CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by: Developer SUMMIE SHAN LI and JANE WAI CHING LI
Address 936 7th Avenue, Honolulu, HI 96816

Project Name(*): 3849 KAIMUKI AVENUE
Address: 3849 Kaimuki Avenue, Honolulu, HI 96816

Registration No. 2906 (Partial Conversion)

Effective date: September 13, 1993
Expiration date: October 13, 1994

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 nor any other government agency. Neither the Commission or any other government agency has judged or approved the merits or value, if any, of the project or of purchasing of 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 any apartment in the project.

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

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

Type of Report:

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

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

___ **SUPPLEMENTARY: (pink)** This report updates information contained in the:
[ ] 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 expired on _____

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[X] Required and attached to this report [ ] Not Required - disclosures 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.

[X] No prior reports have been issued by the developer.

[ ] Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

THE PROSPECTIVE PURCHASER IS CAUTIONED TO CAREFULLY REVIEW THE CONDOMINIUM DOCUMENTS REFERENCED IN THIS PUBLIC REPORT FOR FURTHER INFORMATION WITH REGARD TO THE FOREGOING.

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EXHIBIT A: Architect's Visual Inspection Report
EXHIBIT B: Letter from the City and County of Honolulu, Building Department dated May 28, 1992
EXHIBIT C: Description of Common Elements
EXHIBIT D: List of Encumbrances
EXHIBIT E: Estimate of Maintenance Fees and Disbursements
EXHIBIT F: Summary of Sales Contract
EXHIBIT G: Summary of Escrow Agreement
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EXHIBIT I:

ıneral Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the ındominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain quirements 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 e leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment vners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that e lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments ten require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any ıprovements 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 ur 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 vned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the ıilding or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your ıdivided 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 rtain apartments. These common elements are called "limited common elements" and may include parking stalls, ıtios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be dividually 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. ıudy the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use ıd occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

peration of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

/eloper: SUMMIE SHAN LI and JANE WAI CHING LI — Phone: 734-2208
Name (Business)
936 7th Avenue
Business Address
Honolulu, HI 96816

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

al Estate
)ker: Summie Li Realty, Inc. — Phone: 734-2208
Name (Business)
444 Hobron Lane, Ste. 311
Business Address
Honolulu, HI 96815

:row: Fidelity Escrow Services Corp. — Phone: 537-6799
Name (Business)
700 Bishop St., Ste. 1010
Business Address
Honolulu, HI 96813

neral
ntractor: S. Tanaka Construction — Phone: 536-4364
Name (Business)
535 Ward Ave., Rm. 211
Business Address
Honolulu, HI 96814

ndominium
ınaging
ent: Self-managed by Association of Apartment — Phone:
Name (Business)
Owners
Business Address

torney for
veloper: Glenn M. Adachi — Phone: 526-3880
Name (Business)
841 Bishop St., Ste. 1601
Business Address
Honolulu, HI 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

. 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

[X] Recorded - Bureau of Conveyances: Document No.93-103595
Book_____ Page_____

[ ] Filed - Land Court: Document No._____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: **Amendment No. 1 to the Declaration of Condominium Property Regime was recorded on August 31, 1993 as Document No. 93-142885**

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

The Condominium Map for this condominium project is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances Condo Map No.1878

[ ] Filed - Land Court Condo Map No._____

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

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

The Bylaws for this condominium are:

[ ] Proposed

[X] Recorded - Bureau of Conveyances: Document No.93-103596
Book_____Page_____

[ ] Filed - Land Court: Document No._____

'he Bylaws referred to above have been amended by the following instruments [state name of document, dated and ecording/filing information]:

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 [X] Adopted [ ] Developer does not plan to adopt House Rules

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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	100%
Bylaws	65%	65%
House Rules	---	Bd. of Directors

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

2. Developer:

[ ] No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

[X] Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

1. To amend the Declaration, By-Laws and Condominium Map at anytime prior to recording of the sale of a unit.

2. To amend the Declaration and Condominium Map to file the "as built" certificate.

III. THE CONDOMINIUM PROJECT

4. Interest to be Conveyed to Buyer:

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

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which 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:_____

_____

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

Exhibit_____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

For Subleaseholds:

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

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

[ ] Individual 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-Annually [ ] Annually
Exhibit_____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 3849 Kaimuki Avenue
Honolulu, HI 96816

Tax Map Key: (1) 3-2-52: 44 (TMK)

[ ] Address [ ] TMK is expected to change because _____

Land Area: 8,000 [X] square feet [ ] acre(s) Zoning: R-5

Lessor
(Fee Owner): Summie Shan Li and Jane Wai Ching Li
Name
936 7th Avenue
Address
Honolulu, HI 96816

Sublessor: _____
Name

_____
Address

_____

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building 1 & 2

[ ] Exhibit_____ contains further explanations.

3. Principal Construction Material:

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

[X] Other Glass, aluminium and monier tile roofing

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	2	[X] Yes [ ] No	[ ] Ohana	____	[ ] Yes [ ] No
[ ] Commercial	____	[ ] Yes [ ] No	[ ] Industrial	____	[ ] Yes [ ] No
[ ] Mix Res/Comm	____	[ ] Yes [ ] No	[ ] Agricultural	____	[ ] Yes [ ] No
[ ] Hotel	____	[ ] Yes [ ] No	[ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes [ ] No	[ ] Other:_____	____	[ ] Yes [ ] No

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

[X] Pets:No livestock or poultry permitted, excepr for such animals customarily kept as pets.

[ ] Number of Occupants:_____

[ ] Other:_____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: None Trash Chutes: None

Apt.No. ~~Type~~	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
1	1	2/1	1,342	
2	1	5/3	2,286	80

Total Apartments: 2

***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 the those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

1. All perimeter walls, floors, foundations and roofs of each building.
2. All pipes, wires, conduits, or other utility and service lines in such building, or outside such building, if the same are not utilized for or serve more than one apartment.
3. The garage to Apartment 2.

Permitted Alterations to Apartments:

Apartment owner may renovate, remodel, make additions to, remove or restore unit.

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned (for each units)	2	2					4
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	4						

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[ ] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute

[X] Other: Driveway

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by _____

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

11. Conformance to Present Zoning Code See Letter from the City and County of Honolulu, Building Department

a. [X] 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.

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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.

). 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:

[X] described in Exhibit C.

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[ ] described in Exhibit_____.

[X] as follows:

The areas beneath and immediately adjacent to the dwelling as shown on the condominium map. Areas referenced herein are not legally subdivided lots.

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 _____.

[X] as follows:

Apt. No.	Common Interest
1	50%
2	50%

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 May 20, 1993 and issued by Stewart Title Guaranty Company.

Blanket Liens:

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

[ ] 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.

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Buyer may have to sue Developer for breach of contract and for return of any deposits paid.

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:

There are no warranties on Apartment 1. Apartment 2 will have a standard contractor's one year warranty on materials and craftsmanship.

2. Appliances:

There are no warranties for the appliances in Apartment 1. Apartment 2 will have the warranties given by the appliance manufacturer.

G. Status of Construction and Estimated Completion Date:

Apartment 1 was built before 1939. Apartment 2 is expected to be completed in August 1993. (See Exhibit B)

H. Project Phases:

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

Summary of Developer's plans or right 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
[X] self-managed by the Association of Apartment Owners
[ ] the Developer or the Developer's affiliate.
[ ] 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 E contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

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:

[X] None [ ] Electricity [ ] Gas [ ] Water

[ ] Sewer [ ] Television Cable [ ] Other_____

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

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

[ ] Notice to Owner Occupants

[X] Specimen Sales Contract
Exhibit F contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 14, 1993
Exhibit G 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 developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to $250.00.

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

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

A) The Developer delivers to the buyer a copy of:
   1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;
   AND
   2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
B) The buyer is given an opportunity to read the report(s); **AND**
C) One of the following has occurred:
   1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
   2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
   3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

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

A) There is a material change in the 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 Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
   B) Declaration of Condominium Property Regime.
   C) Bylaws of the Association of Apartment Owners.
   D) House Rules.
   E) Condominium Map
   F) Escrow Agreement
   G) Hawaii's Condominium 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 and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P.O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 2906 filed with the Real Estate Commission on July 7, 1993.

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[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

C. **Additional Information Not Covered Above**

Disclosure regarding use of a nonsurety bond by the developer and restrictions on the developer's use of a purchaser's funds.

The Developers submitted a nonsurety performance and labor and material payment bond for $176,000, which is one hundred per cent (100%) of the cost of construction of Apartment 2. The performance bond was issued by Midpac Lumber Co., Ltd. A copy of the bond was included in the filing submitted to the Real Estate Commission, State of Hawaii ("Commission"). Before signing the sales contract, a prospective purchaser may review this bond and the entire filing by the developer at the Commission's offices.

The Developers submitted an escrow agreement which was signed by the Developers and Fidelity Escrow Services Corp. The escrow agreement provides in pertinent part that a purchaser's funds shall not be disbursed from escrow until the escrow company has received satisfactory evidence that all mechanics' and materialmen's liens have been cleared or the expiration of the forty-five (45) day period commencing after publication of the notice of completion.

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

SUMMIE SHAN LI and JANE WAI CHING LI
Name of Developer

By: _____ _____
Duly Authorized Signatory Date

Jane Wai Ching Li

SUMMIE SHAN LI and JANE WAI CHING LI
print name & title of person signing above

Distribution:

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

SCOTT E. A. DAVIS
ARCHITECT
609 ILIAINA STREET
KAILUA, HAWAII 96734
PHONE: 254-2944

Mr. Summie Li
936 7th Avenue
Honolulu, Hi 96816

April 15, 1993

Dear Mr. Li,

As per your instructions, a visual inspection was made of the property located at 3849 Kaimuki Avenue, TMK: 3-2-52-44 Honolulu, Hawaii.

The purpose of the inspection was to examine and comment on the present condition of the buildings.

The following describes by assessment of the present condition of the buildings:

1. The structures described as Unit 1 appears in good condition. The unit is habitable and appear to be free from major structural defects.

2. The electrical system and plumbing systems appear to be functioning properly and seem to be in good condition.

Conclusion: The buildings described as unit 1 is in good condition with no major structural defects. At this point, the age of the structures is not known and no useful life of the buildings has been determined.

Very truly yours,

Scott E. A. Davis

SCOTT E. A. DAVIS
Registered Professional Architect
Registration No. 6238

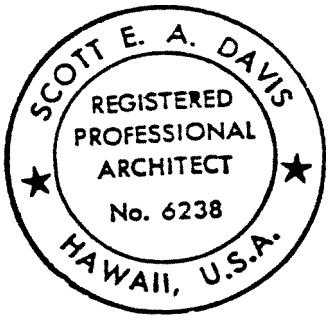

EXHIBIT A

BUILDING DEPARTMENT

CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813

FRANK F. FASI
MAYOR

HERBERT S. MATAYOSHI
DIRECTOR AND BUILDING SUPERINTENDENT

WILLIAM F. REX, JR.
DEPUTY

Ex93-65

May 20, 1993

Mr. Glenn M. Adachi
Attorney at Law
Davies Pacific Center
841 Bishop Street, Suite 1601
Honolulu, Hawaii 96813-3916

Dear Mr. Adachi:

Subject: Condominium Conversion Project
3849 Kaimuki Avenue
Tax Map Key: 3-2-52: 44

This is in response to your letter dated April 16, 1993 requesting verification that the one-story single-family dwelling met all code requirements at the time of construction.

Investigation revealed that the dwelling met the applicable code requirements when it was constructed before 1939.

However, the following deficiencies were noted:

1. The first and second 1x8 mauka eave sheathing from the Ewa end are extensively damaged by rot and termites.

2. The twelfth Ewa eave rafter from the mauka end is extensively damaged by rot and termites.

For your information, the Building Department cannot determine whether this project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

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

EXHIBIT B

If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at telephone number 527-6341.

Very truly yours,

HERBERT K. MURAOKA
Director and Building Superintendent

Subscribed and sworn to
before me this 21th day of
May, 1993.

Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1995

EXHIBIT C

DESCRIPTION OF COMMON ELEMENTS

1. The land in fee simple as described in the Declaration of Condominium Property Regime.

2. All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve the apartments for services such as power, light, water, gas, refuse, telephone, radio, and television signal distribution.

3. Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.

4. Driveway designated as "Common Area" on Condominium Map.

EXHIBIT D

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.

2. Terms, provisions, covenants and conditions of that certain Party Wall Agreement dated May 17, 1993, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-080674.

3. Terms, provisions, covenants and conditions of that certain Encroachment Agreement (Wall) dated May 14, 1993, recorded in said Bureau of Conveyances as Document No. 93-080675.

4. Terms, provisions, covenants and conditions of that certain Encroachment Agreement (Wall) dated May 17, 1993, recorded in said Bureau of Conveyances as Document No. 93-080676.

5. Mortgage dated May 18, 1993 in favor of First Hawaiian Creditcorp, Inc., recorded in said Bureau of Conveyances as Document No. 93-080678.

6. Financing Statement in favor of First Hawaii Creditcorp, Inc. as secured party, recorded in said Bureau of Conveyances as Document No. 93-080679.

7. Condominium Map No. 1878 filed in the Bureau of Conveyances, State of Hawaii.

8. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by-laws set forth in the Declaration of Condominium Property Regime dated June 16, 1993, recorded as Document No. 93-103595.

9. By-Laws of the Association of Apartment Owners of 3849 KAIMUKI AVENUE dated June 16, 1993, and recorded as Document No. 93-103596.

10. Real property taxes due and payable. For more information contact City and County of Honolulu, Department of Finance, Real Property Tax Assessment.

EXHIBIT E

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months	Yearly Total
1	$100.00	$1,200.00
2	$100.00	$1,200.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months	Yearly Total
Utilities and Services		
Air Conditioning		
Electricity		
[ ] common elements only		
[ ] common elements and apartments		
Elevator		
Gas		
Refuse Collection		
Telephone		
Water and Sewer		
Maintenance, Repairs and Supplies	$ 20.00	$ 240.00
Building		
Grounds		
Management		
Management Fee		
Payroll and Payroll Taxes		
Office Expenses		
Insurance	160.00	1,920.00
Reserves(*)	20.00	240.00
Taxes and Government Assessments		
Audit Fees		
Other		
TOTAL	$ 240.00	$2,400.00

I, Summie Li, as agent and employed by Summie Li Realty, Inc the condominium managing agent or the developer, for the condominium project 3849 Kalakaua Ave, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

(*) Mandatory reserves in effect January 1, 1993

Date: 6/16/93

EXHIBIT F

SUMMARY OF SALES CONTRACT

The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

1. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.

2. That a buyer's deposits will be held in escrow until the sales contract is closed or cancelled.

3. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

4. That in the event of default:

If buyer defaults:

(1) Seller may bring an action for breach of contract;

(2) Seller may retain the deposits as liquidated damages;

(3) Buyer is responsible for any costs incurred under the sales contract.

If Seller defaults:

(1) Buyer may bring an action for breach of contract;

(2) Buyer may bring an action for specific performance;

(3) Seller is responsible for any costs incurred under the sales contract.

The prevailing party is entitled to recover all costs incurred including reasonable attorney's fees. Escrow fees incurred shall be deducted before disbursement to the prevailing party.

The sales contract contains various other provisions which the buyer should become acquainted with.

EXHIBIT G

SUMMARY OF ESCROW AGREEMENT

The escrow agreement sets up an arrangement under which the deposits a buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

(a) Escrow will collect payments due pursuant to the sales contract.

(b) Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.

(c) Escrow will let buyers know when payments are due.

(d) Escrow will not disburse funds until it is notified by seller that a final public report has been issued and a copy has been given to the buyer.

(e) A buyer's funds will be refunded without interest, less a cancellation fee if buyer cancels the sales contract and either the seller requests that buyer's funds be returned prior to issuance of the final public report, or buyer's funds were obtained prior to issuance of the final public report and buyer decides to cancel their reservation prior to receipt of the final public report.

(f) The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.

(g) Escrow will arrange for and supervise the signing of all necessary documents.

(h) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

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

EXHIBIT "H"

DISCLOSURE ABSTRACT

1. a. PROJECT: 3849 KAIMUKI AVENUE
3849 Kaimuki Avenue
Honolulu, HI 96816

b. DEVELOPER: Summie Shan Li and
Jane Wai Ching Li
936 7th Avenue
Honolulu, HI 96816

c. MANAGING AGENT: None. Project will be self-managed.

2. Estimated Maintenance Fee Assessments and Disbursements

Maintenance Fees: The routine maintenance and repair of each apartment unit, including all utility charges, is the sole responsibility of each owner. The breakdown of annual maintenance fees and monthly estimate for each apartment has been based on generally accepted accounting principles and is attached as Exhibit "E".

Individual Insurance: Section 514A-86, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the Project's improvements. It is contemplated that each apartment owner will purchase and maintain his own homeowner's insurance policy which will include fire and liability coverage, and name the Association as an additional insured. As such, the premiums on said policies will be the individual responsibility of each apartment owner rather than a common expense of the Association. Purchasers should be aware that the premiums for said fire insurance will vary depending upon the insurance company and the coverage. If it is necessary for the Association to have its own public liability coverage (which could occur), this will become a common expense of the Associaiton shared by the apartment owners.

3. Description of All Warranties Covering the Apartments and Common Elements.

Purchasers are advised that Apartment 1 is an existing structure. Said building was constructed in 1939 and as such was subject to "wear and tear" commensurate with its age. NO WARRANTIES FOR FITNESS OF USE OR MERCHANTABILITY OR ANY OTHER KIND ARE MADE AS TO SAID APARTMENT. PURCHASERS ARE ADVISED TO CONDUCT THEIR OWN INSPECTION OF THE APARTMENT THEY DESIRE TO BUY. THE APARTMENT IS SOLD "AS IS".

The Developer is making a one year warranty from the date of completion on the materials and workmanship of Apartment 2.

4. Use of Apartments. The 3849 KAIMUKI AVENUE condominium project will consist of two (2) apartments which will be used for residential purposes by the owners, their tenants, servants, guests and invitees and for no other purpose.

5. Structural Components and Mechanical and Electrical Installations.

Based on a visual inspection report prepared by a licensed architect (a copy of said report is attached as Exhibit "A" to this public report), it is the Developer's opinion that all structural components and mechanical and electrical installations material to the use and enjoyment of Apartment 1 appear to be sound and in satisfactory working condition. However, NO REPRESENTATIONS OF ANY KIND ARE MADE AS TO THE EXPECTED USEFUL LIFE, IF ANY, OF THE STRUCTURAL COMPONENTS AND MECHANICAL AND ELECTRICAL INSTALLATIONS MATERIAL TO THE USE AND ENJOYMENT OF APARTMENT 1.

6. Code Violations. To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of uncured violations of the building code or municipal regulations of the City and County of Honolulu.

DATE: 6/16/93

SUMMIE SHAN LI
JANE WAI CHING LI

By _____