

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: ALVIN K. L. CHANG Address: 111 Rosebank Place, Honolulu, Hawaii 96817

Project Name(*): 2943 PARK STREET Address: 2943 Park Street, Honolulu, Hawaii 96817

Registration No. 4050 (Partial Conversion)

Effective date: March 25, 1999 Expiration date: April 25, 2000

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

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

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

Type of Report:

PRELIMINARY: (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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report
as Exhibit "I"

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:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. It does not involve the sale of individual subdivided lots. 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.

1. 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 been complied with.

2. Facilities and improvements normally associated with County approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

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

TABLE OF CONTENTS

	Page
Preparation of this Report	1
Expiration Date of Reports	1
Type of Report	1
Disclosure Abstract	2
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Operation of the Condominium Project	4
I. PERSONS CONNECTED WITH THE PROJECT	5
Developer Attorney for Developer General Contractor	
Real Estate Broker Escrow Company Condominium Managing Agent	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	6
B. Condominium Map (File Plan)	6
C. Bylaws	6
D. House Rules	7
E. Changes to Condominium Documents	7
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	8
B. Underlying Land	9
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	13
E. Encumbrances Against Title	14
F. Construction Warranties	15
G. Status of Construction	16
H. Project Phases	16
IV. CONDOMINIUM MANAGEMENT	
A. Management of the Common Elements	17
B. Estimate of Initial Maintenance Fees	17
C. Utility Charges for Apartments	17
V. MISCELLANEOUS	
A. Sales Documents Filed with the Real Estate Commission	18
B. Buyer's Right to Cancel Sales Contract	18
C. Additional Information Not Covered Above	20
D. Signature of Developer	21
EXHIBIT A: Developer's Reserved Rights to Change the Declaration of Condominium Property Regime, Condominium Map, By-Laws or House Rules	
EXHIBIT B: Description of Buildings	
EXHIBIT C: Limits of Apartments	
EXHIBIT D: Permitted Alterations to Apartment	
EXHIBIT E: Common Elements	
EXHIBIT F: Limited Common Elements	
EXHIBIT G: Common Interest	
EXHIBIT H: Encumbrances Against Title	
EXHIBIT I: Disclosure Abstract and Estimate of Initial Maintenance Fees and Estimate of Maintenance	
EXHIBIT J: Summary of Pertinent Provisions of Sales Contract	Fee Disbursements
EXHIBIT K: Summary of Pertinent Provisions of the Escrow Agreement	
EXHIBIT L: Architect's Certificate	3

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: ALVIN K. L. CHANG Phone: (808) 655-4441
Name (Business)
111 Rosebank Place, Honolulu, Hawaii 96817
Business Address

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

Not Applicable

Real Estate Broker: Leroy Y. Uvehara; Sunny Isles Properties, Inc. Phone: (808) 737-8226
Name (Business)
701 17th Avenue, Honolulu, Hawaii 96816
Business Address

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0209
Name (Business)
235 Queen Street, 1st Floor
Business Address
Honolulu, Hawaii 96813

General Contractor: BYM Builders; Byron M. Yamada as to Phone: (808) 833-4407
Name (Business)
2943 Park Street unit
Business Address
1386 Ala Hoku Place
Honolulu, Hawaii 96819

Condominium Managing Agent: Not Applicable - Self Managed Phone: _____
Name (Business)
Business Address

Attorney for Developer: Wesley Y. S. Chang, Esq. Phone: (808) 521-0087
Name (Business)
841 Bishop Street, Suite 702
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. 93-102163
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]:

2943 Park Street First Amendment to Declaration of Condominium Property Regime, recorded in the Bureau of Conveyances of the State of Hawaii ("Bureau") as Document No. 98-157388.

- 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. 1877
 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]:

2943 Park Street First Amendment to Declaration of Condominium Property Regime, recorded in the Bureau as Document No. 98-157388

- 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. 93-102164
Book _____ Page _____
 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]:

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	100%
Bylaws	65%	100%
House Rules	---	Majority of Board 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.
- Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules: See Exhibit "A" attached hereto.

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 Sub-leasehold: 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 Sub-leaseholds:

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 Sub-leasehold:

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: 2943 Park Street Tax Map Key (TMK): (1) 2-2-035-001
Honolulu, Hawaii 96817

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

Land Area: 1.057 [] square feet [X] acre(s) Zoning: Residential

Fee Owner: ALVIN K. L. CHANG
 Name
111 Rosebank Place, Honolulu, Hawaii 96817
 Address

Lessor: _____
 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: 2 Floors Per Building 1 + basement

Exhibit "B" attached hereto contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood
 Other Metal, glass, and other building materials

4. Uses Permitted by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Permitted By Zoning
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<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"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

5. Special Use Restrictions:

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

Pets: Pets shall be allowed subject to compliance with the By-Laws.

Number of Occupants: _____

Other: Apartment shall be used for residential purposes only; no timesharing, transient or hotel purposes permitted.

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 2943: 1 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>2943</u>	<u>1</u>	<u>2/2</u>	<u>1,638</u>	<u>102</u>	<u>Lanai 1 & 2</u>
<u>2943A</u>	<u>1</u>	<u>4/3</u>	<u>1,789</u>	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____
_____	_____	_____	_____	_____	_____

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

Boundaries of Each Apartment: See Exhibit "C" attached hereto.

Permitted Alterations to Apartments: See Exhibit "D" attached hereto and made part hereto.

7. Parking Stalls:

Total Parking Stalls: 4

	<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)	2						4
Guest Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open:	4		0		0		4

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

- 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/Enclosure(s)
- 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 _____
(Date)

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):

Based upon the Registered Architect's Certificate by Spencer K. S. Chang, attached hereto as Exhibit "L", the present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of the Apartment designated as 2943A Park Street is good for a dwelling of its age.

No representations are being made as to the useful life of such structural components and mechanical and electrical installations.

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 "E" attached hereto.

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.

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

described in Exhibit "F"* attached hereto.

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:

described in Exhibit "G" attached hereto.

as follows:

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 H describes the encumbrances against the title contained in the title report dated August 24, 1998 and updated September 4, 1998 and issued by Fidelity National Title Insurance 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.

<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 in favor of GE Capital Hawaii, Inc.	Purchaser's interest will be cancelled and purchaser's funds will be refunded in full, 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: None

2. Appliances: None

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

Construction of the Apartment designated as 2943 Park Street began on 8/19/98. First floor masonry columns have been erected. Estimated date for completion of slab on first floor: 9/3/98.

Estimated date of completion: 11/30/98.

2943A Park Street Apartment was completed in 1982.

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.
[X] 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, a lien may be placed on your apartment and the apartment may be 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 "I"* attached hereto contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

*Note: Developer has not conducted a reserve study in accordance with Sec. 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

- C. Utility Charges for Apartments:

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

- [] None [] Electricity (_____ Common Elements only _____ Common Elements & Apartments)
[] Gas (_____ Common Elements only _____ Common Elements & Apartments)
[X] Water [X] Sewer [] Television Cable
[X] Other Trash _____

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 "J" attached hereto contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated October 19, 1998.
Exhibit "K" attached hereto 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 issued 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, if any.
 - E) Condominium Map, as amended.
 - 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. 4050 filed with the Real Estate Commission on October 23, 1998.

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**

Developer has obtained a performance bond by Honsador Lumber Corporation, which performance bond covers 100 percent of the construction contract price.

Restrictions on the developer's use of purchasers' funds are set forth in Section II, Paragraph 3 (entitled "Use of Escrow Funds"), of the Deposit Receipt and Sales Contract and in Section 3 (entitled "Conditions to be Met Prior to Disbursement") of the Condominium Escrow Agreement for 2943 Park Street, as amended March 4, 1999.

- 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.

ALVIN K. L. CHANG
Printed Name of Developer

By: Alvin K L Chang 4 March 1999
Duly Authorized Signatory Date

Alvin K L Chang, Developer
Printed Name & Title of Person Signing Above

Distribution:

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

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS TO CHANGE THE DECLARATION OF CONDOMINIUM PROPERTY REGIME, CONDOMINIUM MAP, BY-LAWS OR HOUSE RULES

The following are excerpts from the Declaration and the By-Laws:

1. **DECLARATION.**

Paragraph S. entitled "Amendment of Declaration" provides in pertinent part, the following:

Except as otherwise provided herein or in the Act, this Declaration may be amended by a vote of the owners of one hundred percent (100%) of the interests in the common elements effective only upon the recording of an instrument setting forth such amendment and vote duly executed by such owners; provided, that Developer may, at any time prior to the recordation of an apartment deed in the Bureau conveying an apartment to a party not a signatory hereto, amend this Declaration and the By-Laws in any manner as Developer may deem fit.

2. **BY-LAWS.**

Section 2. of Article II entitled "Qualification" provides in pertinent part that:

All owners of the apartments of the Project shall constitute the Association. The owner of any apartment upon acquiring title thereto shall automatically become a member of the Association and shall remain a member thereof until such time as such person's ownership of such apartment ceases for any reason, at which time the owner's membership in the Association shall automatically cease; provided, however, that to such extent and for such purposes, including voting, as shall be provided by any lease or agreement of sale of any apartment recorded in the Bureau of Conveyances of the State of Hawaii, the lessee of such apartment or the purchaser thereof shall be deemed to be the owner thereof; provided, further, that the Seller under an agreement of sale may retain the right to vote on matters substantially affecting Seller's security interest in the apartment as provided in Section 514A-83 of the Act. Notwithstanding anything to the contrary provided herein, the Developer shall be entitled to exercise the powers, vote and/or act for the Association and the Board on all matters until such time as the first conveyance of an apartment of the Project to a party not a signatory hereto. Except as to those rights reserved to Developer in paragraph S of the Declaration, which rights have been reserved until such time as is set forth in the Declaration, the Developer, as the owner of any unsold apartments, shall be entitled to vote the interest of each such apartment.

EXHIBIT "B"

DESCRIPTION OF BUILDINGS

The Project consists of two (2) detached buildings, each of which consists of one (1) separate condominium apartment, designated as 2943 Park Street and 2943A Park Street.

a. 2943 Park Street is a one-story structure with basement situate at the western boundary of the lot and consists of eight (8) rooms including a kitchen, dining room, living room, two (2) bathrooms, and two (2) bedrooms, with a total living area of approximately 1,638 square feet. The apartment also contains an attached carport of 400 square feet, an entry of 36 square feet, a foyer of 48 square feet, lanais 1 and 2 of 102 square feet, and a basement of 1,272 square feet.

b. 2943A Park Street is a one-story structure situate adjacent to 2943 Park Street and consists of ten (10) rooms including a family-dining room, kitchen, living room, three (3) bathrooms, and four (4) bedrooms, with a total living area of approximately 1,789 square feet. The apartment also contains an attached carport with a total area of approximately 416 square feet.

EXHIBIT "C"

LIMITS OF APARTMENTS

The following is an excerpt from the Declaration:

Paragraph 2. of Section D. entitled "Division of Property" provides in pertinent part that:

Limits of Apartments. The respective apartments shall not be deemed to include any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one (1) apartment, the same being deemed common elements as hereinafter provided.

Subject to the foregoing, each apartment shall be deemed to include all of the walls and partitions within its perimeter walls, all perimeter walls, floor slabs, footings, interior floors, ceilings and roofs, doors and door frames, windows and window frames, any appurtenant lanais and terraces, its appurtenant entry and stairway, any appurtenant decks, any appurtenant balcony or balconies, parking garage, carport, and all fixtures and appliances originally installed therein.

EXHIBIT "D"

PERMITTED ALTERATIONS TO APARTMENTS

The following is an excerpt from the Declaration:

Section Q. entitled "Alteration of Apartment" provides as follows:

Each apartment owner shall have the right, at such apartment owner's sole cost and expense but without the consent or joinder of the other apartment owner, to alter, restore, demolish, renovate, improve, construct or reconstruct such apartment owner's apartment, to construct any additional improvements or to make structural alterations or additions to such apartment owner's apartment. Any such work may result in an apartment different in any material respect from the Condominium File Plan of the Project, but shall be subject to the conditions set forth below:

1. All plans and specifications therefor need not be approved by the Board or the other apartment owner, but shall comply with applicable building and zoning codes and ordinances.

2. Notwithstanding the floor area of an apartment, the percentage common interest of each apartment shall remain as set forth in paragraph D.1. above.

3. All such work shall be at the sole expense of such apartment owner and shall be completed expeditiously and in a manner that will not unreasonably interfere with the other apartment owner's use of such other apartment owner's apartment or yard area.

4. Promptly upon completion of such work, the apartment owner shall, to the extent required by law, duly record or file of record an amendment to the Declaration and Condominium File Plan. All present and future apartment owners and their mortgagees, by accepting an interest in an apartment in the Project, shall be deemed to have given such apartment owner a power of attorney to execute such an amendment to this Declaration, so that an apartment owner who has completed such work shall have a power of attorney from the other apartment owner to execute such an amendment. This power of attorney shall be deemed coupled with each apartment owner's interest in his apartment and shall be irrevocable.

Each conveyance, lease and mortgage or other lien made or created on any apartment in the Project and all common interests and other appurtenances thereto shall be subject to the provisions of this paragraph Q.

Except for changes involving only an apartment or its appurtenant yard area, any changes to the Project or any part thereof, shall be undertaken by the Association, only pursuant to an amendment of the Declaration, duly executed or pursuant to the vote of one hundred percent (100%) of the apartment owners and accompanied by the written consent of the holders of all liens affecting the apartments, and in accordance with complete plans and specifications therefor first approved in writing by the Board. Promptly upon completion of such restoration, replacement or construction, the Association shall duly record or file of record such amendment, together with a complete set of floor plans of the Project so altered, certified as built by a registered architect or professional engineer.

EXHIBIT "E"

COMMON ELEMENTS

Excerpt from Paragraph E. of the Declaration provides as follows:

E. COMMON ELEMENTS. One freehold estate is hereby designated in all of the remaining portions of the Project (the "common elements"), which shall include the limited common elements described in paragraph F hereinbelow, and all portions of the land and improvements other than the apartments, the land on which the apartments are located, and all common elements mentioned in the Act which are actually constructed on the land described herein. Said common elements shall include, but shall not be limited to the following:

1. The land described in Exhibit "A".
2. All yards, grounds and landscaping.
3. All roads and driveways.
4. All central and appurtenant installations for services such as power, lights, telephone, gas, hot and cold water lines, television lines, sewage disposal and other utilities (including all pipes, ducts, wires, cables and conduits used in connection therewith, whether located in common areas or in apartments), and all tanks, pumps, motors, fans, ducts and other apparatus and installations existing for common use.
5. All sewer lines serving the Project.
6. Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, and normally in common use and which are not part of any apartment.

EXHIBIT "F"

LIMITED COMMON ELEMENTS

Excerpt from Paragraph F. of the Declaration provides as follows:

F. LIMITED COMMON ELEMENTS. Certain parts of the common elements (the "limited common elements") are hereby set aside and reserved for the exclusive use of certain apartments, which apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside for each apartment are as follows:

1. One (1) mailbox located on the Project grounds, bearing the same number as the number of the apartment.

2. The site of each apartment and the private yard area, as shown and delineated on Sheet No. 1 of said Condominium File Plan, which sheet is incorporated solely for purposes of delineating each of said apartments and the boundaries of the private yard areas thereof, shall be a limited common element for the exclusive use of the apartment to which it is appurtenant; provided that each such apartment owner shall be responsible for and shall bear the expense of installing and maintaining all landscaping within such limited common element area, and of repairing, restoring or reinstating any walkways, stairways, fences, walls, pavement, water lines, and other improvements located within such designated limited common element area; provided, further, that in the event of any sewer stoppage which affects any individual apartment, the owner of such apartment shall be responsible for and shall bear the expense of cleaning any sewer line which connects to any main sewer line running beneath the streets of the Project. The limited common element area appurtenant to each apartment is indicated in the boundaries designated on the Condominium File Plan. For convenience, the boundaries have been roughly cross-hatched in red for 2943 Park Street and shaded by diagonal lines in blue for 2943A Park Street.

Notwithstanding any provision herein or in the By-Laws to the contrary, all costs of every kind pertaining to each limited common element, including but not limited to, costs of maintenance, repair, replacements, additions and improvements, shall be charged to and borne entirely by the owner(s) of the apartment(s) to which it is appurtenant. Expenses which are attributable to more than one mailbox or yard area shall be allocated among the affected mailboxes or yard areas on a per mailbox or yard area basis. Any expense which cannot be separately identified or attributed to a limited common element shall be charged as a common expense.

EXHIBIT "G"

COMMON INTEREST

Paragraph G. of the Declaration provides as follows:

COMMON INTEREST; UTILITIES. Each apartment shall have appurtenant thereto an undivided percentage interest (the "common interest") in all common elements of the Project and in all common profits and expenses of the Project and for all other purposes including voting. The common interest appurtenant to each apartment is set forth in paragraph D.1 hereinabove. Each apartment shall be separately metered for electricity.

Paragraph D.1. of the Declaration provides as follows:

Apartment Number	Approximate Net Living Area (square feet)	Number of Rooms	Percentage Common Interest
2943 Park Street	1,638	Eight (8)	25%
2943A Park Street	1,789	Ten (10)	75 %

EXHIBIT "H"

ENCUMBRANCES AGAINST TITLE

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The rights of the United States of America, State of Hawaii, the municipality and the public, in and to that part of the premises in question falling in the bed of the Nuuanu Stream; also to the rights of the riparian owners in and to the free and unobstructed flow of the water of said stream, if any.
3. Covenants, conditions and provisions set forth in DEED dated June 3, 1918 recorded in the Bureau of Conveyances of the State of Hawaii in Book 495 at Page 318, to-wit;

"That no malt, vinous, spirituous or intoxicating liquors of any kind shall ever be sold or exposed for sale or manufactured on the granted premises or any part thereof"

4. LICENSE

In Favor Of: BOARD OF WATER SUPPLY, CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii

Dated: June 19, 1935

Recorded: Book 1277 at Page 460

Purpose: Granting the right in the nature of an easement for underground water pipelines.

5. GRANT

In Favor Of: HAWAIIAN ELECTRIC COMPANY, INC., a Hawaii corporation and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED, a Hawaii corporation

Dated: September 23, 1958

Recorded: Book 3497 at Page 490

Purpose: Granting a perpetual right and easement for utility purposes.

6. AGREEMENT

By and Between: JACOB K. FRANK, PETER KALAKUNIAINA FRANK, LOUIS K. FRANK, JOSEPH W. FRANK, JOSEPHINE W. FRANK, AGNES K. DELA CRUZ, PETER KEAWE HAWAII FRANK, with GEORGE CENTEIO and MILDRED CENTEIO, husband and wife

Dated: May 20, 1966
Recorded: Book 5357 at Page 548
Re: Sewer Lines

7. An easement containing an area of 4,286 square feet, more or less, in favor of CITY AND COUNTY OF HONOLULU, a municipal corporation of the State of Hawaii, for right of way purposes over, under, through and across Parcel 55, filed in Circuit Court of the First Circuit, State of Hawaii, Civil No. 14570 (Eminent Domain) on June 21, 1968, recorded as aforesaid in Book 6117 at Page 316.
8. Condominium File Plan No. 1877, recorded in the Bureau of Conveyances of the State of Hawaii.
9. The covenants, agreements, obligations, conditions, easements and other provisions as contained in that certain Declaration of Condominium Property Regime of "2943 Park Street", dated June 17, 1993, recorded as aforesaid as Document No. 93-102163;

As amended by that certain "2943 Park Street" First Amendment to Declaration of Condominium Property Regime, dated October 19, 1998, recorded as aforesaid as Document No. 98-157388.
10. By-Laws of the Association of Apartment Owners of 2943 Park Street, dated June 17, 1993, filed on June 25, 1993 recorded as aforesaid as Document No. 93-102164.
11. Terms, provisions and conditions as contained in the Original Apartment Deed and the effect of any failure to comply with such terms, provisions and conditions.
12. Any and all easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as said Declaration may be amended from time to time in accordance with the law and/or in the Originals Apartment Deed, and/or as delineated on said Condominium Map.
13. Mortgagor: ALVIN K. L. CHANG, unmarried
Mortgagee: GE CAPITAL HAWAII, INC., a Hawaii corporation
Dated: June 25, 1998
Recorded: Document No. 98-098377
Principal Sum: \$130,000.00

EXHIBIT "I"

**2943 PARK STREET CONDOMINIUM PROJECT
REGISTRATION NO. 4050
DISCLOSURE ABSTRACT AS OF MARCH 4, 1999**

1. **Name and Address of Project:**

"2943 Park Street"
2943 Park Street
Honolulu, Hawaii 96817

2. **Name, Address and Telephone Number of Developer:**

Alvin K. L. Chang
111 Rosebank Place
Honolulu, Hawaii 96817
(808) 655-4441

3. **Name, Address and Telephone Number of Managing Agent of
Project:**

Self-managed.

4. **Maintenance Fees:** The breakdown of the estimated annual maintenance fees and the estimated monthly fees for the apartment, representing the common expenses of the Project allocated to the apartment, which are hereby certified to be based on generally accepted accounting principles, are set forth in Exhibit "1" and "2" attached hereto and made a part hereof. Developer advises that the maintenance fees of a condominium project are difficult to estimate prior to actual operation of the Project and even if maintenance fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. The estimated maintenance fees and monthly fees for the apartment are based on the latest information available to Developer and are subject to revision based on actual costs for items enumerated. Maintenance fees can vary depending on services desired by the apartment owner. Each buyer should check the attached maintenance fee schedule to see what services are included therein.

The Developer, as the apartment owner, shall become obligated for the payment of such apartment owner's monthly maintenance fees at the time the certificate of occupancy relating to such apartment owner's apartment is issued by the appropriate county agency.

5. **Warranties:** No warranties are being offered. The Apartment being registered hereunder, if sold hereunder, will be sold in "as is condition, with all faults".

DEVELOPER ALSO MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROJECT OR ANY COMMON ELEMENT OR ANYTHING INSTALLED THEREIN.

6. **Number of Residential Apartments; Use:** The Project includes two (2) detached residential apartments which shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests. No apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The respective apartments shall not be rented by the apartment owners thereof for transient or hotel purposes, which shall be defined as (i) rental for any period less than thirty (30) days; or (ii) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing of laundry and linen, and bellboy service. Neither the apartments nor any interest therein shall be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Other than the foregoing restrictions, the apartment owners of the respective apartments shall have the absolute right to lease the same, provided that such lease covers an entire apartment, is in writing and is made subject to the covenants and restrictions contained in the 2943 Park Street Declaration of Condominium Property Regime, as amended (the "Declaration") and in the By-Laws of the Association of Apartment Owners of 2943 Park Street.

7. **Extent of Non-Residential Development:** The Declaration for the Project does not authorize the commercial or non-residential use of the Project in any of the apartments.

8. **Existing Structure.** Based upon the Registered Architect's Certificate by Spencer K. S. Chang, a copy of which is attached hereto as Exhibit "C", the present condition of the structural components and mechanical and electrical installations material to the use and enjoyment of Apartment designated as 2943A Park Street of the 2943 PARK STREET condominium project are good for their age. No representations are being made as to the useful life of such structural components and mechanical and electrical installations.

Dated: Honolulu, Hawaii, March 4, 1999


ALVIN K. L. CHANG

Developer

EXHIBIT "1"

MONTHLY ESTIMATED COST FOR EACH APARTMENT

1. Total Estimated Monthly Fees
(See Exhibit "B" attached): \$ 48.00

2. Total Estimated Annual
Maintenance Fees
(\$48 x 12): \$576.00

3. Estimated Monthly Cost Per
Apartment:

<u>Apt. No.</u>	<u>Percentage Common Interest</u>	<u>Estimated Monthly Maintenance Fees</u>
2943 Park Street	25%	\$144.00
2943A Park Street	75%	\$432.00

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

EXHIBIT "2"

ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Maintenance:

Estimated cost to maintain grass-covered areas along driveway	\$40.00/month
Insurance (for common areas):	\$8.00/month
Utilities (for common areas): (water, sewer and trash pick-up)	None <hr/> <hr/>
TOTAL	\$48.00

EXHIBIT "J"

SUMMARY OF PERTINENT PROVISIONS OF SALES CONTRACT

The 2943 Park Street Deposit Receipt and Sale Contract (the "Sales Contract") contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract states:

1. The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.
2. That the purchaser acknowledges having received and read a copy of the Condominium Public Report (either preliminary or final) for the Project prior to signing the Sales Contract.
3. That the Seller makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.
4. That the Sales Contract may be subordinate to the lien of a construction lender.
5. That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
6. Requirements relating to the purchaser's financing of the purchase of an apartment.
7. That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Seller may change these documents under certain circumstances.
8. That, except to the extent of a limited warranty, as summarized in this Condominium Public Report, the Seller makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.
9. That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.
10. That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
11. That the Seller has reserved certain rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.
12. That, except under certain circumstances, as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Seller.

The Sales Contract contains various other important provisions relating to the purchase of an apartment in the Project. Purchaser and prospective purchasers should carefully read the specimen Sales Contract on file with the Real Estate Commission.

EXHIBIT "K"

SUMMARY OF PERTINENT PROVISIONS OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a purchaser makes pursuant to a Sales Contract will be held by a neutral party ("Escrow"). Under the Escrow Agreement, these things will or may happen:

- (a) Escrow will let the purchaser know when payments are due.
- (b) Escrow will arrange for the purchaser to sign all necessary documents.
- (c) Except under certain circumstances set forth in the Sales Contract, all deposits toward the purchase price shall be the property of the Developer.
- (d) The purchaser will be entitled to a refund of his or her funds only under certain circumstances as set forth in the Sales Contract.

The Escrow Agreement also establishes the procedures for the retention and disbursement of a purchaser's funds and says what will happen to the funds upon a default under the Sales Contract. The Escrow Agreement contains various other important provisions and establishes certain charges with which a purchaser should be familiar. Purchasers and prospective purchasers should carefully read the signed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT "L"

REGISTERED ARCHITECT'S CERTIFICATE

STATE OF HAWAII)
) ss.
CITY AND COUNTY OF HONOLULU)

The undersigned, SPENCER K. S. CHANG, being first duly sworn on oath, states as follows:

That he is an architect registered with the State of Hawaii, Hawaii Registration No. 6033;

The apartment designated as 2943A Park Street of the 2943 Park Street condominium project is approximately sixteen (16) years old. The structural components and mechanical and electrical installations material to the use and enjoyment of said apartment are good for their age.



SPENCER K. S. CHANG

SUBSCRIBED AND SWORN to before me this 4th day of March, 1999

Candace S. Mow

Chadler S. Mow
Notary Public, State of Hawaii

My Commission Expires: 7-20-01

