

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer: RICHARD MEW TAM SHIM, as Trustee of the St. Louis Trust dated April 12, 1999 Address: Box 123A, Kula, Maui, Hawaii 96790

Project Name(\*): St. Louis Condominium Address: 1374 St. Louis Drive, Honolulu, Hawaii 96816

Registration No. 4258 (Conversion) Effective date: December 9, 1999 Expiration date: January 9, 2001

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.
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

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

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:

**SPECIAL ATTENTION**

This is a CONDOMINIUM PROJECT, not a subdivision. The "Limited Common Element Land Area" beneath and immediately appurtenant to each apartment is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted or dashed 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.

The Developer make no warranties with respect to any building, fixtures, site conditions of any apartment, or the common elements. No warranties are given as to the appliances.

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

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

## 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: Names and Addresses of Fee Owners	
EXHIBIT B: Boundaries of Each Apartment	
EXHIBIT C: Permitted Alterations to Apartments	
EXHIBIT D: Common Elements	
EXHIBIT E: Encumbrances Against Title	
EXHIBIT F: Estimate of Initial Maintenance Fees and Estimate of Maintenance Fee Disbursements	
EXHIBIT G: Summary of Sales Contract	
EXHIBIT H: Summary of Escrow Agreement	
EXHIBIT I: Developer's Statement	

### 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: RICHARD MEW TAM SHIM, as Trustee of the St. Louis Trust dated April 12, 1999 Phone: (808) 576-0382 (Business)

Name: Box 123A

Business Address: Kula, Maui, Hawaii

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership(LLP); or manager and members of a Limited Liability Company(LLC)(attach separate sheet if necessary):

N/A

Real Estate Broker: For sale by owner. See page 20. Phone: (Business)

Name

Business Address

Escrow: Old Republic Title & Escrow Name: 55 Merchant Street Phone: (808) 566-0100 (Business)

Name

Business Address: Honolulu, Hawaii 96813

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

Name

Business Address

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

Name

Business Address

Attorney for Developer: Reuben S. F. Wong Name: 220 S. King Street, Suite 2288 Phone: (808) 531-3526 (Business)

Name: 220 S. King Street, Suite 2288

Business Address: Honolulu, Hawaii 96813

\* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

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 \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 2574500

The Declaration referred to above has been amended by the following instruments (state name of document, date and recording/filing information):

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. \_\_\_\_\_  
 Filed - Land Court Condo Map No. 1313

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 \_\_\_\_\_ Page \_\_\_\_\_  
 Filed - Land Court: Document No. 2574501

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%*	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	-	<u>N/A</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 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.

Underlying Land:

Address: 1374 St. Louis Drive Tax Map Key (TMK): (1)3-3-55-29  
Honolulu, Hawaii 96816

Address  TMK is expected to change because N/A

Land Area: 10,000  square feet  acre(s) Zoning: R5

Fee Owner: See attached Exhibit "A"  
 Name \_\_\_\_\_  
 Address \_\_\_\_\_

Lessor: N/A  
 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 Apt. A - 2 floors  
Apt. B - 1 floor

Exhibit \_\_\_\_\_ contains further explanations.

3. Principal Construction Material:

Concrete  Hollow Tile  Wood

Other: \_\_\_\_\_

4. Uses Permitted by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Permitted</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<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: Dogs, cats, and other household pets permitted in reasonable number.

Number of Occupants: \_\_\_\_\_

Other: No time-sharing, including "vacation license," "travel club membership," or "time-interval ownership."

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0 Stairs: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Barh</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>A</u>	<u>1</u>	<u>3/2</u>	<u>1075</u>	<u>59</u>	<u>Covered Balcony</u>
<u>B</u>	<u>1</u>	<u>3/1½</u>	<u>906</u>	<u>150</u>	<u>Covered Patio</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 "B" attached hereto.

Permitted Alterations to Apartments:

See Exhibit "C" attached hereto.



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   D  .

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 D.

as follows:

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 \_\_\_\_\_.

as follows:

<u>Apt. No.</u>	<u>% of Common Interest</u>
A	50
B	50

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 September 22, 1999 and issued by Title Guaranty of Hawaii, Inc.

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.

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>
---------------------	---

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 given by the Developer.

2. Appliances:

None given by the Developer.

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

Apartment A was completed in 1944.  
Apartment B was completed in 1996.

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):

None.

IV. CONDOMINIUM MANAGEMENT

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
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- Other: \_\_\_\_\_

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 F \* 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 §514A-83.6 HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

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
- Gas
- Water
- Other \_\_\_\_\_
- Electricity ( \_\_\_\_\_ Common Elements only \_\_\_\_\_ Common Elements & Apartments)
- ( \_\_\_\_\_ Common Elements only \_\_\_\_\_ Common Elements & Apartments)
- Sewer
- Television Cable

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 (The Developer will use the form of Deposit, Receipt, Offer & Acceptance as prepared by the Hawaii Association of Realtors)  
Exhibit G contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated April 12, 1999  
Exhibit H contains a summary of the pertinent provisions of the escrow agreement.

Other \_\_\_\_\_

3. 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 N/A

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. 4258 filed with the Real Estate Commission on October 1, 1999.

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

Disclosure regarding selection of Real Estate Broker:

The developer has not selected a real estate broker for the sales of the apartments in the project.

In the event the Developer chooses to use a real estate broker for the sale of an apartment, prior to entering into a binding contract for such sale the Developer shall: (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed disclosure abstract identifying the designated broker, and (2) provide a copy of the disclosure abstract to the purchaser together with a copy of this public report.

- 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.

RICHARD MEW TAM SHIM, as Trustee of the St. Louis Trust dated April 12, 1999.  
Printed Name of Developer

By: Richard M.T. Shim  
Duly Authorized Signatory\*

Sept. 21, 1999  
Date

RICHARD MEW TAM SHIM, as Trustee of the St. Louis Trust dated April 12, 1999.  
Printed Name & Title of Person Signing Above

Distribution:

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

\*Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.

## Exhibit "A"

Names and Addresses of Fee Owners

	<u>Name</u>	<u>Address</u>
1.	ELIZABETH YIN TAI SHIM	1374 St. Louis Drive, Honolulu, Oahu, State of Hawaii
2.	MILDRED YOU TAI LUM	4352 Dali Street, Fremont, State of California
3.	LILLIAN YUEN HOI SMITH	1001 Sunnydale Avenue, San Francisco, State of California
4.	SARAH SUI KIM KAIWI	824 University Avenue, Honolulu, Oahu, State of Hawaii
5.	AMY SHIP MOY SHIM	530 Stockton, Apartment 301, San Francisco, State of California
6.	HERBERT YIN FAR SHIM	Kula, Maui, State of Hawaii, and whose post office address is R. R. #2, Box 141, Kula, Maui, State of Hawaii
7.	NANCY LOOK MOI AU	2963 Ala Oliko Place, Honolulu, Oahu, State of Hawaii
8.	ALICE YUEN TAI SHIM	1374 St. Louis Drive, Honolulu, Oahu, State of Hawaii
9.	RICHARD MEW TAM SHIM	Box 123A, Kula, Maui, Hawaii 96790, State of Hawaii
10.	GEORGE MEW CHOY SHIM	5413 Halapepe Street, Honolulu, Oahu, State of Hawaii

## EXHIBIT "B"

Boundaries of Each Apartment

Each apartment shall consist of the building of which it is a part and all other improvements, including without limitations, all foundations, walls, floors, columns, supporting beams, ceilings, roofs and other structures supporting an apartment and located within the Limited Common Element Land Area appurtenant to such apartment and designated on the Condominium Map, including but not limited to parking stalls, walkways, mail boxes, fences, meters, ducts, pipes, wires, cables, conduits, utility apparatus and equipment, poles and other improvements which serve only such apartment. An apartment shall not be deemed to include, however, any pipes, wires, fences, cables, conduits or other utility apparatus and equipment which are used for or serve more than one apartment, such items being deemed common elements as provided below.

## Exhibit "C"

Permitted Alterations To Apartments

An apartment owner may modify or alter his apartment at any time provided that he complies with all governmental rules and regulations affecting such alterations. No approval of Board of Directors shall be required with respect to any apartment.

An alteration of an apartment building may decrease or increase the size or change the elevation of such apartment, or alter its configuration. The boundaries and designation of the Limited Common Element Land Areas shall not be altered except by general amendment to this Declaration and the Condominium Map in accordance with the Act. Nothing herein shall affect the right of an apartment owner to design or decorate the interior of his apartment in his sole discretion.

Before the commencement of any construction, all plans shall be approved by the appropriate state and municipal agencies and the apartment owner's mortgagee(s) to the extent necessary.

Exhibit "D"

Common Elements

Common Elements.

(a) The common elements include all of the portions and appurtenances of the Project not otherwise designated as an apartment, including specifically, but not limited to:

(1) said Land in fee simple;

(2) all ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewage, refuse, telephone and radio and television signal distribution;

(3) all gates and entry ways that serve more than one apartment; and

(4) any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety or normally in common use.

(b) Limited Common Elements. Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of an apartment and such apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are each of

the Limited Common Element Land Areas beneath and surrounding the apartments, as designated on the Condominium Map, which shall be appurtenant to and for the exclusive use of such apartments. For example, Limited Common Element Land Area A is appurtenant to and for the exclusive use of Apartment Number A. Except that with respect to Limited Common Element Land Area A, such area shall be subject to a parking stall easement and a walkway easement in favor of Apartment Number B as shown on the Condominium Map.

Note: The land area beneath and adjacent to each apartment (Limited Common Element Land Area) is not a legally subdivided lot.

EXHIBIT "E"

Encumbrances Against Title

1. Real Property Taxes, Second Installment, Fiscal Year July 1, 1999 - June 30, 2000. (see tax statement attached)

Tax Key: 3-3-055-029 (1) Area Assessed: 10,000 sq. ft.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. DESIGNATION OF EASEMENT "17"

PURPOSE : sanitary sewer  
SHOWN : on Map 83, as set forth by Land Court Order No. 25760, filed June 3, 1966

4. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR "ST. LOUIS CONDOMINIUM" PROJECT

DATED : April 13, 1999  
FILED : Land Court Document No. 2574500  
MAP : 1313 and any amendments thereto

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : September 13, 1999  
FILED : Land Court Document No. 2574501

6. Any recorded and unrecorded Leases covering apartment units within the Condo Project known as "ST. LOUIS CONDOMINIUM" and matters arising from or affecting the same.

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>
1. Apt. A	\$ <u>135.00</u> x 12 = \$ <u>1,620.00</u>
2. Apt. B	\$ <u>135.00</u> x 12 = \$ <u>1,620.00</u>
	TOTAL \$ <u>3,240.00</u>

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

**Estimate of Maintenance Fee Disbursements:**

Monthly x 12 months = Yearly Total

Utilities and Services      N/A

- Air Conditioning
- Electricity
  - common elements only
  - common elements and apartments
- Elevator
- Gas
  - common elements only
  - common elements and apartments
- Refuse Collection
- Telephone
- Water and Sewer

Maintenance, Repairs and Supplies

Building      N/A  
 Grounds      \$ 20.00 x 12 = \$ 240.00

Management

Management Fee      N/A  
 Payroll and Payroll Taxes      N/A  
 Office Expenses      N/A

Insurance      \$200.00 x 12 = \$2,400.00

Reserves(\*)      \$25.00 x 12 = \$ 300.00

Taxes and Government Assessments      N/A

Audit Fees      N/A

Other      Miscellaneous      \$25.00 x 12 = \$ 300.00

TOTAL      \$3,240.00

I, Richard Shim, <sup>Developer</sup> ~~as agent for and/or employed by~~ \_\_\_\_\_, the  
 condominium managing agent/developer for the St. Louis condominium condominium project, hereby  
 certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance  
 with generally accepted accounting principles.

Richard M.T. Shim  
 Signature

Sept. 21, 1999  
 Date

(\*) Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether, in arriving at the figure for "Reserves", the Developer has conducted a reserve study in accordance with §514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

Exhibit "G"

SUMMARY OF SALES CONTRACT

1. With respect to the sale of a condominium apartment the Developer will use the Hawaii Association of Realtors standard form, "Deposit, Receipt, Offer And Acceptance" (DROA) as the sales contract for the Project.

2. Until Purchaser has received a copy of the Real Estate Commission's Final Public report and has waived or is deemed to have waived his or her rights of cancellation, the Sales Contract shall constitute a mere reservation and may be cancelled at any time by either Developer or Purchaser.

3. Purchaser has the right to rescind the Sales Contract if there are any material changes in the Project (other than any additions, deletions, modifications and reservations permitted by the Declaration) which directly, substantially and adversely affects the use or value of the apartment or limited common elements appurtenant to the apartment or those amenities of the project available for such Purchaser's use. Under certain circumstances, as set forth in Chapter 514A, Hawaii Revised Statutes, the right of rescission may be waived by Purchaser.

4. Pursuant to the Sales Contract, if the Developer and Purchaser enter into a binding Sales Contract and the Purchaser subsequently defaults (i.e., fails to perform Purchaser's

obligations under the Sales Contract) Developer may sue the Purchaser for breach of contract or retain the initial deposit and all additional deposits as liquidated damages, and Purchaser must pay for any costs incurred by Developer by reason of Purchaser's default.

5. The Sales Contract is subject to the provisions of the Declaration of Condominium Property Regime, By-Laws and other condominium documents for the Project.

6. In addition to the purchase price, the Purchaser must pay various closing costs, condominium maintenance fees in advance for three (3) months, real property taxes for the remainder of the tax year, and special assessments and "start up" fees for the operation of the condominium project.

THIS IS ONLY A SUMMARY OF SELECTED PORTIONS OF THE SALES CONTRACT. IT IS INCUMBENT ON ALL PROSPECTIVE PURCHASERS TO CAREFULLY READ THE ENTIRE SALES CONTRACT AND TO REVIEW ALL PROVISIONS PRIOR TO SIGNING A SALES CONTRACT.

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT

1. All funds paid to Escrow (Old Republic Title & Escrow of Hawaii) shall be deposited into interest-bearing accounts. All interest earned on such deposits belongs to Purchaser.

2. A Purchaser shall be entitled to a refund of all monies deposited with Escrow, less Escrow's cancellation fee (up to a maximum of \$250.00), and Escrow shall pay such funds to Purchaser, without interest, if any one of the following shall have occurred:

(a) Developer and Purchaser have instructed Escrow in writing to return to the Purchaser the funds of such Purchaser then held by Escrow; or (b) Developer has notified Escrow in writing of Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission available to Developer; or (c) the Purchaser has exercised such Purchaser's right to rescind the Sales Contract pursuant to Section 514A-63, Hawaii Revised Statutes.

3. If refunds are not claimed by the Purchaser within sixty (60) days, Escrow shall deposit such funds into a special account in a bank or other depository selected by Escrow, in the name of Developer.

4. Developer shall give notice in writing to Escrow of the occurrence of each event that initiates an obligation of Purchaser to make a payment to Escrow pursuant to the Sales Contract as well as notice of the amount and due date of such payment. Escrow shall thereupon promptly give the Purchaser notice of the amount and due

date of such payment. If Purchaser fails to make such payment to Escrow on or before the due date thereof or if the Purchaser fails to perform in any matter that is being handled by Escrow, Escrow shall promptly notify Developer of any such failure on the part of the Purchaser. If Developer subsequently certifies in writing to Escrow that Developer has terminated the Sales Contract in accordance with the terms thereof and provides to Escrow copies of all such notices of termination sent to the Purchaser, Escrow shall thereafter treat all funds of the Purchaser paid on account of such Purchaser's Sales Contract as funds of Developer and not as funds of the Purchaser. Thereafter, such funds shall be free of the Escrow established by this Agreement and shall be held by Escrow for the account of Developer. Upon written request by Developer, Escrow shall pay such sums to Developer, less any escrow cancellation fee, shall return to Developer any partially executed conveyance documents that had been theretofore delivered to Escrow by Developer and shall hold all other documents theretofore delivered to Escrow in connection with the purchase of the apartment for the statutory period; and, Escrow shall thereupon be released from any further duties or liability hereunder with respect to such funds and such Purchaser.

5. If any dispute or difference arises between Developer and Purchaser, or if any conflicting demand shall be made upon Escrow, Escrow shall not be required to take any action thereon; but may await settlement of the controversy by final appropriate legal proceedings or file a suit in interpleader in any court having

jurisdiction in the matter and may deposit with the Court any and all monies held.

6. Under the Escrow Agreement no disbursement of funds can be made to Developer until the Sales Contract becomes binding and effective under the provisions of Chapter 514A, Hawaii Revised Statutes.

This is only a summary of selected portions of the Escrow Agreement. Purchasers are urged to carefully review all provisions of the Escrow Agreement prior to signing a Sales Contract.

EXHIBIT "I"

3626

DEVELOPER'S STATEMENT OF APARTMENT CONDITION

KNOW ALL MEN BY THESE PRESENTS:

Pursuant to the requirements set forth in Chapter 514-A-40(b) and in connection with the condominium conversion of a residential structure that has been in existence for five years or more, the undersigned Developer adopts as his own the representations and statements made in the "Statement of Licensed Professional Engineer As to Condition of St. Louis Condominium" prepared by Archibald E.F. Wung, Licensed Professional Engineer, Hawaii License Number PE-1469, attached hereto as Exhibit "A".

Richard M.T. Shim  
RICHARD M.T. SHIM, as Trustee  
of that certain unrecorded  
St. Louis Trust Agreement  
dated April 12, 1999

"Developer"

Subscribed and sworn to before me  
this 23rd day of July,  
1999.

Sukorah Kele  
Notary Public, State of Hawaii

My Commission Expires: 11-25-02

63

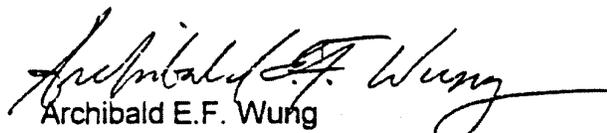
July 14, 1999

EXHIBIT "A"

Statement of Licensed Professional Engineer  
As to Condition of  
St. Louis Condominium  
1374A and 1374B, St. Louis Drive  
Honolulu, Hawaii 96816  
TMK 3-3-55-29

The undersigned hereby declares that he has made a visual observation of the buildings at 1374A and 1374B, St. Louis Drive, Honolulu, Hawaii 96816, a proposed conversion into a condominium project.

Based on visual observations, and considering their ages, the present condition of these buildings is fair to good. Structural members appear to be in fair condition. Electrical and mechanical systems appear to be in fair operating condition. No representation of the expected useful remaining life of the above items is made. No inspection was made for termite infestation or damage. No inspection was made for health or other hazards. No inspection was made on concealed items or appliances.

  
Archibald E.F. Wung  
Licensed Professional Engineer  
Hawaii License Number PE-1469  
A.E.F. Wung Engineers, Inc.