

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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.

No prior reports have been issued by the developer.

Changes made are as follows:

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

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

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: SHIN CHILDREN PARTNERS Phone: (808) 531-9818
Name (Business)
1010 Richards Street, #311
Business Address
Honolulu, Hawaii 96813

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

See Exhibit A

Real Estate Broker: CREATIVE INDUSTRIES, INC. Phone: (808) 531-9818
Name (Business)
1010 Richards Street, #311
Business Address
Honolulu, Hawaii 96813

Escrow: Island Title Corporation Phone: (808) 961-4646
Name (Business)
688 Kinoole Street
Business Address
Hilo, Hawaii 96720

General Contractor: N/A Phone: _____
Name (Business)

Business Address

Condominium Managing Agent: Self-Managed Phone: _____
Name (Business)
by Association of Apartment Owners
Business Address

Attorney for Developer: Richard G. MacMillan Phone: (808) 538-0399
Name (Business)
820 Mililani Street, #611
Business Address
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 18104 Page 142
 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]: First Amendment of Declaration recorded December 2, 1994 as Document No. 94-197699.
Second Amendment of Declaration as Document NO. 95-030912

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

The Condominium Map for this condominium project is:

- Proposed
 Recorded - Bureau of Conveyances Condo Map No. 919
 Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

- Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 18104 Page 142
 Filed - Land Court: Document No. _____

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]: First Amendment of Declaration recorded December 2, 1994 as Document No. 94-197699.

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

Changes to Condominium Documents

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

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

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

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

2. Developer:

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

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-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: 50A Maile Street Tax Map Key: 2-2-053:09 (3rd Div.)
Hilo, Hawaii 96720 (TMK)

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

Land Area: 23,196 [XX] square feet [] acre(s) Zoning: Business

Fee Owner : SHIN CHILDREN PARTNERS
 Name 1040 Richard Street, #311
 Address Honolulu, Hawaii 96813

Sublessor: _____
 Name _____
 Address _____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 1 Floors Per Building 3

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning	No. of Apts.	Use Determined By Zoning
<input checked="" type="checkbox"/> Residential	<u>30</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
		<input type="checkbox"/> Ohana		
		<input type="checkbox"/> Industrial		
		<input type="checkbox"/> Agricultural		
		<input type="checkbox"/> Recreational		
		<input type="checkbox"/> Other: _____		

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

Yes No

5. Special Use Restrictions:

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

-] Pets: No pets other than birds in cages and fish.
- [] Number of Occupants: _____
- [] Other: _____
- [] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 2 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Lanai/Patio (sf)</u>
<u>A</u>	<u>26</u>	<u>1/1</u>	<u>448</u>	<u> </u>
<u>B</u>	<u>4</u>	<u>2/1</u>	<u>576</u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>

Total Apartments: 30

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

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

Boundaries of Each Apartment:

See Exhibit A

Permitted Alterations to Apartments:

See Exhibit B

7. Parking Stalls:

Total Parking Stalls: 33

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	<u>covered</u>	<u>open</u>	
Assigned (for each unit)		<u>30</u>					<u>30</u>
Guest Unassigned		<u>3</u>					<u>3</u>
Extra for Purchase							
Other:							
Total Covered & Open		<u>33</u>					

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

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

8. Recreational and Other Common Facilities:

There are no recreational or common facilities.

Swimming pool Storage Area Recreation Area

Laundry Area Tennis Court Trash Chute

Other: _____

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

There are no violations. Violations will not be cured.

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

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

The building and its structural, electrical and plumbing components and installations are in good condition and working order. No opinion is expressed regarding their expected useful life.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

described in Exhibit 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:

[X] described in Exhibit D .

[] as follows:

NOTE: Land 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:

[X] described in Exhibit _____.

[X] as follows:

<u>Apt. Type</u>	<u>Percent Common Int.</u>
A	3.211
B	4.1285

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 E describes the encumbrances against the title contained in the title report dated June 20, 1995 and issued by First American Title Insurance Co.

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.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
MORTGAGE	Contract may be terminated but buyers will be refunded all deposits paid, less escrow cancellation fees.

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:

No warranties. Sold "as is".

2. Appliances:

No warranties. Sold "as is".

G. Status of Construction and Estimated Completion Date:

The building was completed in 1970.

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 the Developer or the Developer's affiliate.
- self-managed by the Association of Apartment Owners other _____

B. Estimate of Initial Maintenance Fees:

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

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

Exhibit F 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:

- None Electricity Gas Water
- Sewer (common elements only) Television Cable Other refuse collection

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit G contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 20, 1994
Exhibit H contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

Final Report 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, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - 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. 3411 filed with the Real Estate Commission on 7/6/95.

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

yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

The Developer is a family partnership consisting of the children of Clifford P.S. Shin. The Shin children are also officers and shareholders of Creative Industries, Inc. which is the designated real estate broker for the project and whose principal broker is Clifford P.S. Shin (RB 9074).

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.

Christine M.S. Shin

SHIN CHILDREN PARTNERS

Name of Developer

By: Christine M.S. Shin

Duly Authorized Signatory

3/2/95

Date

Christine M.S. Shin, General Partner

print name & title of person signing above

Distribution:

Department of Finance, County of Hawaii
Planning Department, County of Hawaii
Federal Housing Administration

EXHIBIT A
Boundaries of Apartments

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or the interior load bearing walls, the floors and ceilings surrounding each apartment and any pipes, wires, conduits or other utility lines running through such apartments which are utilized for or serve more than one apartment. Subject to the foregoing, each apartment shall include all of the walls and partitions which are not load-bearing within its perimeter or party walls, any glass windows or panels, all adjacent lanais and any fixtures and appliances originally installed therein.

EXHIBIT B

Permitted Alterations

No apartment owners shall make alterations or additions within his apartment or within a limited common element appurtenant to his apartment without the consent of the Board of Directors. Structural alterations or work which could jeopardize the soundness or safety of the property, reduce the value thereof or impair any easement will also require the consent of 75% of the apartment owners.

EXHIBIT C

Common Elements

The Declaration states that the common elements of the Project will include the limited common elements of the Project and all portions of the Project other than the apartments, including specifically, but not limited to:

- (a) All the land of the Project in fee simple;
- (b) All yards, grounds, landscaping and refuse facilities.
- (c) All driveways and parking areas
- (d) All ducts, sewer lines, sewage pumping stations, electrical equipment, pipes, wiring and other central and appurtenant transmissions facilities and installations which serve more than one apartment for services such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution.
- (e) Any and all other apparatus and installations of common use, and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

EXHIBIT D

Limited Common Elements

The Declaration states that certain parts of the common elements, designated as, "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 elements so set aside and reserved are as follows:

- (a) The exterior access corridor located on each floor above the ground floor in any of the buildings of the Project shall be appurtenant to and for the exclusive use of the apartments which are located on each such floor.
- (b) The stairways serving each building of the Project shall be for the exclusive use of the apartments in such building served thereby.
- (c) One (1) automobile parking space shall be appurtenant to and for the exclusive use of each apartment. The particular parking stall appurtenant to each apartment is indicated by the apartment number on the condominium map. Each apartment shall always have at least one parking stall appurtenant to it, but otherwise any parking stall may be transferred from apartment to apartment in the Project as provided by law

EXHIBIT E

Encumbrances Against Title

For Real Property Taxes that may be due and owing, reference is made to the County of Hawaii, Department of Taxation for further information.

- a. Reservations as contained in that certain Deed dated May 22, 1961, recorded in said Bureau in Liber 4080 Page 309, to which reference is hereby made. Said Deed was amended by instrument dated April 20, 1967, recorded in said Bureau in Liber 5641 Page 145.
- b. Sewer Line Easement S-1 (10 feet wide), within Lot 9-C, as per survey of Murray, Smith & Associates, Ltd., Donald James Murray, Registered Land Surveyor No. 1247, dated November 21, 1983.
- c. Terms and provisions of that certain Agreement made by and between U.S. III, a Hawaii limited partnership, and The County of Hawaii, dated December 19, 1983, recorded in said Bureau in Liber 17582 Page 530.

d. ADJUSTABLE RATE MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor: Creative Industries, Inc., a Hawaii corporation, and Shin Children Partners, a Hawaii general partnership
Mortgagee: Finance Factors, Limited, a Hawaii corporation
Dated: August 12, 1993
Document No. 93-179027
To Secure: \$3,000,000.00
and any other amounts and/or obligations secured thereby

e. ASSIGNMENT OF RENTS AND OTHER INCOME

Assignor: Creative Industries, Inc., a Hawaii corporation, and Shin

Assignee: Children Partners, a Hawaii
general partnership
Finance Factors, Limited, a Hawaii
corporation
Dated: August 12, 1993
Document: 93-179028
Re: to secure the repayment of the
principal amount of \$3,000,000.00

f. FINANCING STATEMENT

In Favor Of: Finance Factors, Limited
Recorded On: October 29, 1993
Document No: 93-179032

g. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor: Creative Industries, Inc., formerly
known as Creative Consultants,
Inc., a Hawaii corporation, and
Shin Children Partners, a Hawaii
general partnership, and Nakamoto
Properties, Inc., a Hawaii corpora-
tion, and Christine Myung Suk Shin
unmarried, and Jodi Hyun Suk Shin,
unmarried.
Mortgagee: Finance Factors, Limited, a Hawaii
corporation
Dated: October 18, 1994
Land Court:
Document No: 2198833
Document No: 94-193771
To Secure: \$4,000,000.00
and any other amounts and/or
obligations secured thereby

h. ASSIGNMENT OF RENTS AND OTHER INCOME

Lender: Finance Factors, Limited, a Hawaii
corporation
Assignor: Creative Industries, Inc.,
formerly known as Creative Consult-
ants, Inc., a Hawaii corporation,
and Shin Children Partners, a
Hawaii general partnership, and
Nakamoto Properties, Inc., a
Hawaii corporation, and Christine

Myung Suk Shin, unmarried, and Jodi
Hyun Suk Shin, unmarried
Dated: October 18, 1994
Document No: 94-193773

i. **FINANCING STATEMENT**

In Favor Of: Finance Factors, Limited, a Hawaii
corporation
Recorded On: November 25, 1994
Document No: 994-193775
Covering: See copy attached hereto

- j. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
- k. Condominium Map No. 919, filed in the Bureau of Conveyances, State of Hawaii.
- l. Covenants, conditions, restrictions, reservations, agreements obligations, provisions and easements set forth in the Declaration of Condominium Property Regime recorded August 24, 1984, in the Bureau of Conveyances, State of Hawaii, as Liber 18104 Page 142. Said document was amended by instrument recorded December 2, 1994 in the Bureau of Conveyances, as Document No. 94-197699 and further amended by instrument recorded May 7, 1995 and filed as Document No. 95-03091 .
- m. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of Park View Apartments recorded August 24, 1984, in the Bureau of Conveyances, State of Hawaii, as Liber 18104 Page 142. Said document was amended by instrument recorded December 2, 1994 in the Bureau of Conveyances, as Document No. 94-197699.

EXHIBIT F

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee x 12 months = Yearly Total</u>
Type A (3.211%)	134.92 x 12 = 1,619.04
Type B (4.1285%)	173.47 x 12 = 2,081.64

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

[x] common elements only

[] common elements and apartments

\$ 218.75 \$2,625.00

~~Elevators~~

Gas 750.00 9,000.00

Refuse Collection 109.38 1,312.50

Telephone 562.50 6,750.00

Water and Sewer 562.50 6,750.00

Maintenance, Repairs and Supplies

Building 156.25 1,875.00

Grounds 156.25 1,875.00

Management

Management Fee

Payroll and Payroll Taxes 240.00 2,880.00

Office Expenses

Insurance 848.28 10,179.40

Reserves(*) 312.50 3,750.00

Taxes and Government Assessments 764.53 9,174.35

Audit Fees 83.33 1,000.00

Other

TOTAL \$4,201.77 \$50,421.25

I, Clifford P.S. Shin, as agent and employed by Shin Children Partners, the condominium managing agent or the developer, for the condominium project Lagoon View Apartments, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Clifford P.S. Shin

(*) Mandatory reserves in effect January 1, 1993

Date: 6/27/95

EXHIBIT G

Summary of Sales Contract

The relevant provisions of the Deposit Receipt and Sales Contract ("Sales Contract") are as follows:

1. Financing. If a Purchaser requires financing, he must make a good faith application for the necessary mortgage loans within ten (10) days after the Seller's execution of the Sales Contract. If the loan is not approved within sixty (60) days after application, the Seller has the right to cancel the Sales Contract and refund all deposits paid by Purchaser, less certain escrow cancellation fees.

2. Condominium Documents. Purchasers acknowledge receipts of and approve all of the condominium documents including the Unit Deed, Declaration of Horizontal Property Regime, Bylaws, Developer's Disclosure Abstract, House Rules, and Escrow Agreement.

3. Binding Effect. The Sales Contract shall only become binding on Purchaser and Seller after:
 - (i) A true copy of the final Public Report has been delivered to Purchaser either personally or by registered or certified mail with return receipt required, together with a true copy of all other public reports thereon, if any, issued prior to the date of such delivery and not previously delivered to Purchaser;
 - (ii) Purchaser has been given an opportunity to read the reports; and
 - (iii) Purchaser has executed the form of the receipt and notice required under Section 514A-62 of the Hawaii Revised Statutes, and waived his right to cancel; provided that if Purchaser does not execute and return the receipt and notice within thirty (30) days from the date of delivery of such reports, or if the apartment is conveyed to Purchaser prior to the expiration of such thirty (30) day period, Purchaser shall be deemed to have receipted for the reports and to have waived his right to cancel.

4. Default by Purchaser. Seller may retain Purchaser's deposits or bring an action against Purchaser for breach of contract. Purchaser shall be responsible for costs incurred.

EXHIBIT "H"

SUMMARY OF THE MATERIAL PROVISIONS OF THE ESCROW AGREEMENT

Following is a summary of the Condominium Escrow Agreement between the Developer and Island Title Corporation ("Escrow Agent").

1. All deposits will be paid to Escrow. Seller will have each Buyer sign a Deposit, Receipt and Sales Contract ("Sales Contract"). A signed copy of each Sales Contract, the initial deposit, and all other payments made to purchase an Apartment shall be turned over to the Escrow Agent. This includes any loan payments from a Buyer's lender.

2. Disposition of Payments. Escrow Agent will accept Buyers' deposits and will hold them or pay them out according to the Escrow Agreement.

3. When Buyer's Funds May Be Disbursed From Trust Account. Escrow Agent shall make no disbursements of Buyer's funds, pursuant to Paragraph 5 of the Escrow Agreement, until all of the following have occurred:

(a) the Real Estate Commission has issued a final public report (the "Final Report") on the Project,

(b) the Buyer has received a copy and given the Seller an acknowledgment receipt for it,

(c) two full business days have passed since notification from Seller to Escrow that Seller has received the acknowledgment receipt,

(d) Seller notifies Escrow in writing that all of the requirements of 514A-3 Hawaii Revised Statutes, then applicable to the Project, have been satisfied,

(e) Seller notifies Escrow in writing that the Sales Contract for the Purchaser has become a binding sales contract and that the Seller's and Purchaser's rights of cancellation have lapsed or have become void, and

(f) In the case of intended owner-occupants, the affidavit of intent to become an owner-occupant required by Section 514A-104, Hawaii Revised Statutes, as amended, and approved and issued by the Real Estate Commission pursuant to Section 514A-104.5, Hawaii Revised Statutes, as amended, has been reaffirmed by the prospective owner-occupant of the respective residential unit and recorded or made part of the conveying documents.

4. Use of Funds for Construction Costs. Although the Escrow Agreement provides that Seller may, under certain

circumstances, use Buyers' funds to pay construction costs and related expenses, the Seller will not avail itself of this right with respect to this project since it is a conversion of an existing building.

5. When Balance May be Paid to Seller. The balance of any Buyer's money in escrow as well as any payments made at closing as described in the Sales Contract, shall be paid by Seller when:

(a) Buyer's conveyance instrument has been recorded or filed for record, and

(b) Escrow Agent has received assurances that the Apartment will be conveyed free of liens or there are sufficient funds available to cover any such liens that may be filed.

6. Refunds to Purchasers.

(a) When Will Refunds be Made. Escrow Agent agrees to make a refund of a Buyer's escrow deposits promptly if Seller instructs Escrow Agent in writing that a refund should be made according to the Sales Contract. No refund will be made at a Buyer's request unless Escrow Agent receives written approval from the Seller. All refunds will be made without any interest as stated in the Sales Contract.

(b) Deduct Cancellation Fees. Upon any cancellation Escrow Agent is entitled to deduct a cancellation fee of \$75.00 plus tax from the refund unless Seller instructs Escrow Agent not to do so. Escrow may also deduct any cancellation fees of the lender from whom the Buyer has arranged a loan to buy the Apartment.

(c) Notice of Refunds. Escrow Agent shall give each Buyer entitled to a refund notice of the refund by registered mail. It will be addressed to such purchaser at the address shown on the Sales Contract. If the Purchaser, in writing, provides Escrow Agent with another address, then Escrow will send the notice to that address.

(d) Owner/Occupant Refunds. Escrow Agent will also refund a Purchaser's deposits as required by Part VI of the Condominium Law, if the Buyer and the Seller request it in writing and if the Buyer is on the Developer's reservation list as an intended owner/occupant under Section 514A-104 of the Condominium Law, and

i. the Seller does not offer such Buyer a Sales Contract; or

ii. the Buyer fails to obtain financing satisfactory to Seller within the time required by Part VI of the Condominium Law; or

iii. the Buyer asks to cancel because of hardship circumstances as described in Section 514A-107(b) of the Condominium Law; or

iv. the Buyer does not plan to occupy the unit he is buying.

Except for refunds under subparagraph (i) above, Escrow Agent will first deduct cancellation fees from the refund.

7. Buyer's Default. Seller will notify Escrow in writing that a Buyer has defaulted and that Seller has cancelled the Sales Contract because of default. After ten (10) days following Buyer's receipt of such notice, Escrow Agent will then treat the Buyer's funds less any cancellation fees as belonging to the Seller.

8. Escrow Will Not Decide Disputes. Escrow Agent is not required to choose sides or do anything if Seller and any Buyer should have a dispute or argument and demand different things from Escrow Agent. Escrow Agent can wait until the dispute is resolved or can file an "interpleader" action to have the dispute resolved by the courts. In that case, Escrow Agent will deposit in court any money involved in the dispute. Escrow Agent will give notice of its actions to the parties involved and such action and notice will release Escrow Agent from all further obligations for the money deposited with the court. Seller will pay to Escrow Agent on demand any and all costs and reasonable attorney's fees incurred by Escrow Agent in connection with such interpleader action. If Escrow Agent has the right to collect the same from any third person, the Seller will automatically acquire that right after Seller makes the payment.

9. Seller to Indemnify Escrow. Seller and Buyer agree to pay Escrow Agent on demand and to indemnify and hold Escrow Agent harmless from and against all costs, damages, judgments, attorneys fees, expenses, obligations and liabilities of every kind and nature reasonably suffered or incurred in connection with or arising out of the escrow including, but not limited to, all costs and expenses incurred in connection with the interpretation of the Escrow Agreement or with respect to any interpleader action or other proceeding.