving the elevator, is located on the left.

The immediate common element to which each of the apartments above ground level shall have access are the corridors on each floor, which lead to the stairways or into the elevator, which both have direct access to the ground, and then through the parking areas to the public street.

COMMON ELEMENTS: The common elements will include all portions of the land and improvements (other than the apartments) including the apartment building, the land on which the apartments are located, and all elements mentioned in the Horizontal Property Act which are actually constructed on the Land. The common elements shall include, but are not limited to:

(a) Said Land in fee simple.

(b) All foundations, floor slabs, columns, girders, beams, supports, load-bearing walls, main walls, interior walls separating adjacent apartments, halls, the roof of the Building, stairs, stairways, fire escapes and entrances and exits of the apartment building, elevator, and appurtenances.

(c) All yards, grounds, landscaping, refuse facilities, and switchrooms.

(d) All building walkways, building sidewalks, pathways, parking areas, parking stalls, driveways and roads within the Project.

(e) All ducts, electrical equipment, wiring and other central and appurtenant installations, including power, light, water, sewer, gas and telephone; all pipes, plumbing, wires, conduits or other utility or service lines, which run through an apartment but which are utilized by or serve more than one apartment; and air conditioning and like utilities, if installed.

(f) All other portions of the Land and improvements not specifically heretofore designated as apartments, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Horizontal Property Regime.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are set aside and reserved for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common element so set aside and reserved is at least one (1) automobile parking space for each apartment, which space shall be appurtenant to and for the exclusive use of the apartment as indicated in Exhibit "A". Each apartment shall always have one (1) uncovered parking space appurtenant to it but otherwise any automobile parking space may be transferred from apartment to apartment in the project with the consent of the Developer, the affected apartment owners and said apartment owners' mortgagees, if any, and by amendment of the Declaration in accordance with the provisions of Section 514A-14, Hawaii Revised Statutes, as amended.

INTEREST TO BE COVEYED TO PURCHASER: The fraction (percentage) of undivided interest in the common elements appurtenant to each apartment is one-twelfth. Each apartment shall have said fraction in all common profits and expenses of the Project and for all other purposes, including voting on all matters requiring action by the apartment owners.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be occupied and used only as residence dwellings by the respective owners thereof, their tenants, families and domestic servants and for no other purposes. In addition to and without limitation of the foregoing:

(a) Spaces designated for the parking of motor vehicles shall be used solely for such purpose, in accordance with such reasonable regulations as shall be established by the Board of Directors from time to time.

(b) No apartment owner shall do, or suffer or permit to be done, anything in any apartment which would impair the soundness or safety of the Project, or which would increase the rate or result in the cancellation of insurance applicable to the Project, or which would be noxious or offensive or an interference with the peaceful possession and proper use of other apartments, or which would require any alteration of or addition to any of the common elements which would fail to comply with any applicable law or regulation, or which would otherwise be in violation of law.

(c) No Apartment Owner will, without the prior written consent of the Board (and any other persons required by the By-Laws or by law), make any structural alterations within his apartment or make any alterations in or additions to the exteriors of the buildings (including awnings, jalousies, screens or air conditioners) or to any other portion or portions of the common elements. The Board

shall not unreasonably withhold or delay its consent, and shall have the obligation to answer any written request by an Apartment Owner for its consent, to any structural alterations of his apartment, within thirty (30) days after its receipt of such a request describing the proposed alteration in reasonable detail, and the Board's failure to do so shall constitute its consent to the proposed alteration. Notwithstanding the foregoing, without any such consent, the owner of any two or more apartments separated by a common element which is a wall or floor (including a common element which constitutes a floor of one of the apartments and a ceiling of another) may alter or remove all or portions of the intervening wall or floor, if the structural integrity of the building is not thereby affected and if the finish of the common element then remaining is restored to a condition substantially comparable to that of the common element prior to such alteration. The owner of such adjacent apartments may install in and attach in such opening or openings in such common elements elevators, lifts, tubes and other service devices and may remove and retain ownership of the installed equipment. Upon the termination of the common ownership of such adjacent apartments, if the intervening wall or floor shall have been altered or removed pursuant to the foregoing provisions, each of the owners of such apartments shall be obligated to restore such intervening wall or floor to substantially the condition in which the same existed prior to such alteration or removal; and

(d) An Apartment Owner will not, without the prior written consent of either the Board or the Managing Agent, display any sign or place any other thing in or upon any door, window, wall or other portion of the apartment or common elements, so as to be visible from the exterior.

(e) The common elements and limited common elements are intended for and shall be restricted to those purposes and uses in keeping with their respective functions and the foregoing intendments and restrictions regarding the apartment to which they are appurtenant.

(f) The By-Laws of the Association of Apartment Owners and House Rules provide, among others, that dogs, cats and other household pets (not exceeding two animals per aprtment) may be kept by the occupants in their respective apartments with the prior written permission of the Board.

OWNERSHIP OF TITLE: A Preliminary Title Report issued on August 12, 1982 by Founders Title & Escrow of Hawaii, indicates that Chinese Security Development, Inc., has title to the land committed to the Project.

ENCUMBRANCES ON TITLE: Said Preliminary Title Report dated August 12, 1982 reveals the following encumbrances:

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

2. That certain Mortgage dated January 15, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 16109, Page 477, made by and between Hilbert Wai Chung Lam and Mabel Sik Hang Lam, husband and wife, as Mortgagor, and GECC Financial Corporation, a Hawaii corporation, as Mortgagee, in the amount of $120,000.00.

3. That certain Mortgage dated January 15, 1982, recorded in said Bureau in Liber 16109, Page 495, made by and between Hilbert Wai Chung Lam and Mabel Sik Hang Lam, husband and wife, as Mortgagor, and Hon Kau Lee and Alice Wai Jun Lee, husband and wife, as Co-Trustees under that certain unrecorded Revocable Trust dated June 26, 1981, as Mortgagee, in the amount of $100,000.00.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated July 20, 1982, identifies Founders Escrow Corporation, a Hawaii corporation, as Escrow Agent. On examination, the Reservation Agreement, Deposit Receipt and Sales Contract and the executed Escrow Agreement are found to be in compliance with Hawaii Revised Statutes, Chapter 514A, as amended.

Among other provisions, the executed Escrow Agreement states that a Purchaser under a Reservation Agreement, Deposit Receipt and Sales Contract (hereinafter, the "Sales Contract"), shall be entitled to certain rights of cancellation pursuant to Chapter 514A, Hawaii Revised Statutes, as amended, and/or pursuant to the provisions of the Sales Contract. The Sales Contract provides that a purchaser shall be entitled to a return of his funds, and Escrow shall pay such funds to such Purchaser without interest, if any one of the following has occurred:

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

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

(c) With respect to a Purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans requiring approval of a county officer having jurisdiction over the issuance of building permits (except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by the terms of the Sales Contract or to which said Purchaser has otherwise consented in writing, or ninety days have elapsed since the Purchaser has

accepted in writing the apartment or has first occupied the apartment); or

(d) The Final Report differs in a material respect from the Preliminary Report, and the Purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the Purchaser has not waived his right to a refund.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from Purchaser upon the occurrence of an event described in (c), (d) or (e) above, pay said funds to said Purchaser and thereupon said Sales Contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held hereunder; provided, however, that no refund shall be made to a Purchaser at Purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.

The Sales Contract also provides for other rights of cancellation by Developer and such include, but are not limited to, the following:

1. In the event Purchaser shall have died prior to his acquisition of title to the apartment, the Developer may elect to return all sums paid hereunder to Purchaser's estate or legal representative, and thereupon all rights of Purchaser shall cease and terminate without further liability on the part of the Developer.

2. If at any time prior to the commencement of construction, any event beyond Developer's control shall have occurred affecting, in Developer's judgment, the development of the project so that the total Project Costs, as estimated by Developer, shall exceed the total Project Costs set forth in the verified statement of Project Costs filed with the Real Estate Commission of the State of Hawaii and Developer determines therefore that the financial feasibility of the project requires an increase in the apartment sales prices, then, provided that commencement of construction of the project shall not have occurred, Developer may at its option terminate the Sales Contract; provided, however, that Developer shall offer to Purchaser the first right to exercise a new sales contract at the increased apartment unit price.

3. If construction is not commenced by December 15, 1982, then or at any time thereafter until construction does commence, Developer at its option may cancel the Sales Contract upon written notice to the Purchaser. Developer is obligated otherwise to complete construction

of the apartment within two (2) years from the date of issuance of a Final Public Report and from the date the Sales Contract becomes fully enforceable and effective between Purchaser and Developer; provided, however, that such two-year period shall be extended for any period of time during which Developer is actually and necessarily delayed in beginning or completing construction if said delay is caused by fire, earthquake, acts of God, the elements, war or civil disturbances, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, or other matters or conditions beyond the control of Developer. If, pursuant to the foregoing sentence, such two-year period is extended for more than three (3) months, then and at any time thereafter until the project is completed, Developer may, upon fifteen (15) days' written notice to the Purchaser, terminate the Sales Contract; provided that if said two-year period is extended for more than nine (9) months, either the Developer or the Purchaser may, upon fifteen (15) days' written notice to the other, terminate said Sales Contract and all sums paid by the Purchaser hereunder shall be refunded without interest.

4. If by October 15, 1983, less than 75% of the Apartments in the Project have been sold to financially qualified purchasers; then, and at any time thereafter until the Project is completed, Seller, at its option, may cancel the Sales Contract upon written notice to Purchaser.

NOTE: Prospective purchasers should be aware that all security interests obtained by the construction lender in connection with such construction loans as well as any extensions, renewals or modifications thereof shall be prior to and superior to any and all liens or charges arising from the Sales Contract or any other prior reservation agreement.

MANAGEMENT AND OPERATION: The By-Laws of this project state that the management and operation of the project shall be vested in the Board of Directors, that the Board of Directors shall employ, for the Association of Apartment Owners, a Managing Agent to perform such duties as the Board shall authorize, including the collection of all assessments from the Owners. The Developer has not yet entered into a Property Management Agreement and until a corporate managing agent is appointed, Hilbert W. C. Lam will serve as the initial Managing Agent.

STATUS OF PROJECT: The Notice of Intention reflects that the financing for the construction of the project has not yet been arranged, a building permit has not been issued, construction of the project has not commenced as of the date of this Public Report, nor has permanent financing for the project been arranged. Developer advises that it has set December 15, 1982 as the estimated date for commencement of construction.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted June 8, 1982 and information subsequently filed on October 25, 1982.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1504 filed with the Commission on June 8, 1982. The report, when reproduced, shall be a true copy of the Commission's Preliminary Public Report. The paper stock used in making facsimiles must be yellow.

G.A. "Red" Morris, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF FINANCE
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU
ESCROW AGENT
FEDERAL HOUSING ADMINISTRATION

Registration No. 1504

October 28, 1982

EXHIBIT "A"

List of Apartments and Appurtenant Parking Stall(s)

Apartment No.	Parking Stall No(s).
21	3
22	4
31	5
32	14
41	15
42	16
51	1C and 2
52	17 and 18C
61	6 and 8C
62	7 and 9C
71	11C and 13
72	10C and 12