

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer 1242 Matlock, LLC
Address 680 Iwilei Road, Suite 700, Honolulu, Hawaii 96817

Project Name (*): 1242 Matlock
Address: 1242 Matlock Avenue, Honolulu, Hawaii 96814

Registration No. 4726 (Conversion)
Effective date: September 19, 2001
Expiration date: October 19, 2002

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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
And [] Supersedes all prior public reports.

(*) 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 as Exhibit A 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:

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:	Disclosure Abstract
EXHIBIT B:	Condition & Expected Useful Life of Structural Components,
EXHIBIT C:	Mechanical and Electrical Installations
EXHIBIT D:	Common Elements
EXHIBIT E:	Limited Common Elements
EXHIBIT F:	Common Interests
EXHIBIT G:	Encumbrances Against Title
EXHIBIT H:	Estimate of Initial Maintenance Fees and Maintenance Fee
EXHIBIT I:	Disbursements
	Summary of Sales Contract
	Summary of Escrow Agreement

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: 1242 Matlock, I.I.C Phone: (808) 539-9493
Name* (Business)
680 Iwilei Road, Suite 700
Business Address
Honolulu, Hawaii 96817

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):

Robert N. Iwamoto, Jr., Manager

Real Estate Broker*: Sofos Commercial Brokerage Phone: (808) 522-5999
Name Corporation (Business)
Business Address

Escrow: Title Guaranty Escrow Services, Phone: (808) 533-6261
Name Inc. (Business)
235 Queen Street
Business Address
Honolulu, Hawaii 96813

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

Condominium Managing Agent*: Self-Managed by Association of Apartment Owners
of 1242 Matlock Phone: _____
Name (Business)
Business Address

Attorney for Developer: Vernon Y.T. Woo, Esq. Phone: (808) 550-4661
Name (Business)
55 Merchant Street, Suite 1900
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. 2001-105929
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]:

First Amendment to Declaration of Condominium Property Regime of 1242 Matlock dated July 20, 2001, recorded in the Bureau as Document No. 2001-112907.

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. 3301
 Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 2001-105930
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%*	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	—	<u>Majority of Board of Directors</u>

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

2. **Developer:**

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

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

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: 1242 Matlock Avenue Tax Map Key (TMK): (1) 2-4-011:066
Honolulu, Hawaii 96814

Address TMK is expected to change because _____

Land Area: 6,750 square feet acre(s) Zoning: A2

Fee Owner: 1242 Matlock, LLC
 Name
680 Iwilei Road, Suite 700
 Address
Honolulu, Hawaii 96817

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: 1 Floors Per Building: 3
 Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

- Concrete Hollow Tile Wood
 Other _____

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>10</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<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"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<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: breeding or use. No livestock, rabbits, poultry or other animals
- Number of Occupants: no more than 2 per bedroom with certain exceptions
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: None Stairways: 2 Trash Chutes: None

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
Unit 1	2	2/1	826	0	
Unit 2	2	1/1	406	87	lanai
Unit 3	2	1/1	421	64	lanai
Unit 4	2	1/1	486	71	lanai
Unit 5	2	1/1	462	71	lanai

Total Number of Apartments: 10

* 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:

The inner decorated or finished surface of all walls, floors or ceilings

Permitted Alterations to Apartments:

None.

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has X elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls:	<u>13</u>			
	<u>Regular</u>	<u>Compact</u>	<u>Tandem</u>	
	<u>Covered</u>	<u>Covered</u>	<u>Open</u>	TOTAL
Assigned (for each unit)	<u>6</u>	<u>2</u>	<u>4</u>	<u>12</u>
Guest	<u>1</u>			<u>1</u>
Unassigned				
Extra for Purchase				
Other: _____				
Total Covered & Open:	<u>7</u>	<u>2</u>	<u>4</u>	<u>13</u>

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

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

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute/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):

See Exhibit B

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>yes</u>	_____	_____
Structures	<u>yes</u>	_____	_____
Lot	<u>yes</u>	_____	_____

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

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

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

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

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

- described in Exhibit C.
 as follows:

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

There are no limited common elements in this project.

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

described in Exhibit D *.

as follows:

*Note: Land areas referenced herein are not legally subdivided lots.

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit E.

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 F describes the encumbrances against the title contained in the title report dated August 7, 2001 and issued by Title Guaranty of Hawaii Incorporated

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>
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Mortgage in favor of Central Pacific Bank, a Hawaii corporation, dated March 25, 1998, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 98-042760.	
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If Developer defaults or lien is foreclosed prior to conveyance, Buyer's interest will be canceled and deposit refunded in full.

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:

Developer is not providing any warranties to Purchasers of an Apartment and the Apartments are being sold AS IS WHERE IS WITH ALL FAULTS AND DEFECTS.

2. Appliances:

Developer is not providing any warranties to Purchasers of an Apartment and appliances are being transferred AS IS WHERE IS WITH ALL FAULTS AND DEFECTS.

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

The condominium building was built in 1989. All apartments are completed. This is a conversion of an existing building.

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):

N/A

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 Developer's affiliate
 self-managed by the Association of Apartment Owners Other: _____

B. **Estimate of Initial Maintenance Fees:**

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, 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 G contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

None Electricity (X Common Elements only ___ Common Elements & Apartments)

Gas (None) (___ Common Elements only ___ Common Elements & Apartments)

Water Sewer Television Cable

Other _____

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit H contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated July 16, 2001
Exhibit I 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. 4726 filed with the Real Estate Commission on September 7, 2001

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

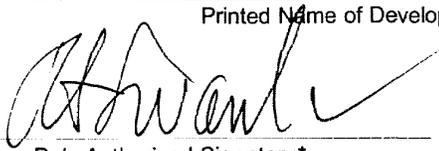
C. **Additional Information Not Covered Above**

1. The Developer has provided Notice to Tenants of 1242 Matlock re conversion, and offer Tenants the opportunity to purchase their apartments.
2. The Developer has undertaken a Reserve Study in accordance with HRS 514A-83.6. Prepared by Armstrong & Associates on August 23, 2001, it was needed to arrive at the figures for the reserves on page 2 of Exhibit G.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. 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.

1242 MATLOCK, LLC

Printed Name of Developer

By: 
Duly Authorized Signatory*

August 31, 2001
Date

Robert N. Iwamoto, Jr., Manager

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.***

**DISCLOSURE ABSTRACT
OF
1242 MATLOCK**

Project Name & Address: 1242 Matlock
1242 Matlock Avenue
Honolulu, Hawaii 96814

Developer: 1242 Matlock, LLC
680 Iwilei Road, Suite 700
Honolulu, Hawaii 96817
Phone: (808) 523-7750

Project Manager: NONE
Self-Managed by Association of
Apartment Owners of 1242 Matlock

BREAKDOWN OF ANNUAL MAINTENANCE FEES AND MONTHLY ESTIMATED COSTS FOR EACH APARTMENT:

The breakdown of estimated initial annual maintenance fees and the monthly estimated cost for each apartment are set forth in Exhibit "G" to the Final Public Report for 1242 Matlock.

WARRANTIES:

(a) Building and Other Improvements: None. Construction of the Units and the building in which the Units are situated were originally completed in 1989 by the original developer. The apartments are being sold in "AS IS" condition. The Developer is giving no warranties with respect to the construction, materials or workmanship of the Units.

(b) Appliances: The Developer is giving no warranties with respect to the appliances.

USE OF APARTMENTS:

There are 10 apartments in the Project, all of which are for residential use.

CONDITION AND USEFUL LIFE:

The present condition of all structural components and mechanical and electrical installation of the Apartments appears to be, with some exception,

EXHIBIT A

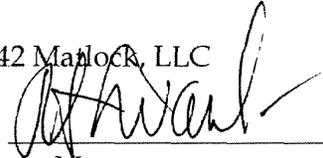
good. No warranty is made as to the expected useful life of the structural components or the mechanical and electrical installation materials or of the Project.

BUILDING CODE AND ZONING:

There are no outstanding notices of uncured violations of building code or other municipal regulations.

1242 Manlock, LLC

By



Manager

Dated: May 18, 2001


BENJAMIN T. TORIGOE, AIA ARCHITECTS/PLANNERS, LTD.
23 April 2001
APARTMENT UNITS LOCATION / DESCRIPTION / AREA SUMMARY:
Abbreviations:

C/C-H	City & County of Honolulu
CMU	Concrete Masonry Unit/hollow-tile blocks
DH	Diamond Head
FAR	Floor Area Ratio
FHO	Flood Hazard Ordinance
GFCI	Ground Fault Circuit Interrupter (National Electrical Code [NEC] compliant/electrical outlet)
LA	Lanai Area only
LUO	Land Use Ordinance (C/C-H zoning code/regulations & requirements)
LVA	Living Area only
MBA	Maximum Building Area
MD	Maximum Density
NEC	National Electrical Code
NPC	National Plumbing Code
OYS	Optional Yard Siting regulation of the LUO
PDO	Park Dedication Ordinance (C/C-H private park regulations/requirements)
R/R	Remove/Replace--Removed/Replaced--Removal/Replacement
UBC	Uniform Building Code (as amended by the C/C-H--building code/regulations & requirements)
TA	Total Area (includes Living Area & Lanai Area)
TFA	Total Floor Area
TMK	Tax Map Key
ZL	Zoning Lot
ZLA	Zoning Lot Area

LUO/ZONING/LAND USE DATA & REQUIREMENTS:

ADDRESS: 1242 Matlock Street, Makiki, Honolulu, Hawaii 96814
TAX MAP KEY (TMK): 2-4-011: 066
ZONING LOT SIZE: 75 feet (width) X 90 feet (depth)
ZONING LOT AREA (ZLA): 6,750 sq.ft.
ZONING: A-2 Medium Density Apartment District

DEVELOPMENT STANDARD:

Minimum lot area:	10,000 sq.ft.
Minimum lot width/depth:	70 feet
Front yard:	10 feet
Side/rear yard:	10 feet; all yards must be landscaped.
Maximum building area: (MBA)--Lot Coverage	required--less than 7,500 sq.ft. -- 60% of ZL [(60 X 6,750 sq.ft.) = 4,050 sq.ft.] actual/provided--MBA = 3,315.19 sq.ft. 3,315.19/6,750 = .4911/49.11% < 60%
Maximum height:	per zoning map--150-foot height limit Total height/actual: 28 feet
Height setbacks:	per LUO/Sec. 21-3.80-1(c)

EXHIBIT B



BENJAMIN T. TORIGOE, AIA ARCHITECTS/PLANNERS, LTD.

23 April 2001

Page 2

Maximum density (MD)/ required--less than 10,000 sq.ft.
 Floor Area Ratio (FAR): FAR = [(0.0009 X lot area) + 0.4]
 [(0.0009 X 6,750 sq.ft.) + 0.4] = 1.0075]
 6,750 sq.ft. X 1.0075 = 6,800.625 sq.ft.
 actual/provided--(MD) = 6,538.49 sq.ft.

Optional Yard Siting: 118 sq.ft. (2.0 ft. X 59.0 ft. = 118 sq.ft.)
 149 sq.ft. Provided -- facing Matlock St.
 abutting front/side yards, and Stair #1
 (10'-8" X 14.0 ft. = 149 sq.ft.)

PARKING:

Multi-family dwellings/within the District of Honolulu

#/Units	Unit FA	Required/Unit--Total	Provided
6	600 sq.ft. or less	1 parking/total -- 6 (1 stall X 6 units = 6)	8 stalls
2	800 sq.ft. and over	2 parking/total -- 4 (2 stalls X 2 units = 4)	4 stalls

Sub-Total Parking: Required--10 stalls Provided--12 stalls

Guest parking: Required--1 guest parking stall per 10 units/
 10 apartment units = 1 guest parking stall
 Provided--1 guest parking stall

TOTAL PARKING: Required--11 stalls Provided--13 stalls
 [Parking breakdown--compact (50%)/regular stalls:
 (5-6 compact/ (6-7 compact/
 6-5 regular stalls) 7-6 regular stalls)

TOTAL FLOOR AREA (TFA): 6,538.19 sq.ft.

Ground floor Laundry Room & 1/2 of two (2) Stairs (closet/storage under stairs)/exterior corridors:	356.67 sq.ft.
2nd floor (living areas/lanais--5 units/ 1/2 of Stairs/ext. corridors:	3,086.63 sq.ft.
3rd floor (living areas/lanais--5 units/ 1/2 of Stairs/ext. corridor/3rd. flr. extension:	3,095.19 sq.ft.
Total floor area:	6,538.49 sq.ft.

PARK DEDICATION ORDINANCE (PDO): 675 sq.ft. required (10% of ZL)
 City & County of Honolulu [(10 x 6,750 sq.ft.) = 675 sq.ft.]

Park Dedication -- "PAID BY FEE"

FLOOD HAZARD ORDINANCE (FHO): Flood Zone "X" -- "Areas that are outside of the
 City & County of Honolulu 500-year flood plain"--NO FHO requirements/
 November 2000

**APARTMENT UNITS LOCATION/DESCRIPTION/AREA SUMMARY:**

201	@ Stair #1 land'g--2nd/	Two-bedroom/one full-bath/kitchen/living room	826.67 sq.ft./TA
301	3rd floors--DH/Makai corner of each flr.	no lanai	826.67 sq.ft./LVA
202	across from 201/301--	One-bedroom/one full-bath/kitchen/living room	493.33 sq.ft./TA
302	Ewa/Makai corner of	one open lanai (2-sides)--71.11 sq.ft./LA	405.77 sq.ft./LVA
203	between 01/03 units on	One-bedroom/one full-bath/kitchen/living room	485.11 sq.ft./TA
303	each floor/facing Ewa	one open lanai (1-side only)--64.00 sq.ft./LA	421.11 sq.ft./LVA
204	@ Ewa/Mauka corner	One-bedroom/one full-bath/kitchen/living room	557.22 sq.ft./TA
304	on each flr. abutt'g H-1	one open lanai (2-sides)--71.11 sq.ft./LA	486.11 sq.ft./LVA
205	@ DH/Mauka corner	One-bedroom/one full-bath/kitchen/living room	533.33 sq.ft./TA
305	abutt'g Stairway #2 on each flr. abutt'g H-1	one open lanai (2-sides)--71.11 sq.ft./LA	462.22 sq.ft./LVA

WRITTEN DESCRIPTION:

Three-story, walk-up rental apartment with cast-in-place concrete structure--beams, columns/footings, floors/ceilings, and roof with exterior hollow-tile/cmu (concrete masonry unit) walls in-filling between the concrete floors, beams, columns and covered with a rough-textured "stucco" plaster exterior finish and large-patterned/splattered plaster interior painted finish; galvanized metal studs with gypsum board interior walls with large-patterned/splattered plaster interior painted finish; solid-core wood entry doors, anodized aluminum surround жалюзи windows throughout the units, and sliding glass doors and railings at the lanais and at the stairways connecting from ground to 3rd floor; concrete slab-on-grade parking areas, walkways/stairs, and laundry room (with hollow-tile/cmu walls and wooden partition at the top of the cmu walls); partially wood wall/door storage rooms (2 under each stairway--Stairway #1/#2); and pitch-and-gravel "flat" roofing with no gutters/downspouts. This apartment building and the parking area was constructed in 1989 and is approximately twelve (12) years old. After several site visits and exterior building inspections, and one (1) interior individual unit inspection, the physical condition of the existing building/structure is, generally, in a good overall state-of-repair and structural condition; other than the possible need for a good washing down due to the proximity of this property and building to the H-1 Freeway and it being subject to the dirt-and-grit generated by all of that highway wear-and-tear travelling, there are only two (2) areas of this property and building that may need further structural scrutiny and discernment--that is, 1) numerous structural cracking of the on-grade parking garage slab, especially in the area of the driveway through the parking garage, and 2) wall separations/cracks between the interior partition walls and the exterior cmu structural bearing wall, and in the exterior structural bearing cmu walls in Unit 301, in living room area and the adjoining two (2) bedrooms along the DH and Mauka exterior structural bearing cmu walls. The cracks in the exterior structural bearing cmu walls in Unit 301, and the structural cracks in the ground floor parking garage slab vertically in the vicinity of Unit 301 as being the top unit above Unit 201 (even though Unit 201 does not show any cracking and/or separations at this time) which are directly above this area that has the most structural cracking in the parking garage slab may be connected to these structural cracking occurring. This is only a preliminary professional opinion, which should be validated by on-site invasive investigation of the existing on-grade concrete slab, the surrounding concrete columns and beams, and the exterior


23 April 2001
Page 5

plumbing survey assessing the condition and repair/removal required of the understructure plumbing piping/system, and of the individual unit's kitchens and bathrooms, including any plumbing specifics.

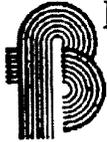
Additionally to that above as assessed from the existing conditions survey, there were several areas of the structure/building that indicated some kind of structural stressing and/or deficiency(ies)--1) the existing concrete slab on the ground/first floor for the parking areas, indicates surface cracking, but more concentrated in the area of the laundry room and the Makai/Diamond Head portion of the building; 2) cracking of the screen cmu walls of the laundry room--diagonal crackings in the Mauka screen cmu wall, cmu joint cracking at the Ewa screen cmu wall, and diagonal/joint cracking at the Makai/Diamond Head screen cmu wall; 3) settling of the existing cmu/screen cmu walls from 2- to 3-1/2 inches in the Makai and Ewa cmu walls of the laundry room; 4) cracking in the concrete floor slab of the second floor at the Makai/Diamond Head wall of Unit 201; and 5) cmu wall joint cracking in the Diamond Head cmu wall of Unit 301 between the living room the DH bedroom closet, including joint separations between the interior partition walls and the exterior bearing cmu walls. Without the professional opinion and survey of a licensed structural engineer, my assessment as a licensed architect with over thirty (30) years in the construction and design industries indicates that there is some kind of settlement at this area and corner of the existing structure/building. Given that the existing building is NOT guttered and there is NO underground drainage system around this existing building, and that any rainfall must sheetfall off the existing "flat" pitch-and-gravel roof, especially in the heavy rainfall or storm conditions, this rainfall and rainwater run-off probably "floods" the existing parking areas and concrete slab areas whereby this flow would sheetflow into and under the existing concrete slabs. The existing concrete slabs in the parking areas seem to have minimum swales thus further hampering effective flow away from the building and into the street. As the laundry room is at the low end of the property, the accumulation of this run-off water seems to naturally pond in this area, thus more likely to cause the existing ground under this area of the building to get saturated and and possibly settle, thus alleviating these stresses as cracks and settlement in the existing cmu/screen walls of the laundry room, in the concrete floor slab and exterior bearing cmu walls, and as wall separations between the interior partition walls and the exterior walls, especially affecting Units #201 and #301. A structural engineer and/or a foundation/geo-technical soils engineer should be contracted to examine and assess the present and existing concrete slab and wall cracks and possible settlement between the exterior walls and the structural concrete columns and beams. This survey and assessment would definitely verify and/or affirm the possibility of any structural cracking and/or settlement of the existing structure/building, and specifically, where this is occurring and why.

The original apartment was approved with building permit issued on May 20, 1988, and was constructed and completed September 29, 1989. It was approved with thirteen (13) parking stalls--twelve (12) required parking stalls and one (1) guest parking (assumed; as it was NOT shown nor indicated on the approved plans as "guest" parking)--six (6) regular parking stalls and six (6) compact parking stalls; however, the existing conditions in the field at present, shows that there is only eleven (11) parking stalls striped, which is totally NOT acceptable nor NOT in compliance to the Land Use Ordinance (LUO) regulations and requirements as the minimum required parking for this existing building/development is a total of 13 stalls (12 required parking + 1 guest parking stall). Field visit/inspections indicated that the parking stall striping may be deteriorated to non-existence or may have been incorrectly re-striped at one time during the life of this development. In addition, the concrete parking area has been extended beyond the parking areas indicated on the approved building permit plans into the side and rear yards of the property. In A-2 Medium Density Apartment District zoning, the side and rear yard areas must be landscaped, except ONLY for necessary and required driveway/access and walkways; the concreted areas of parking beyond the outside face of the concrete columns towards the side and rear property lines are NOT necessary and required driveway/access and walkways, and as such, could



structural bearing cmu walls. As the existing building and structure is NOT guttered in any way or means, the rainfall must sheet-fall off of the existing pitch-and-gravel "flat" roof thus allowing substantial build-up of water on the existing roof, coming down against the existing exterior "stucco" finished cmu bearing walls, and piling up against and along the bottom of these exterior walls, and under the existing on-grade concrete slabs of the parking garage. The existing concrete slabs extend quite far away from the existing concrete columns and exterior cmu walls; however, due to the rather "flatness" and/or insufficient swales of the existing parking garage slab, the free-falling rain water from the unguttered, existing pitch-and-gravel roof tends to overflow the existing concrete slab areas, including those areas that have been extended, and infiltrate and saturate the ground under these existing slabs. This could be one logical rationale for the structural cracks in the on-grade concrete slabs for the parking garage areas that is presently being exhibited on the ground floor.

The exterior electrical system/components are in reasonably good condition and state-of-repair; however, the exterior electrical outlets must be R/R with NEC compliant GFCI along with R/R of the existing single-tube fluorescent exterior-grade fixtures with the same grade/new NEC compliant fixtures. The individual units need to be upgraded with the addition of minimum one (1) smoke detector in the bedrooms and/or corridor/hallway areas, and with the R/R of the existing hot-wired smoke detector with new detector units as these units are already twelve (12) years old, and should be R/R. In addition, to the new and upgraded smoke detectors, new GFCI outlets are required in the Kitchen area near the range/stove area. The existing light and fan fixtures in the individual units should be checked for rust and poor operating conditions, and R/R, if necessary and/or required. The existing 220v. power line/conduit and outlet for the dryers in the existing laundry room is NOT compliant, and is illegal as it is presently exists as it laid on the concrete slab; it is heavily corroded, and should be R/R with a new conduit and outlet, and properly hung on the abutting/adjacent cmu walls. The existing exterior electrical system/component should be able to last for another fifteen to twenty (15-20) years at the least, while the existing exterior plumbing system/components are not in such good condition as the exterior electrical system/components. If the plumbing system/components were in the similar condition as the existing electrical, they could have last another twenty to thirty (20-30) years; however, there were at least five to six (5-6) rubber banded/metal strap connectors that were corroded and rusted with the riveted metal straps broken along with numerous metal hangers/supports for the cast-iron plumbing waste lines that are also rusted and corroded, and at least eight (8) pipes/sections with corrosion/rust from the interior to exterior as evidenced by water leakage rusting/corrosion on the exterior of the existing cast-iron plumbing pipes/piping; and finally, at least one (1) shut-off gate valve has been replaced with a new NPC shut-off ball valve. Given these circumstances, the existing exterior plumbing systems/components as exposed to the open on-grade parking garage areas should be repaired where necessary and required, and in a timely and diligent manner (as typical plumbing system/components, usually fail quite suddenly without any warning). These would require within one (1) years time the R/R of the existing metal hangers/supports, rubber banded/metal strap connectors, and the existing shut-off gate valve with new NPC shut-off ball valves, including R/R of those cast-iron pipe sections that are internally corroded/rusted and subject to leakage and/or failure. The other externally rusted sections of the existing cast-iron pipes/piping of the existing waste line need only be cleaned of the rust and exterior corrosion and repainted. Additionally, a good internal routing of the existing cast-iron waste lines/pipes/piping would be also be in order to maintain the existing plumbing systems/components in a good state-of-repair both externally and internally. With all of these remedial actions, upgrading and improvements, the existing plumbing system/components, excluding those in the individual units, should be able to last for another 15-20 years. Eventually, the existing plumbing system/components should be upgraded and improved to high-impact ABS pipes/piping for the waste line/plumbing for the entire building, internally and externally, to the existing City & County of Honolulu sewer/waste lateral/line/main in Matlock Street. The overall condition of the individual units for this project are generally acceptable and good, given the twelve (12) years of rental use and usage; however, see the attached


23 April 2001
Page 6

not be covered by concrete as this covering is NOT landscaping. If the parking was allowed into the side and rear yards, the only way to allow this would be as "Optional Yard Siting (OYS)" where the areas covered by concrete would have to be allocated and accommodated fronting the front yard in a contiguous manner, which at present, has an area set aside for this OYS but not in the quantity and area required to accommodate the area/square feet covered by the extension of the parking/parking stalls.

Proposed Common Elements: The following areas and/or elements/components should be considered as being "Common Elements" to this project--the perimeter chain-link fence and cmu fence walls on the front and side yard areas; cmu walled trash enclosure fronting the project and project driveway, and Matlock Street; all of the ground floor on-grade parking [specifically, the guest stall(s)]/driveway/maneuvering areas that are NOT designated as "Limited Common Elements" including all of the exterior and exposed electrical and plumbing systems/components--light fixtures (single-tube fluorescent lights) and electrical power conduits, and plumbing appurtenance, clean-outs/covers, domestic water supply line, sewer/waste lines/pipes/piping, etc.; concrete slab-on-grade walkway and parking area extensions; grassed and landscaped planting areas with landscaping and existing palm trees; laundry room with two (2) dryers and three (3) washers/coin-operated, laundry sink and water heater; concrete stairs/entry and mailboxes off of Matlock Street; the two (2) concrete stairways with anodized aluminum railings/handrills connecting the ground floor to the 3rd floor, and 3'-8" to 3'-10" wide concrete corridor walkways with anodized aluminum railings and exterior wall lighting at each unit door on each floors; all of the exterior walls/painted and/or textured surfaces of the existing apartment walls, including any vents and/or vented openings specific to the exterior walls and/or surfaces; existing roof/roofing/roofing surface, including the roof vents and access/appurtenances; the two (2) storage closets under each of the existing stair; and all of the electrical and plumbing pipes/piping, connections, and supports, including all master meters and sub-metering, circuit panels/breakers/switches, and any other appurtenances that are required and necessary for these electrical and plumbing systems/components exterior to the individual units, including telephone and catv systems.

The anodized aluminum handrails/railing need to be cleaned as it is showing signs of tarnishing given the constant exposure to the dirt and grim from the abutting/adjacent highway/freeway; additionally, the end caps of the handrails and railing are missing thus exposing rather sharp and pointed edges of cut/sawn aluminum. This is a rather large liability issue and concern if not remediated and closed with end caps to cover these hazardous and sharp/pointed edges of the handrails and railings for the stairs/steps, exterior corridors, and the lanai areas of each unit.

Proposed Limited Common Elements: The designated/assigned parking stalls for each unit should be the only "Limited Common Elements" for this apartment building and this project/development at 1242 Matlock Ave. The present parking assignment for the renters of this building are as attached (see parking assignment for renters). The parking assignment for the proposed condominium apartment should be as follows: Unit #201--stalls #5/6 (tandem compact stalls--2 stalls--7'-6" X 16'-0"); Unit 301--stalls #7/8 (tandem compact stalls--2 stalls); and for Units #202 to 205, and #302 to 305--stalls #1 to 4, and stalls #9 to 12 (all regular parking stalls--minimum 8'-3" X 18'-0") with stall #13 common guest parking (uncovered stall). All of the parking stalls from #1 to 12 are covered by building/structure. There is an uncovered concrete slab area Mauka in the rear yard abutting/adjacent to the H-1 Freeway wall. All yards, according to the LUO in Apartment Districts, must be landscaped; however, as this area already exists, additional guest and/or assigned parking may be designated to units that may need additional stalls, such as #201/#301 which only have compact stalls. If these units have regular-sized cars, the two (2) compact stalls would not be adequate, in which case, having additional stalls nearby would be extremely marketable; however, requiring a zoning variance approval to be compliant with the LUO.

**BENJAMIN T. TORIGOE, AIA ARCHITECTS/PLANNERS, LTD.**

16 April 2001

AKI'S PLUMBING INC. -- plumbing/piping survey & assessment

Visual inspection/survey of the above ground/first floor waste and domestic water plumbing/supply system conducted with Messrs. Akimoto and Torigoe (the plumber/plumbing contractor, and architect, respectively) on 11 April 2001 at the 1242 Matlock Avenue:

- 1) Under #201:
 - 2-4" 1/8 bend -- rusting and leaking spots on piping
 - 3" X 2" combo -- no hub coupling strap broken
- 2) Under #202:
 - 3" long turn 1/4 bend -- rusting and leaking spots on piping
- 3) Under #203:
 - 3--3" straps broken
- 4) Under #204:
 - 3" wye -- rusting/corroded
- 5) Under #205:
 - 3" X 2" combo -- cracked
 - 2--P-traps -- cracked
- 6) At Laundry Room:
 - 2" 1/8 bend -- cracked
- 7) All of the copper hangers corroded. One (1) gate valve changed to new ball valve; other existing gate valves may need to be changed also. Straps of the no hub couplings have started to break (at least five to six straps are already broken), and need to be replaced in entirety. The cast-iron fittings and pipes/piping usually last quite a long time anywhere between thirty to fifty years, in which case, only the rusted, corroded and/or cracked ones usually need to be removed and replaced; however, if routine maintenance and routing is not performed on a regular basis to the waste and domestic water supply system/piping, the defects and deficiencies as noted above will occur and the overall effective economic life of this system/piping will be reduced from that stated above.



16 April 2001

Page 2

**INDIVIDUAL APARTMENT UNIT INSPECTION:
PLUMBING/PIPING SURVEY & ASSESSMENT**

APT.UNIT	KITCHEN	BATHROOM	TOILET	LAV.
201	good	pop-up plug missing	good	good
202	good	pop-up plug missing	seat loose	good
203	continuous waste rusting	pop-up drain need adjustment	good	good
204	hot water angle valve frozen	pop-up plug missing	flapper/chain need adjustment	hot water handle do not turn
205	could not enter			
301	disposal--big noise racket needs to be replaced	pop-up plug missing	good	good
302	good	pop-up does not work well; maybe stuck with hair	good	good
303	good	pop-up plug missing	seat loose	hot water angle valve frozen
304	base of faucet spout leaking; tail piece extension rusting	spout leaking pop-up plug missing	good	good
305	good	pop-up plug missing	seat loose	good

APPLICATION INDEX NO. A 81-12-1174 BUILDING DEPARTMENT CITY AND COUNTY OF HONOLULU BUILDING PERMIT APPLICATION PLEASE PRINT - USE INK

Permit No. 254299 F T

APPLICANT FILL IN AREA BELOW		FOR BUILDING DEPARTMENT USE	
Owner <u>Edwin Takemichi</u>	Tel. No.	TOWNSHIP <u>2</u>	SECTION <u>4</u>
Owner's Address <u>680 Kamaekua St</u>	Tel. No. <u>325-2017</u>	PLAT <u>11</u>	PAGE <u>66</u>
Construction Site Address <u>680 Kamaekua St</u>	Apt. Room No.	LOT NO. <u>A</u>	LOT AREA <u>5125</u> SQ. FT.
Plan Maker <u>Edwin Takemichi</u>	Prof. Reg. No. <u>21235</u>	Occupancy Group <u>LI APT</u>	Accepted Value <u>\$ 296,000</u>
Address <u>680 Kamaekua St</u>	Tel. No.	Plan Review Fee No. <u>2005</u>	Plan Review Fee <u>146.00</u>
Contractor <u>Edwin Takemichi</u>	State Lic. No.	Permit Fee <u>1484.00</u>	Balance Due <u>738.00</u>
Address <u>680 Kamaekua St</u>	Tel. No.	TYPE OF CONSTRUCTION	
Electrical Contractor <u>Edwin Takemichi</u>	State Lic. No.	MINIMUM	ACTUAL
Address <u>680 Kamaekua St</u>	Tel. No.	EXISTING	FINAL
Plumbing Contractor <u>Edwin Takemichi</u>	State Lic. No.	NO. OF STORIES	
Address <u>680 Kamaekua St</u>	Tel. No.	EXISTING	FINAL
DESCRIPTION OF WORK TO BE DONE <u>3 Story Apt. Building</u>		FLOOR AREA (SQ. FT.)	
		Existing	New
		Total <u>6384</u>	
		Name of Project <u>Edwin Takemichi</u>	
		REMARKS <u>81/03/01 Cons. Day. appd</u>	
		ZONING AND LEO DATA	
		ZONE (Use District) <u>A-2</u>	SETBACKS: ROAD WIDENING <u>None</u>
		DESIGNATION: <u>Urban</u>	SHORELINE <u>None</u>
		DESIGNATION: <u>Urban</u>	SMA <u>None</u>
		SDD or HCSD <u>None</u>	STRUCTURE CODE: <u>05</u>
		PUBLIC FACILITIES <u>None</u>	
		REMARKS <u>81/03/01 Cons. Day. appd</u>	
		WORK WILL	
		RESIDENTIAL UNITS	DELETE
		HOTEL ROOMS	ADD
		APPROVAL OF OTHER AGENCIES (ROUTE AS INDICATED)	
		AGENCY	SIGNATURE
		DATE	
		CITY AND COUNTY	
		LAND UTILIZATION	
		DIV. OF ENGINEERING	
		Highway	
		Drainage	
		DIV. OF WASTEWATER MGMT.	
		FIRE DEPT.	
		TRANSPORTATION	
		BD. OF WATER SUPPLY	
		STATE OF HAWAII	
		HEALTH DEPT.	
		LAND & NATURAL RESOURCES	
		LAND USE COMMISSION	
		HIGHWAYS DIVISION	
		DIV. OF INDUSTRIAL SAFETY	
		NOTES TO APPLICANT: SEPARATE SIGN PERMIT SHALL BE OBTAINED AS NECESSARY. ELECTRICAL AND PLUMBING WORK SHALL BE DONE BY DULY LICENSED PERSONS AS REQUIRED UNDER CHAPTER 440C, HAWAII REVISED STATUTES. POST PERMIT PLACARD ON SITE OF WORK. THIS PERMIT MAY BE REVOKED IF WORK IS NOT STARTED WITHIN 180 DAYS OF DATE OF ISSUANCE, OR IF WORK IS SUSPENDED OR ABANDONED FOR 120 DAYS. VIOLATING ANY OF THE PROVISIONS OF THE BUILDING, ELECTRICAL OR PLUMBING CODES IS PUNISHABLE BY FINE AND/OR IMPRISONMENT.	
Proposed Use: _____ Floor Level: _____			
Estimated Market Value of Work: <u>296000</u>			
NATURE OF WORK			
1 <input type="checkbox"/> New Bldg. 5 <input type="checkbox"/> Alteration 10 <input checked="" type="checkbox"/> Electrical			
2 <input type="checkbox"/> Foundation Only 6 <input type="checkbox"/> Repair 10a <input type="checkbox"/> Electrical meter only			
3 <input type="checkbox"/> Shell Only 7 <input type="checkbox"/> Demolition 11 <input type="checkbox"/> Plumbing			
4 <input type="checkbox"/> Addition 8 <input type="checkbox"/> Fence 12 <input type="checkbox"/> Other			
9 <input type="checkbox"/> Remaining Wall			
SIDEWALK, CURB, AND DROP DRIVEWAY			
<input checked="" type="checkbox"/> Construct <u>15'8"</u> of <input type="checkbox"/> Lava Rock <input type="checkbox"/> Conc. CURBING			
<input type="checkbox"/> Reconstruct <input type="checkbox"/> R.C. <input type="checkbox"/> A.C. DRIVEWAY			
Please notify this office at least 24 hours before starting work. Phone 623-4276.			
SEWAGE DISPOSAL <input type="checkbox"/> New <input checked="" type="checkbox"/> Existing <input type="checkbox"/> Not Applicable			
METHOD <u>1029</u>			
1 <input type="checkbox"/> Public Sewer 2 <input type="checkbox"/> Aerobic Unit 3 <input type="checkbox"/> Cesspool			
4 <input type="checkbox"/> Private Sewage Treatment Plant			
5 <input type="checkbox"/> Other (Specify) _____			
I hereby acknowledge that I have read this application and state that the above is correct and agree to comply with all City and County ordinances and State laws regulating building construction.			
SIGNATURE (OWNER OR AGENT) <u>Edwin Takemichi</u> DATE <u>8/22/01</u>			
IF AGENT, PRINT NAME <u>Kenneth Koyama</u> AGENT'S TEL. NO. _____			

Permission is hereby given to do above work according to conditions hereon and according to approved plans and specifications pertaining thereto, subject to compliance with ordinances and laws of City and County of Honolulu and State of Hawaii.

This building shall not be occupied until a certificate of occupancy has been issued.

BUILDING DEPARTMENT CITY AND COUNTY OF HONOLULU BUILDING PERMIT APPLICATION

□ F □ T

APPLICATION INDEX NO. A 97-12-1174

Permit No. 254300

PLEASE PRINT - USE INK

APPLICANT FILL IN AREA BELOW		FOR BUILDING DEPARTMENT USE					
Owner <i>Kenneth Takemoto</i>	Zone <i>2</i>	Sec <i>4</i>	Plat <i>11</i>	Parcel <i>66</i>	Lot No <i>6750</i>	Lot Area <i>...</i>	
Owner's Address <i>149 K...</i>	Occupancy Group <i>M2 FENCE</i>						
Construction Site Address <i>1741...</i>	Apt. Room No.	Accepted Value <i>\$ 2000</i>	Permit Fee <i>70</i>				
Plan Maker <i>ENDRICK T.H.</i>	Prof. Reg. No. <i>94235</i>	Plan Review Fee No.	Plan Review Fee	Balance Due			
Address <i>...</i>	TYPE OF CONSTRUCTION		NO. OF STORIES		Flood Hazard Dist.		
Contractor <i>Triple T Builders Inc</i>	State Lic. No. <i>8010927</i>	FLOOR AREA (sq. ft.)		Name of Project			
Address <i>669 DHUG ST</i>	Existing		New		Total		
Electrical Contractor <i>...</i>	State Lic. No.	REMARKS <i>97/337 consd appd</i>					
Address <i>...</i>	ZONING AND LUO DATA						
Plumbing Contractor <i>...</i>	State Lic. No.	ZONE (Use District): <i>A2</i>		SETBACKS ROAD WIDENING <i>none</i>			
Address <i>...</i>	DESIGNATION: <i>MDAPT</i>		SHORELINE <i>none</i>				
DESCRIPTION OF WORK TO BE DONE		DESIGNATION: <i>UNPAV</i>		SMA <i>none</i>			
<i>40' along left</i>		SDD or HCSD <i>none</i>		STRUCTURE CODE: <i>02</i>			
<i>1 right sides of property</i>		PUBLIC FACILITIES		REMARKS <i>97/337</i>			
Proposed Use:		Floor Level:		WORK WILL ADD DELETE			
Estimated Market Value of Work: <i>\$ 2000</i>		RESIDENTIAL UNITS		HOTEL ROOMS			
NATURE OF WORK		APPROVAL OF OTHER AGENCIES (ROUTE AS INDICATED)					

10 Electrical
10a Electrical mtr only
11 Plumbing
12 Other

1 New Bldg.
2 Foundation Only
3 Small Org
4 Addition

5 Alteration
6 Repair
7 Demolition
8 Fence
9 Retaining Wall

SIDEWALK, CURB, AND DROP DRIVEWAY

Construct Conc. A.C. SIDEWALK

Reconstruct Conc. CURBING

R.C. A.C. DRIVEWAY

Please notify this office at least 24 hours before starting work. Phone 523-4276.

SEWAGE DISPOSAL New Existing Not Applicable

METHOD

1 Public Sewer 2 Aerobic Unit 3 Cesspool

4 Private Sewage Treatment Plant
5 Other (Specify)

I hereby acknowledge that I have read this application and state that the above is correct and agree to comply with all City and County ordinances and State laws regulating building construction.

SIGNATURE (OWNER OR AGENT): *Kenneth Takemoto* DATE: *12-29-87*

IF AGENT, PRINT NAME: *...* AGENT'S TEL. NO.: *...*

AGENCY	SIGNATURE	DATE
CITY AND COUNTY		
LAND UTILIZATION	<i>...</i>	<i>4/20/88</i>
DIV. OF ENGINEERING	<i>...</i>	<i>12-29-87</i>
Lot Grading	<i>...</i>	<i>12-29-87</i>
Highway	<i>...</i>	<i>12-29-87</i>
Drainage		
DIV. OF WASTEWATER MGMT.		
FIRE DEPT.		
TRANSPORTATION		
BD. OF WATER SUPPLY		
STATE OF HAWAII		
HEALTH DEPT.		
LAND & NATURAL RESOURCES		
LAND USE COMMISSION		
HIGHWAYS DIVISION		
DIV. OF INDUSTRIAL SAFETY		

NOTES TO APPLICANT:
SEPARATE SIGN PERMIT SHALL BE OBTAINED AS NECESSARY.
ELECTRICAL AND PLUMBING WORK SHALL BE DONE BY DULY LICENSED PERSONS AS REQUIRED UNDER CHAPTER 446E, HAWAII REVISED STATUTES.
POST PERMIT PLACARD ON SITE OF WORK.
THIS PERMIT MAY BE REVOKED IF WORK IS NOT STARTED WITHIN 180 DAYS OF DATE OF ISSUANCE OR IF WORK IS SUSPENDED OR ABANDONED FOR 120 DAYS.
VIOLATING ANY OF THE PROVISIONS OF THE BUILDING, ELECTRICAL OR PLUMBING CODES IS PUNISHABLE BY FINE AND/OR IMPRISONMENT.

Permission is hereby given to do above work according to conditions hereon and according to approved plans and specifications pertaining thereto, subject to compliance with ordinances and laws of City and County of Honolulu and State of Hawaii.

This building shall not be occupied until a certificate of occupancy has been issued.

FOR DIRECTOR AND BUILDING SUPERINTENDENT *...* DATE: *5/20/88*

APPLICATION INDEX NO. A 16-2-884 PLEASE PRINT - USE INK

BUILDING DEPARTMENT CITY AND COUNTY OF HONOLULU BUILDING PERMIT APPLICATION

Permit No. 2045 F T I

APPLICANT FILL IN AREA BELOW		FOR BUILDING DEPARTMENT USE						
Owner <u>Robert Wong 377-5154</u>	Tel. No.	ZONE <u>2</u>	SEC <u>1</u>	PLAT <u>11</u>	PARCEL <u>66</u>	LOT NO <u>5625</u>	LOT AREA <u>5625</u>	SO. FT. <u>5625</u>
Owner's Address <u>4933 Waa St.</u>	Tel. No.	Occupancy Group <u>R.3 DW/</u>			Flood Hazard Dist. <u>None</u>			<input type="checkbox"/> C <input type="checkbox"/> E
Construction Site Address <u>1242 Matlock St. Ave</u>	Appt. Room No.	Accepted Value <u>\$ 2600</u>			Permit Fee <u>\$ 80</u>			
Plan Maker <u>None</u>	Prof. Reg. No.	Plan Review Fee			Balance Due			
Address <u>None</u>	Tel. No.	TYPE OF CONSTRUCTION		NO. OF STORIES		District		
		MINIMUM <u>1</u>	ACTUAL <u>0</u>	EXISTING <u>1</u>	FINAL <u>0</u>	<u>Hakiki</u>		
Contractor <u>OWNER</u>	State Lic. No.	FLOOR AREA (SQ. FT.)			Name of Project		Plan Review Fee No.	
Address <u>None</u>	Tel. No.	Existing			New		Total	
Electrical Contractor <u>None</u>	State Lic. No.	REMARKS						
Address <u>None</u>	Tel. No.	REMARKS						
Plumbing Contractor <u>None</u>	State Lic. No.	REMARKS						
Address <u>None</u>	Tel. No.	REMARKS						
DESCRIPTION OF WORK TO BE DONE <u>DEMOLITION OF RESIDENCE</u> <u>DEBRIS TO WAICAE LANDFILL</u>		ZONING AND CZC DATA						
Proposed Use:		ZONE (Use District) <u>Res. 3 Dw</u>			SETBACKS: ROAD WIDENING <u>None</u>			
Estimated Value of Work: \$ <u>2,600</u>		DESIGNATION <u>Res. 3 Dw</u>			SHORELINE <u>None</u>			
NATURE OF WORK		DESIGNATION <u>Urban</u>			SMA <u>None</u>			
1 <input type="checkbox"/> New Bldg.		SDD or HCSD			STRUCTURE CODE: <u>51</u>			
2 <input type="checkbox"/> Foundation Only		PUBLIC FACILITIES						
3 <input type="checkbox"/> Shed Only		REMARKS						
4 <input type="checkbox"/> Addition		REMARKS						
5 <input type="checkbox"/> Alteration		REMARKS						
6 <input type="checkbox"/> Repair		REMARKS						
7 <input checked="" type="checkbox"/> Demolition		REMARKS						
8 <input type="checkbox"/> Fence		REMARKS						
9 <input type="checkbox"/> Retaining Wall		REMARKS						
10 <input type="checkbox"/> Electrical		REMARKS						
11 <input type="checkbox"/> Plumbing		REMARKS						
12 <input type="checkbox"/> Other		REMARKS						
SIDEWALK, CURB, AND DROP DRIVEWAY		WORK WILL ADD DELETE						
<input type="checkbox"/> Construct		RESIDENTIAL UNITS			Total		Total	
<input type="checkbox"/> Conc.		HOTEL ROOMS			Rooms		Rooms	
<input type="checkbox"/> A.C.		APPROVAL OF OTHER AGENCIES (ROUTE AS INDICATED)						
<input type="checkbox"/> LAVA ROCK		AGENCY						
<input type="checkbox"/> Conc.		SIGNATURE						
<input type="checkbox"/> R.C.		DATE						
<input type="checkbox"/> A.C.		CITY AND COUNTY						
<input type="checkbox"/> DRIVEWAY		LAND UTILIZATION						
Please notify this office at least 24 hours before starting work. Phone 523-6276.		DIV. OF ENGINEERING						
SEWAGE DISPOSAL		Lot Grading						
<input type="checkbox"/> New <input type="checkbox"/> Existing <input type="checkbox"/> Not Applicable		Highway						
METHOD		Drainage						
1 <input type="checkbox"/> Public Sewer		DIV. OF WASTEWATER MGMT.						
2 <input type="checkbox"/> Aerobic Unit		FIRE DEPT.						
3 <input type="checkbox"/> Cesspool		TRANSPORTATION						
4 <input type="checkbox"/> Private Sewage Treatment Plant		SD. OF WATER SUPPLY						
5 <input type="checkbox"/> Other (Specify)		STATE OF HAWAII						
I hereby acknowledge that I have read this application and state that the above is correct and agree to comply with all City and County ordinances and State laws regulating building construction.		HEALTH DEPT.						
SIGNATURE (OWNER OR AGENT)		HAWAIIAN HOME LANDS						
DATE		LAND & NATURAL RESOURCES						
AGENT, PRINT NAME		LAND USE COMMISSION						
AGENT'S TEL. NO.		HIGHWAYS DIVISION						
		DIV. OF INDUSTRIAL SAFETY						
		REMARKS						
		NOTES TO APPLICANT: SEPARATE SIGN PERMIT SHALL BE OBTAINED AS NECESSARY. ELECTRICAL AND PLUMBING WORK SHALL BE DONE BY DULY LICENSED PERSONS AS REQUIRED UNDER CHAPTER 448E, HAWAII REVISED STATUTES. POST PERMIT PLACARD ON SITE OF WORK. THIS PERMIT MAY BE REVOKED IF WORK IS NOT STARTED WITHIN 180 DAYS OF DATE OF ISSUANCE OR IF WORK IS SUSPENDED OR ABANDONED FOR 120 DAYS. VIOLATING ANY OF THE PROVISIONS OF THE BUILDING, ELECTRICAL OR PLUMBING CODES IS PUNISHABLE BY FINE AND/OR IMPRISONMENT.						

Permission is hereby given to do above work according to conditions hereon and according to approved plans and specifications pertaining thereto, subject to compliance with ordinances and laws of City and County of Honolulu and State of Hawaii.

This building shall not be occupied until a certificate of occupancy has been issued.

OFFICE INDEX COPY

2-24-86

FOR DIRECTOR AND BUILDING SUPERINTENDENT

DATE

FORM 550-16 (10-11-85)

COMMON ELEMENTS

COMMON ELEMENTS.

One frechold estate is hereby also designated in all the remaining portions of the Project, herein called "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. All foundations, floor slabs, sewers, columns, girders, beams, supports, unfinished perimeter walls, load-bearing walls and roofs;
3. All grounds, trees, gardens, landscaping, planters, and entries;
4. All fences, walls, yards and gates;
5. All laundry room(s), electrical rooms, walls, meters, utilities wiring and pipes, maintenance, refuse containers and enclosures on the grounds of the Project;
6. All roads, parking areas, driveways, walkways, stairways, storage areas under stairways, building entries and corridors;
7. All other portions of the Land and improvements not specifically heretofore designated as Apartments, but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property Regime.

EXHIBIT C

LIMITED COMMON ELEMENTS.

Certain parts of the common elements, herein call the "Limited Common Elements", are hereby designated and set aside for the exclusive use of each Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs of every kind pertaining to each limited common element, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne by the Unit to which it is appurtenant. The limited common elements so set aside and reserved are as follows:

- (a) The automobile parking stall(s) designated on the Parking Stall Designation described below as being appurtenant to an Apartment shall be appurtenant to and for the exclusive use of such Apartment site;
- (b) One mailbox bearing the number corresponding to the number of an Apartment shall be appurtenant to and for the exclusive use of the Apartment having such number.

Matlock Parking Stall Designations:

<u>Unit No.</u>	<u>Stall No.</u>
301	12
301	6
302	5
203	4
305	3
202	2
201	1
303	7
205	8
201	9
204	10
304	11

EXHIBIT D

PERCENTAGE OF UNDIVIDED INTEREST IN THE COMMON ELEMENTS

Each Unit shall have appurtenant thereto an undivided percentage interest in all common elements of the Project (herein called the "common interest") as set forth herein below, and except as otherwise set forth in the Declaration, the same proportionate share in all common profits and expenses of the Project and for all other purposes, including voting:

1. Apartments 201 and 301: 14.863%;
2. Apartments 202: 8.870%;
3. Apartment 203: 8.722%;
4. Apartment 204: 10.357%;
5. Apartment 205: 9.829%.
6. Apartment 302: 7.296%
7. Apartment 303: 7.571%
8. Apartment 304: 9.079%
9. Apartment 305: 8.550%

EXHIBIT E

Encumbrances Against Title

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. Perpetual exclusive right-of-way or easement for a sewer pipe in and across the land described in Schedule C in favor of Raymer Sharp, his heirs and assigns, as reserved in Deed recorded in Liber 667 at Page 250.

3. -AS TO PARCEL SECOND:-

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

INSTRUMENT : DEED

DATED : December 14, 1987
RECORDED : Liber 21641 Page 488

The foregoing includes, but is not limited to, matters relating to reservation of minerals, water and prehistoric and historic remains.

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

INSTRUMENT : ENCROACHMENT AGREEMENT AND LICENSE

DATED : December 24, 1996
RECORDED : Document No. 97-011439
PARTIES : EARL TAKEUCHI and MI CHA TAKEUCHI,
husband and wife, and AGNES YIM CHEE and
BERNARD J.B. YIM, Co-Trustees of the Ayouk
Ahana Yim Revocable Living Trust dated July 17,
1992
5. Any unrecorded leases and matters arising from or affecting the same.

EXHIBIT F

6. Encroachment(s) as shown on the survey map prepared by Robert K. Sing, Land Surveyor, dated March 28, 1998.

7. MORTGAGE

MORTGAGOR : ROBERT N. IWAMOTO, JR., husband of Arlene Iwamoto

MORTGAGEE : CENTRAL PACIFIC BANK, a Hawaii corporation

DATED : March 25, 1998

RECORDED : Document No. 98-042760

8. By ASSIGNMENT OF RENTS dated March 25, 1998, recorded as Document No. 98-042761.

9. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the Declaration of Condominium Property Regime of 1242 Matlock dated May 18, 2001, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2001-105929.

Said Declaration was amended by instrument dated July 10, 2001, recorded in said Bureau as Document No. 2001-112907.

10. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the By-Laws of the Association of Apartment Owners of 1242 Matlock dated May 18, 2001, recorded in said Bureau as Document No. 2001-105930.

11. Real property taxes as may be due and owing. Check with County Tax Assessor.

NOTE: The Condominium Map No. is 3301.

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months =	<u>Yearly Total</u>
201	\$176.13	\$2,113.56
202	105.10	1,261.20
203	103.36	1,240.32
204	122.73	1,472.76
205	116.47	1,397.64
301	176.13	2,113.56
302	86.46	1,037.52
303	89.72	1,076.64
304	107.58	1,290.96
305	101.32	1,215.84

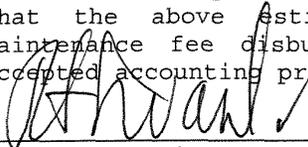
The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

EXHIBIT G

Estimate of Maintenance Fee Disbursements:

	<u>Monthly Fee</u> x 12 months	<u>=Yearly Total</u>
Utilities and Services		
Air Conditioning	None	None
Electricity		
<input checked="" type="checkbox"/> common elements	\$125	\$1,500
<input type="checkbox"/> common elements and apartments		
Elevator	None	None
Gas	None	None
<input type="checkbox"/> common elements		
<input type="checkbox"/> common elements and apartments		
Refuse Collection (applying for City and County of Honolulu pickup effective date of first sale)		
Telephone	\$ 25	\$ 300
Water and Sewer	\$250	\$3,000
Maintenance, Repairs and Supplies		
Building (including supplies)	\$50	\$600
Grounds (including supplies)	\$75	\$900
Management		
Management Fee	\$200	\$2,400
Payroll and Payroll Taxes	None	None
Office Expenses	None	None
Miscellaneous Administrative Expense	\$50	\$600
Insurance	\$300	\$3,600
Reserves(*)	\$300	\$3,600
Taxes and Government Assessments	\$60	\$720
Audit Fees	\$50	\$600
Other	None	None
TOTAL DISBURSEMENTS (excluding Reserves)	<u>\$1,185</u>	<u>\$14,220</u>

I, Robert N. Iwamoto, Jr., as agent for/and/or employed by 1242 Matlock, LLC, the developer for the 1242 Matlock 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.



 Signature

08/31/01

 Date

(*) Mandatory reserves assessment 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.

**SUMMARY OF SALES CONTRACT
1242 MATLOCK**

The specimen sales contract sets forth the purchase price and the terms and conditions for the fee simple purchase of an apartment at 1242 Matlock. It provides in part that the buyer understands the Apartments are being sold without any warranties. The existence of any defect in the Apartments or anything installed thereon shall not excuse the buyer's obligation to perform all of his/her/their obligations under the contract as long as the Apartment is livable. It also provides that the buyer has been furnished and has read and understand the Declaration of Condominium Property Regime for 1242 Matlock, the By-Laws of the Association of Apartment Owners of 1242 Matlock governing the condominium regime, and the escrow agreement which controls the collection of funds and the closing of the purchase of the Apartments by a buyer. Under the sales contract, possession of an Apartment shall occur on the date of closing of the purchase of the Apartment, unless the buyer of the Apartment is the current tenant. The sales contract is based upon the issuance of a Final Public Report for the condominium and the sales contract becomes a binding contract upon its execution by both the buyer and the seller. If the buyer is a cash buyer, the contract is subject to the buyer delivering proof of ability to pay to the seller with ten (10) calendar days of acceptance of the contract by the seller; otherwise the contract is null and void. If the buyer is obtaining financing for a portion of the purchase price, the buyer must deliver affirm commitment in an amount and form approved by the seller from the buyer's lender within forty-five (45) calendar days of acceptance, unless the period is extended by agreement in writing between the buyer and the seller; otherwise the contract is null and void. Upon cancellation of the sales contract all deposits made by the buyer shall be returned less the escrow cancellation fee.

EXHIBIT H

**SUMMARY OF ESCROW AGREEMENT
1242 MATLOCK**

The Escrow Agreement provides for the escrow agent, Title Guaranty Escrow Services, Inc. to receive the funds of the buyer for the purchase of an Apartment at 1242 Matlock. Escrow shall also be responsible for preparing all of the documents required for closing of an Apartment purchase and sale, including the filing of the title documents conveying title to the buyer. At closing and upon all conditions of the sales contract having been met, the purchase price funds of the buyer and all interest earned thereon shall be disbursed to the seller, less the escrow fee. In the event any of the terms of the sales contract have not been timely met and the sales contract is cancelled, the buyer's funds shall be returned to the buyer less any escrow cancellation fee up to a maximum of \$250. If the buyer fails to make any payment required under the sales contract to Escrow or fails to perform in any matter handled by Escrow, the buyer's funds shall be held by Escrow on account of the seller and shall be disbursed to the seller upon written request, less any escrow cancellation fee. If there is any dispute between the buyer and the seller regarding the escrow and/or the funds therein, Escrow may await settlement of the controversy or may file a suit in interpleader in any court having jurisdiction in the matter for the purpose of having the respective rights of the parties determined, and may deposit all funds in escrow with the court.

EXHIBIT I