

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer School Street Associates
Address 212 Merchant Street, Suite 330, Honolulu, Hawaii 96813
Project Name(*): Mango Hills (This report covers Apartments 3 through 10)
Address: 2506 North School Street, Honolulu, Hawaii 96819

Registration No. 4878 Effective date: July 8, 2002
Expiration date: April 8, 2003

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

X CONTINGENT FINAL: The developer has legally created a condominium and has filed information with the Commission for this report which EXPIRES NINE (9) MONTHS after the above effective date. Contingent Final public reports may not be extended or renewed.
[] No prior reports have been issued.
[x] This report supersedes all prior public reports: specifically the Preliminary Public Report for Reg. No. 4519, dated December 5, 2000, as it relates to Apartments 3 through 10 of the Project (it does not affect or supersede the Final Public Report for Reg. No. 4519 (Conversion), dated September 20, 2001, which relates to Apartments 1 and 2)

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

SUPPLEMENTARY: 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. FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

5. Revisions to Sales Contract. Article IV, Section B.3 of the specimen Condominium Deposit Receipt, Reservation and Sales Contract (summarized in Exhibit G of this public report) has been revised to require that all prospective purchasers provide a copy of the following to both the Developer and the Developer's construction lender: (a) the prospective purchaser's loan application package relating to the prospective purchaser's financing of the purchase of the apartment, if the prospective purchaser wishes to finance the purchase of the apartment; or (b) the prospective purchaser's financial statement showing the prospective purchaser's net worth and cash on hand, if the prospective purchaser proposes to pay the Total Purchase Price in cash. The revision also provides that if either the Developer or the Developer's construction lender, in their sole discretion, after reviewing the written evidence submitted to them by the prospective purchaser, determines that either the Developer or the Developer's construction lender is not satisfied as to the prospective purchaser's ability to obtain the applied-for loan or to make the required cash payments, then in either of the foregoing events, the Developer may elect to cancel the Sales Contract and, upon such cancellation, the Developer shall direct Escrow to refund to the prospective purchaser all sums paid under the Sales Contract by the prospective purchaser, less any costs incurred by the Developer, Escrow or any lending institution in processing the Sales Contract or the loan application. The Sales Contract has also been revised to reference the Private Park Covenants and the Holding Tank Declaration, to advise prospective purchasers that the sale is subject to those documents and to reference the Developer's new real estate broker (see item 6 below). The purchaser is advised to review the revised specimen Sales Contract, a copy of which can be obtained from the Developer or the Developer's real estate broker.
6. New Real Estate Broker. The Developer has hired a new real estate broker (The Kaulana Corp.) to market and sell the apartments. The Kaulana Corp. is affiliated with the Developer in that the sole director and officer and the principal broker of The Kaulana Corp. (Eric K. Smith) is also the president of 2506 School Street, Inc., which is the general partner of the Developer. John P. Foti, a vice president with 2506 School Street, Inc., is a real estate salesperson with The Kaulana Corp.
7. Declaration of Restrictive Covenants (Private Park). Pursuant to the Cluster Housing Permit and the requirements of the Department of Planning and Permitting ("DPP") of the City and County of Honolulu, the Developer has recorded a Declaration of Restrictive Covenants (Private Park), recorded in the Bureau of Conveyances on May 9, 2002 as Document No. 2002-082111 (the "Private Park Covenants"). The Private Park Covenants contains various restrictive covenants and obligations relating to the improvement, maintenance and use of the Private Park, which covenants and obligations must be met by members of the Association of Apartment Owners and are summarized in Exhibit "J" to this Contingent Final Public Report. Pursuant to the Second Amendment to the Declaration, the Apartment Owners and the Association are obligated to indemnify the Developer for various claims relating to use of the Private Park. A copy of the Private Park Covenants is on file with the Real Estate Commission. The purchaser is advised to review the Private Park Covenants, a copy of which can be obtained from the Developer or the Developer's real estate broker.
8. Declaration for Holding Tank Facility. Pursuant to requirements of DPP, the Developer has recorded a Declaration for Holding Tank Facility, recorded in the Bureau of Conveyances on May 9, 2002 as Document No. 2002-082110 (the "Holding Tank Declaration"). The Holding Tank Declaration contains various covenants and obligations relating to use of a sewage holding tank facility, which covenants and obligations, pursuant to the Second Amendment to the Declaration, must be met by the owners of Apartments 3, 4, 5 and 8. A copy of the Holding Tank Declaration is attached as Exhibit "K" to this Contingent Final Public Report. The purchaser shall be required to provide the Developer with a written acknowledgment and acceptance of having received a copy of the Holding Tank Declaration.
9. Modifications to Cluster Housing Permit. The Cluster Housing Permit was modified by letters from the Planning Department dated December 27, 2000 and June 6, 2001. Copies of the letters modifying the Cluster Housing Permit are on file with the Real Estate Commission and are available for review by buyers.
10. Construction Completion Date. The estimated date of completion of construction of Apartments 3 through 10 has been revised to around November 2002.

SPECIAL ATTENTION SHOULD BE GIVEN TO THE ADDITIONAL INFORMATION (PAGES 20, 20A AND 20B) AND THE SUMMARY OF RIGHTS RESERVED TO THE DEVELOPER (EXHIBIT "I")

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. The "last public report" for recipients of this Contingent Final Public Report is the Preliminary Public Report for Mango Hills, dated December 5, 2000, Reg. No. 4519.

No prior reports have been issued by the developer.

Changes made are as follows:

1. **Separate Final Public Report.** As contemplated in the Preliminary Public Report for Mango Hills (Reg. No. 4519), which covered all of the Apartments in the Project, and as expressly disclosed on page 16 of that Preliminary Public Report, the Developer has decided to obtain this separate Contingent Final Public Report covering just Apartments 3 through 10. The Developer has obtained a Final Public Report covering just Apartments 1 and 2, which has an effective date of September 20, 2001 (see Registration No. 4519 (Conversion)). Despite the two separate final public reports, the 10 apartments will still be part of the same condominium project, subject to the same Condominium Declaration and Bylaws and controlled by the same association of apartment owners. **Again, this Final Public Report covers only Apartments 3 through 10 and, accordingly, sales of those apartments are covered herein.**
2. **Amendment to Condominium Declaration.** The Condominium Declaration (which is dated August 15, 2001, and recorded in the Bureau of Conveyances as Document No. 2001-129533) originally created three apartments (Apartments 1 and 2 and the Future Development Apartment). (By a document dated September 4, 2001 and recorded in the Bureau of Conveyances as Document No. 2001-141446, the Declaration was amended to clarify the description of Apartment 2.) As contemplated on page 6 of the Preliminary Public Report, the Developer has further amended the Declaration to divide the Future Development Apartment and add Apartments 3 through 10 (with their appurtenant Private Yard Areas) to the Project. The amendment also designates and assigns portions of the Future Development Apartment and the Private Yard Area appurtenant to the Future Development Apartment as Private Yard Areas appurtenant to Apartments 3 through 10, converts certain portions of the Future Development Apartment and the Private Yard Area appurtenant to the Future Development Apartment to common element status and limited common element status, designates the Grantee's interest in the State Grant of Easement (defined in item 4 below) as a limited common element appurtenant to Apartments 3 through 10, to set forth certain obligations relating to the sewage holding tanks to be located within the Private Yard Areas of certain Apartments (see item 8 below), and to reference certain restrictive covenants and obligations relating to use of the Private Park (see item 7 below). A copy of the Amendment to the Declaration, which is dated May 28, 2002 and recorded in the Bureau of Conveyances as Document No. 2002-096418, is on file with the Real Estate Commission. The purchaser is advised to review the Amendment to the Declaration, a copy of which can be obtained from the Developer or the Developer's real estate broker.
3. **Amendment to Condominium Map/Revisions to Apartments and Private Yard Areas.** As contemplated on page 6 of the Preliminary Public Report, the Developer has amended the Condominium Map to depict Apartments 3 through 10 and the private park referenced on page 20b of the Preliminary Public Report (the "Private Park"). Also, the draft Condominium Map that was submitted along with the Preliminary Public Report was revised as follows: (a) the den is now a third bedroom; (b) the kitchen/dining area is now 11' x 15' (versus 11' x 16'); (c) the living room is now 12' x 15' (versus 14' x 15'); (d) the Private Yard Area appurtenant to Apartment 7 is now 4,251 square feet (versus 4,300 square feet); (e) the Private Yard Area appurtenant to Apartment 8 is now 4,131 square feet (versus 4,178 square feet); and (f) sewage holding tanks are shown as being within the Private Yard Areas of Apartments 3, 4 and 5 and within the Private Park. The purchaser is advised to review the Amendment to the Condominium Map, a copy of which can be obtained from the Developer or the Developer's real estate broker.
4. **Access to Apartments 3 through 10.** As contemplated on page 20a of the Preliminary Public Report, the Developer has obtained an easement from the State of Hawaii over a State-owned roadway that lies between the Project and Meyers Street (a public road). The Grant of Non-Exclusive Easement (the "State Grant of Easement"), which is in favor of the Developer, is dated February 5, 2002 and was recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2002-020906. It is anticipated that the Developer's rights in the State Grant of Easement will be assigned to the Association of Apartment Owners, thereby giving the owners of Apartments 3 through 10 the right to use the State-owned roadway as members of the Association.

SPECIAL ATTENTION

Mango Hills is a CONDOMINIUM PROJECT, **not** a subdivision. The Private Yard Area immediately appurtenant to each apartment is a LIMITED COMMON ELEMENT appurtenant to the apartment and is **not** a legally subdivided lot. The dotted lines on the Condominium Map bounding such limited common element Private Yard Areas are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other governmental 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.

SPECIAL ATTENTION

This Contingent Final Public Report has been prepared by the Developer pursuant to §514A-39.5, HRS. The Real Estate Commission issued this report before the developer submitted certain documents and information as more fully set forth in the statutory notice below. Sales contracts executed pursuant to this report **are binding on the buyer under those conditions specified immediately below** and in Part V. B. of this report found on pages 18 & 19 of this report. This report expires nine (9) months after the effective date of the report and may not be extended or renewed.

STATUTORY NOTICE

"The effective date for the Developer's Contingent Final Public Report was issued before the Developer submitted to the Real Estate Commission: the executed and recorded deed or master lease for the project site; the executed construction contract for the project; the building permit; satisfactory evidence of sufficient funds to cover the total project cost; or satisfactory evidence of a performance bond issued by a surety licensed in the State of not less than one hundred percent of the cost of construction, or such other substantially equivalent or similar instrument or security approved by the Commission. Until the Developer submits each of the foregoing items to the Commission, all Purchaser deposits will be held by the escrow agent in a federally-insured, interest-bearing account at a bank, savings and loan association, or trust company authorized to do business in the State. If the Developer does not submit each of the foregoing items to the Commission and the Commission does not issue an effective date for the Final Public Report before the expiration of the Contingent Final Public Report, then:

- (1) The Developer will notify the Purchaser thereof by certified mail; and
 - (2) Either the Developer or the Purchaser shall thereafter have the right under Hawaii law to rescind the Purchaser's sales contract. In the event of a rescission, the Developer shall return all of the Purchaser's deposits together with all interest earned thereon, reimbursement of any required escrow fees, and, if the Developer required the Purchaser to secure a financing commitment, reimburse any fees the Purchaser incurred to secure that financing commitment." (§514A-64.5, HRS)
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General Information On Condominiums

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

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/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 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: School Street Associates Phone: (808) 524-3551
Name* (Business)
212 Merchant Street, Suite 330
Business Address
Honolulu, Hawaii 96813

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):

2506 School Street, Inc.
Eric Smith (President and Treasurer)
John Foti (Vice President and Secretary)

Real Estate Broker*: The Kaulana Corp. Phone: (808) 524-3551
Name (Business)
212 Merchant Street, Suite 300
Business Address
Honolulu, Hawaii 96813

Escrow: Old Republic Title & Escrow of Hawaii Phone: (808) 566-0100
Name (Business)
733 Bishop Street, Suites 2600 and 2700
Business Address
Honolulu, Hawaii 96813

General Contractor*: Chriscontract, Inc. Phone: (808) 263-2288
Name (Business)
305 Hahani Street
Business Address
Kailua, HI 96734

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

Attorney for Developer: Case Bigelow & Lombardi Phone: (808) 547-5400
(David F. Andrew) (Business)
Name
737 Bishop Street, Suite 2600
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. 2001-129533
Book _____ Page _____
 Filed - Land Court Document Number _____

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

1. First Amendment to Declaration of Condominium Property Regime of Mango Hills and Amendment to Condominium Map No. 3324, dated September 4, 2001, recorded as Document No. 2001-141446.
2. Second Amendment to Declaration of Condominium Property Regime of Mango Hills and Amendment to Condominium Map No. 3324, dated May 28, 2002, recorded as Document No. 2002-096418.

- 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 Condominium Map No. 3324
 Filed - Land Court Condominium Map No. _____

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

1. First Amendment to Declaration of Condominium Property Regime of Mango Hills and Amendment to Condominium Map No. 3324, dated September 4, 2001, recorded as Document No. 2001-141446.
2. Second Amendment to Declaration of Condominium Property Regime of Mango Hills and Amendment to Condominium Map No. 3324, dated May 28, 2002, recorded as Document No. 2002-096418.

- 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. 2001-129534
Book _____ Page _____
 Filed - Land Court Document Number _____

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:

[See Exhibit I to this public report]

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per Month Year

For Sub-leaseholds:

- Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
 Canceled Foreclosed
- As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Sub-leasehold:

Leases for the underlying land usually require that at the end of the lease term, the lessees (apartment owners/tenants) deliver to the lessor (fee property owner) their interest in the land and that they either (1) remove or dispose of the building(s) and other improvements at the lessee's expense; or (2) convey the building(s) and improvements to the lessor, often at a specified price.

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

Lease Term Expires: _____ Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

Exhibit _____ contains a schedule of the lease rent for each apartment per: Month Year

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 2506 North School Street Tax Map Key: (1) 1-3-11:78
Honolulu, Hawaii 96813 (TMK)

Address TMK is expected to change because _____

Land Area: 46,857* square feet acre(s) Zoning: R-5

*Note: Apartments 3 through 10 project area (including Private Cul-De-Sac) equals 34,777 square feet of total 46,857 square feet.

Fee Owner: School Street Associates
Name

212 Merchant Street, Suite 330
Address

Honolulu, Hawaii 96813

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: eight Floors Per Building one with attic/loft

Exhibit A contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other steel, glass and other building materials

4. Uses Permitted by Zoning:

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>		<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>8</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 No pets or other animals permitted; provided that the board may authorize the keeping by owners of parakeets, canaries, aquarium fish, two cats and two dogs, subject to limitations as set forth in the Bylaws
- Number of Occupants: _____
- Other: Apartments shall be used for residential purposes only; no "transient vacation rentals" permitted.
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 0 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>Identify</u>
<u>3 thru 10</u>	<u>8</u>	<u>3/2</u>	<u>1,056</u>	<u>360</u>	<u>Carport</u>
Total Number of Apartments			<u>8</u>		

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

The floor areas shown are approximate only.

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. The areas of the apartments are likely to vary somewhat. Even apartments of the same type may differ in their actual areas. The Developer makes no representations or warranties as to the floor area of any particular apartment.

Boundaries of Each Apartment: Each Apartment includes, but is not limited to, the footings or slab, if any, on which it is constructed, the carport (or covered parking stall), if any, deck and lanai areas, if any, the exterior walls and roof, all interior walls, floors, ceilings, columns and partitions, and the finished surfaces thereof, the doors and door frames, windows and window frames, the air space within the perimeters of the Apartment, all fixtures originally installed in the Apartment, and all pipes, plumbing (including water heaters), wires, conduits and other utility or service lines and facilities servicing only the Apartment. Each Apartment shall not include any pipes, shafts, wires, conduits or other utility or service lines running through such Apartment which are utilized for or serve more than one Apartment, the same being deemed common elements as provided in the condominium declaration.

Permitted Alterations to Apartments:

SEE EXHIBIT "B"

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. Developer has elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 16

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
Assigned	<u>16</u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u>16</u>
Guest	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Unassigned	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Extra for Purchase	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Other	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>	<u> </u>
Total Covered & Open:	<u>16</u>	<u> </u>	<u>0</u>	<u> </u>	<u>0</u>	<u> </u>	<u>16</u>

Each apartment will have the exclusive use of at least two 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: Private Park

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):

Not Applicable.

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:

*NOTE: The Project is subject to a Cluster Housing Permit (Findings of Fact, Conclusions of Law, and Decision and Order (File No. 2000/CL-1) dated July 3, 2000, issued by the Department of Planning and Permitting of the City and County of Honolulu (the "Planning Department"), captioned "In the Matter of the Application of School Street Associates for a Cluster Housing Permit". The Cluster Housing Permit was modified by letters from the Planning Department dated December 27, 2000 and June 6, 2001. See page 20 of this Report for more information on the Cluster Housing Permit and its effect on the Project. A copy of the Cluster Housing Permit and its modification letters are on file with the Real Estate Commission and are available for review by buyers.

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>	_____	_____
Structures	<u> X </u>	_____	_____
Lot	<u> X </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 _____.

as follows: Each apartment (1 through 10) shall have a common interest of 10%.

E. Encumbrances Against Title: An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit E describes the encumbrances against the title contained in the title report dated May 9, 2002 and issued by Old Republic Title & Escrow of Hawaii.

Blanket Liens:

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

[] There are no blanket liens affecting title to the individual apartments.

[X] There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgage	The Buyer's contract will be subject to cancellation and the Buyer may not be able to purchase the apartment, but all deposits made by the Buyer will be refunded, less escrow cancellation fee.

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 makes no warranties itself with respect to Apartments 3 through 10. However, Developer may, if possible, assign to each apartment owner any existing warranties given to the Developer by the general contractor for Apartments 3 through 10 and by any subcontractors or materialmen.

2. Appliances:

Developer makes no warranties itself with respect to Apartments 3 through 10. However, Developer will attempt to assign to each apartment owner the benefit of any existing manufacturer's or dealer's warranties covering the appliances in Apartments 3 through 10.

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

Construction of Apartments 3 through 10 has commenced and is anticipated to be completed around November 2002.

H. Project Phases:

The developer has 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):

Incremental Development. The Developer has reserved the right (but is not obligated), without being required to obtain the consent or joinder of any other person who may have an interest in the Project or in any apartment, to develop, construct, transfer, convey and/or sell the apartments in increments on a building-by-building basis. See Exhibit I of this Report for further information concerning incremental development.

IV. CONDOMINIUM MANAGEMENT

A. Management of the Common Elements: The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a condominium managing agent to assist the Association in managing the condominium project.

Initial Condominium Managing Agent: When the developer or the developer's affiliate is the initial condominium managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial condominium managing agent for this project, named on page five (5) of this report, is:

not affiliated with the Developer the Developer or the Developer's affiliate.
 self-managed by the Association of Apartment Owners Other: _____

B. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, 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).

C. Utility Charges for Apartments:

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

None Electricity (____ Common Elements only ____ Common Elements & Apartments)
 Gas (____ Common Elements only ____ Common Elements & Apartments)
 Water@ Sewer@ Television Cable
 Other Private refuse collection for Apartments 3 through 10*

@ See Page 20a of this Report for more information on billing for water and sewer service for Apartments 3 through 10.

*See Page 20a of this Report for more information on private refuse collection for Apartments 3 through 10.

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

Notice to Owner Occupants

Specimen Sales Contract

Exhibit G contains a summary of the pertinent provisions of the sales contract.

Escrow Agreement dated October 31, 2000

Exhibit H contains a summary of the pertinent provisions of the escrow agreement.

Other: Cluster Housing Permit (and modifications to Cluster Housing Permit), Declaration of Restrictive Covenants (Private Park), Declaration for Holding Tank Facility

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.

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

A) The Developer delivers to the buyer a copy of:

1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent 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 after the date the report(s) were delivered to the buyer.

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 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 Cluster Housing Permit (as modified), Declaration of Restrictive Covenants (Private Park), Declaration for Holding Tank Facility

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 (DCCA). 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, Hawaii 96809, at a nominal cost.

This Public Report is a part of Registration No. 4878 filed with the Real Estate Commission on June 3, 2002.

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

YELLOW paper stock WHITE paper stock PINK paper stock GREEN paper stock

C. Additional Information Not Covered Above

1. INCREMENTAL DEVELOPMENT.

Pursuant to rights reserved to the Developer in the Declaration of Condominium Property Regime, the project is being developed incrementally. The first increment consisted of Apartments 1 and 2 and the Future Development Apartment. Sales of Apartments 1 and 2 by the Developer to individual purchasers are covered by the Final Public Report covering just Apartments 1 and 2, which has an effective date of September 20, 2001. The second increment consists of Apartments 3 through 10, which were created from the division of the Future Development Apartment. Sales of Apartments 3 through 10 by the Developer to individual purchasers are covered by this Contingent Final Public Report.

2. CLUSTER HOUSING PERMIT.

The Project is subject to that certain Findings of Fact, Conclusions of Law, and Decision and Order (File No. 2000/CL-1) dated July 3, 2000, issued by the Department of Planning and Permitting of the City and County of Honolulu, captioned "In the Matter of the Application of School Street Associates for a Cluster Housing Permit", as amended by letters from the Planning Department dated December 27, 2000 and June 6, 2001, and as it may be further amended or modified from time to time (collectively, the "Cluster Housing Permit"). Pursuant to the Cluster Housing Permit, and as set forth in the Condominium Declaration, the following covenants, conditions and restrictions apply to the Project and shall be binding upon the Project:

- A. The Project shall not contain more than ten dwelling units and the Project land shall not be further subdivided. The Director of the Department of Planning and Permitting of the City and County of Honolulu may require the redesign of exterior entrances, stairways and plumbing and electrical systems to ensure that the number of dwellings is not increased.
- B. All work relating to the Project shall comply with the applicable Land Use Ordinance (LUO) standard for the underlying zoning district, unless otherwise stated in the Cluster Housing Permit.
- C. All structures, fences and walls shall be set back a minimum of ten feet from any common access roadway developed for the Project.
- D. All structures shall comply with applicable height requirements and setback requirements of the underlying zoning district as measured from the boundaries of the appurtenant Private Yard Area.
- E. The maximum building area of each Apartment (and related structures) shall not exceed 40 percent of the land area underlying the Apartment and its appurtenant Private Yard Area.
- F. All expansions, alterations and reconstruction within the Project shall be compatible in design with the existing and surrounding structures.
- G. Approved two-car garages and other required parking shall not be eliminated or converted to other uses. No parking shall be permitted along or within any common access roadway developed for the Project.
- H. Only walls and fences as shown on the approved fence master plan are permitted within the Project.
- I. All landscaping approved and required by the Cluster Housing Permit shall be retained and maintained in a healthy visual condition at all times. Otherwise, replacement landscaping may be required.
- J. All exterior lighting shall be subdued or shielded to prevent glare and light spillage on surrounding lots and public rights-of-way. Where appropriate, full-cutoff fixtures or cutoff shields may be required. Mercury vapor and low/high pressure sodium lamps are not permitted.
- K. The Association of Apartment Owners shall maintain all common elements of the Project, as set forth in the Declaration.
- L. A fence master plan for the Project, prepared in accordance with the Cluster Housing Permit, shall be submitted to and approved by the Urban Design Branch of DPP. The fence master plan, once approved, shall be made a part of and incorporated into the Declaration.

A copy of the Cluster Housing Permit is on file with the Real Estate Commission and is available for review by buyers.

3. **NOT A SUBDIVISION.**

Mango Hills is a condominium project, not a subdivision. The Private Yard Areas appurtenant to the Apartments are not subdivided lots, and prospective purchasers should be aware that by purchasing an apartment in the Project, they are not purchasing a subdivided lot. The developer obtained the Cluster Housing Permit to allow for the development and construction of eight dwellings (Apartments 3 through 10) on the land underlying the Project in addition to the two existing dwellings (Apartments 1 and 2). Each apartment owner will be responsible for complying with the requirements of the Cluster Housing Permit as they relate to his or her apartment, the appurtenant limited common elements and, as a member of the Association of Apartment Owners, the common elements. Each prospective purchaser should seek competent professional counsel relating to the effect, if any, that the Cluster Housing Permit may have on his or her ability to use and enjoy their apartment and the Project in general.

4. **PRIVATE PARK.**

The Private Park that will separate Apartments 1 and 2 from the remainder of the Project will be a common element of the Project. All Apartment owners will share in the cost and expense of maintaining and repairing the Private Park, and its various appurtenances, in proportion to their respective common interests. The Private Park Covenants, referenced on page 2a, contains various restrictive covenants relating to the improvement, maintenance and use of the Private Park. Those restrictive covenants are summarized in Exhibit "J" to this Contingent Final Public Report.

5. **PRIVATE REFUSE COLLECTION SERVICE.**

Because City-operated refuse collection trucks may not be able to access the private cul-de-sac serving Apartments 3 through 10, the owners of Apartments 3 through 10 may have to pay a monthly fee to have a private refuse collection service haul the refuse associated with their apartments. Further, because the owners of Apartments 1 and 2 will have the benefit of City-operated refuse collection service on North School Street, the owners of Apartments 1 and 2 need not contribute toward the fees of the private refuse collection service serving Apartments 3 through 10.

6. **WATER AND SEWER.**

Initially, water and sewer use by Apartments 3 through 10 will be measured by a single master water meter. The single master water meter will also measure water use for irrigation of the Private Park. All Apartment Owners will be obligated to pay, according to their respective common interests, their share of the water used to irrigate the Private Park. The Owners of Apartments 3 through 10, but not the Owners of Apartments 1 and 2, shall be obligated to pay for the balance of the water and sewer use, as measured by the master water meter, according to their respective uses or according to their respective common interests, as the Apartment Owners shall determine. The Developer intends to enter into an agreement with the Board of Water Supply of the City and County of Honolulu pursuant to which individual water meters will be installed for each of the eight Apartments (3 through 10) to measure water and sewer use for those eight apartments. (The master water meter would continue to measure water use for irrigation of the Private Park.) If such individual water meters are installed, the Owners of Apartments 3 through 10 shall be obligated to pay for their Apartment's water and sewer use, as measured by the respective meters. (Apartments 1 and 2 each has its own water meter, which measures water and sewer use by the respective Apartment.)

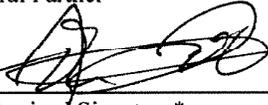
7. **EFFECT OF CONTINGENT FINAL REPORT.**

As long as the Developer submits to the Commission all the documents mentioned in the first sentence of the STATUTORY NOTICE on page 2b of this Contingent Public Report and the Commission issues an effective date for the Final Public Report before the expiration of this Contingent Final Report, a purchaser may be compelled to proceed with closing under a purchase contract. In the case of sales made on the basis of a Contingent Final Public Report, there is no new statutory 30-day right of rescission after the purchaser is informed, via a disclosure statement, that an effective date for a Final Public Report has been issued by the Commission.

- 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 Section 514A-1.6
- 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.

School Street Associates
Printed Name of Developer

By: 2506 School Street, Inc.,
Its General Partner

By:  _____ Date 7/2/02
Duly Authorized Signatory*

John Foti, Vice President
Print Name and Title of Person Signing Above

Distribution:

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

DESCRIPTION OF IMPROVEMENTS

The Project will consist of ten buildings. Each building will contain one apartment. Apartment 1 and Apartment 2 each consist of one story or level. Apartments 3, 4, 5, 6, 7, 8, 9 and 10 will consist of one main level with an additional attic/loft level. All of the apartments will be constructed principally of wood, masonry, plaster, glass and related building materials. None of the apartments will have a basement.

DESCRIPTION OF APARTMENTS COVERED BY THIS REPORT:

Apartments 3, 4, 5, 6, 7, 8, 9 and 10, located as shown on the Condominium Map, will each contain three bedrooms, two bathrooms, an attic/loft, a living room, a kitchen/dining area, a covered parking space for two cars and other improvements as shown on the Condominium Map. Apartments 3, 4, 5, 6, 7, 8, 9 and 10 will each have a net floor area of approximately 1,056 square feet and a covered parking space floor area of approximately 320 square feet.

EXHIBIT B

PERMITTED ALTERATIONS

Section L of the Declaration provides, in part, as follows:

L. ALTERATION OF THE PROJECT.

1. By Association. Repair, reconstruction, restoration, replacement of the Project or any building or other structure or construction of any additional building or other structure or structural alteration or addition thereto, different in any material respect from the Condominium Map shall be undertaken by the Association or any Apartment Owner only upon approval by the DPP, if required, and only pursuant to an amendment of this Declaration. Except as expressly provided in Section L.2(a) or (b) below or otherwise in this Declaration, any such amendment shall be duly executed by or pursuant to the affirmative vote of seventy-five percent of the Apartment Owners and accompanied by the written consent of the eligible holders of first mortgages (as defined in Section T.1 below) on Apartments to which at least a majority of the votes of Apartments subject to mortgages held by such eligible holders are allocated, and in accordance with complete plans and specifications therefor first approved in writing by the Board. If required by the Act, promptly upon completion of such repair, reconstruction, restoration, replacement, construction, alteration or addition, the Association shall duly record and file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as-built by a licensed, registered architect or professional engineer.

2. By Apartment Owner.

(a) Each Apartment Owner shall have the right at such Owner's sole option and expense at any time and from time to time, as hereinafter set forth, without the consent and/or approval of the Owners of the other Apartments or any other persons or entity (except the DPP and the holders of first mortgage liens affecting the Apartment to be altered, if the DPP and the lienholders so require), to construct, improve, renovate, remodel, make additions to, enlarge, remove, replace, alter or restore the Apartment or the improvements to or in such Owner's Apartment or portions thereof or upon and within the Private Yard Area appurtenant to such Owner's Apartment (collectively, the foregoing are referred to in this subsection L.2 as "alterations"). Each Apartment Owner shall have the right without the consent or joinder of any other person to amend this Declaration and the Condominium Map and to do such other things as may be reasonably necessary or convenient to accomplish any such alterations, including, without limitation, applying for, processing and receiving all necessary governmental and quasi-governmental permits and approvals for such alterations. If required by the Act, promptly upon completion of such alterations the Owner of the altered Apartment shall duly record an amendment to this Declaration in the Bureau of Conveyances, together with a complete set of the floor plans of such Apartment as so altered, certified by a registered architect or professional engineer to fully and accurately depict the altered portions of the property as built. If required by the Act, the Board shall be deemed to approve of all such alterations. All existing Apartment Owners and all future Apartment Owners and their mortgagees, by accepting an interest in an Apartment, consent to all such alterations and agree to give and shall be deemed to have given the Owner of the altered Apartment a power of attorney to execute an amendment to the Declaration for the purpose of describing the alterations to such Apartment in the Declaration, and for the purpose of applying for, processing and receiving necessary governmental and quasi-governmental permits and approvals for such alterations, so that the Owner of the altered Apartment shall hereafter have a power of attorney from all the other Apartment Owners to execute such amendment to the Declaration, and to apply, process and receive such permits and approvals. This power of attorney shall be deemed coupled with each Owner's interest in the Apartment (including the common interest) and shall be irrevocable.

(b) Any alterations to an Apartment pursuant to this Section L.2 shall be subject to the following conditions:

(i) All building plans for any such alterations and subsequent use of the Apartment shall be subject to approval by the DPP, if required, and shall conform with the Cluster Housing Permit, State of Hawaii and City and County of Honolulu land use, building and/or zoning laws and other applicable State of Hawaii and City and County of Honolulu statutes, ordinances and regulations;

(ii) Such alterations may decrease or increase the size of the affected Apartment, provided that the size, height and location of the altered Apartment shall comply with the Cluster Housing Permit and all applicable laws and provided that the altered Apartment and any appurtenant fences and walls shall not be closer than the more restrictive of (a) ten feet from (i) the front boundary limits of the Private Yard Area appurtenant to such Apartment and (ii) any common roadway developed for the Project, and (b) five feet from the side and rear boundary limits of the Private Yard Area appurtenant to such Apartment;

(iii) All such alterations shall be at the sole expense of the Apartment Owner making the alterations and shall be completed within one year of the commencement thereof and in a manner that will not unreasonably interfere with use and enjoyment of the other Apartments or the Private Yard Area appurtenant to the other Apartments;

(iv) The Owner of the altered Apartment shall have the right to utilize, relocate and realign existing and/or to develop additional, central and appurtenant installations for services to the Apartment affected by such alteration for electricity, sewer and other utilities and services and, when applicable, to add, delete, relocate, realign, designate and

grant easements and rights-of-way over, under and on the common elements as necessary or desirable in connection therewith; provided that the same shall not cause any interruption in the service of such utilities to any other part of the Project, nor shall it unreasonably interfere with use and enjoyment of the other Apartments or the Private Yard Area appurtenant to the other Apartments; and

(v) Each and every conveyance, lease and mortgage or other lien made or created on any Apartment and all common interests and other appurtenances thereto shall be subject to the provisions of Section L.2 and any lease of an Apartment shall reserve to all Apartment Owners the rights set forth herein.

3. By Declarant. Any other provision in this Declaration to the contrary notwithstanding, but subject to the Cluster Housing Permit, prior to (i) the time that all Apartments in the Project have been sold and the conveyance thereof Recorded, and (ii) the filing by Declarant of the "as built" verified statement covering all of the Apartments (with plans, if applicable) required by Section 514A-12 of the Act, Declarant shall have the right, without being required to obtain the consent or joinder of any person or group of persons, including the Association, any Apartment Owner or any mortgagee, lienholder, Apartment purchaser or any other person who may have an interest in the Project (except the DPP, if required), to do the following:

(a) To make alterations in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) which change the configuration of, alter the number of rooms of, decrease or increase the size of, or change the location of any Apartment and/or the limited common elements appurtenant thereto, in the Project which is not sold and the conveyance thereof Recorded; and

(b) To make other alterations in the Project (and, if appropriate, to amend this Declaration and the Condominium Map accordingly) which make minor changes in any Apartment in the Project or in the common elements which do not affect the physical location, design or size of any Apartment (other than minor changes to the size or dimensions of the yard area appurtenant to any Apartment) which has been sold and the conveyance thereof Recorded.

EXHIBIT C

COMMON ELEMENTS

The common elements of the Project shall specifically include, but are not limited to, the following:

1. The land described in Exhibit "A" to the Declaration, in fee simple.
2. All water lines, sewer lines, drainage facilities, electrical equipment, wiring, pipes, fire hydrants, meters and other central and appurtenant facilities and installations over, under and across the Project, which serve more than one Apartment for drainage and for services such as power, light, water, gas, telephone, sewer and radio and television signal distribution, if any.
3. The Private Park, as shown on the Condominium Map, and any planters, plants, landscaping, lights, refuse and barbecue facilities, picnic tables, benches and other appurtenances to the Private Park.
4. All sidewalks, curbs, pathways, roads, trees and landscaping, if any, located within the Project, which are not located within an Apartment or the Private Yard Area appurtenant to an Apartment.
5. Any and all apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.
6. All the benefits, if any, inuring to the land or to the Project from all easements, if any, shown on the Condominium Map, listed in Exhibit "A" to the Declaration or otherwise referenced in the Declaration.

EXHIBIT D

LIMITED COMMON ELEMENTS

1. **PRIVATE YARD AREA.** Certain land area ("Private Yard Area") of the Project, located as shown on the Condominium Map and designated thereon as limited common element, is appurtenant to and for the exclusive use of each Apartment as designated on the Condominium Map.

<u>Apartment No.</u>	<u>Private Yard Area (approx. land area)</u>
1	3,702 square feet
2	3,137 square feet
3	3,337 square feet
4	3,917 square feet
5	3,259 square feet
6	3,263 square feet
7	4,251 square feet
8	4,131 square feet
9	3,354 square feet
10	3,665 square feet

NOTE: The boundaries of the Private Yard Area appurtenant to each Apartment, as shown on the Condominium Map, do not represent City and County-approved subdivided lots. Such boundaries serve only to delineate the limited common element Private Yard Area appurtenant to each Apartment.

2. **GRANTEES'S INTEREST IN THE STATE GRANT OF EASEMENT.** The Grantee's interest in the State Grant of Easement, as well as all private utility lines within the land area subject to the State Grant of Easement and serving Apartments 3, 4, 5, 6, 7, 8, 9 and 10, are limited common elements appurtenant to Apartments 3, 4, 5, 6, 7, 8, 9 and 10. This limited common element will terminate upon the assignment of the Grantee's interest in the State Grant of Easement to the Association of Apartment Owners of Mango Hills (the "Association"). Upon such assignment, all of the Apartment Owners will have rights to use the land area covered by the State Grant of Easement as members of the Association.
3. **DRIVEWAY EASEMENT.** The "Driveway Easement", as defined in Section G.6 of the Declaration and shown on the Condominium Map, shall be limited common element common area (and not part of a Private Yard Area) for use by the owners of Apartments 1 and 2 for purposes of ingress to and egress from their respective Apartments and Private Yard Areas.
4. **PRIVATE CUL-DE-SAC.** The private cul-de-sac that provides access to Apartments 3, 4, 5, 6, 7, 8, 9 and 10, as shown on the Condominium Map, and the sidewalks, curbs, pathways, trees, any street lights, landscaping and other appurtenances, if any, to the cul-de-sac, are limited common elements appurtenant to Apartments 3, 4, 5, 6, 7, 8, 9 and 10.
5. **UTILITY LINES.** Any sewer lines and facilities, drainage facilities, electrical equipment, wiring, pipes, meters or other central and appurtenant facilities and installations over, under and across the Project which serve more than one Apartment, but less than all of the Apartments, for drainage or for services such as power, light, water, gas, telephone, sewer and radio and television signal distribution, shall be limited common elements appurtenant to those Apartments so served.
6. **SEWAGE HOLDING TANKS, PUMPS AND RECORDERS.**
- a. The sewage holding tank serving Apartment 3 and located within the Private Yard Area appurtenant to Apartment 3, as shown on the Condominium Map, is a limited common element appurtenant to Apartment 3. The sewage holding tank serving Apartment 4 and located within the Private Yard Area appurtenant to Apartment 4, as shown on the Condominium Map, is a limited common element appurtenant to Apartment 4. The sewage holding tank serving Apartment 5 and located within the Private Yard Area appurtenant to Apartment 5, as shown on the Condominium Map, is a limited common element appurtenant to Apartment 5. The sewage holding tank serving Apartment 8 and located within the Private Park, as shown on the Condominium Map, is a limited common element appurtenant to Apartment 8.
 - b. Each of the above-referenced sewage holding tanks has a pump that pumps the sewage from the tank to the sewer line within the Project that connects to the City and County of Honolulu's sewer line within North School Street. Each pump is powered via a connection to the respective Apartment's electrical system and is a limited common element appurtenant to the Apartment served by the pump.

- c. Each of the above-referenced sewage holding tanks also has a recorder that records the amount of waste that is released from the tank into the sewer line within the Project that connects to the City and County of Honolulu's sewer line within North School Street. Each recorder is a limited common element appurtenant to the Apartment served by the recorder.
- 7. **PATHWAY TO PRIVATE PARK.** The "Pathway" that provides access from the private cul-de-sac to the Private Park, as shown on the Condominium Map, and the landscaping and other appurtenances, if any, to the Pathway, are limited common elements appurtenant to Apartments 3, 4, 5, 6, 7, 8, 9 and 10.
- 8. **LANDSCAPE AND REFUSE AREA.** The "Landscape and Refuse Area", as shown on the Condominium Map, and the appurtenances, if any, to the Landscape and Refuse Area, are limited common elements appurtenant to Apartments 3, 4, 5, 6, 7, 8, 9 and 10.

EXHIBIT E

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes which may be due and owing. Reference is made to the Real Property Tax Office of the City & County of Honolulu.
2. Title to all minerals and metallic mines reserved to the State of Hawaii.
3. Encroachments of walls as shown on the survey map prepared by James A. Brock, Registered Professional Land Surveyor, with UCT Engineering Services, dated June 12, 1996; as disclosed in certain instruments dated January 21, 1997, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 97-008903.
4. Mortgage dated December 13, 2001, made by and between School Street Associates (Mortgagor) and Muller Investments, LLC (Mortgagee), recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2001-199878.
5. Negative Pledge Agreement and Assignment of Proceeds dated December 13, 2001, made by and between School Street Associates, Eric K. Smith and John P. Foti and GE Capital Hawaii, Inc., recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 2001-199879.
6. Financing Statement in favor of GE Capital Hawaii, Inc. recorded in the Bureau of Conveyances of the State of Hawaii on December 20, 2001 as Document No. 2001-199880.
7. Covenants, conditions, restrictions, reservations, agreements, easements, obligations and other provisions contained in the Findings of Fact, Conclusions of Law, and Decision and Order (File No. 2000/CL-1) dated July 3, 2000, issued by the Department of Planning and Permitting of the City and County of Honolulu, captioned "In the Matter of the Application of School Street Associates for a Cluster Housing Permit", as modified by letters from the Planning Department dated December 27, 2000 and June 6, 2001, and as it may be further amended or otherwise modified from time to time.
8. Covenants, conditions, restrictions, reservations, agreements, easements, obligations and other provisions contained in the Declaration of Condominium Property Regime of Mango Hills dated August 15, 2001, recorded in the Bureau of Conveyances as Document No. 2001-129533, as amended by that certain First Amendment to Declaration of Condominium Property Regime of Mango Hills and Amendment to Condominium Map No. 3324, dated September 4, 2001, recorded in the Bureau of Conveyances as Document No. 2001-141446, as further amended by that certain Second Amendment to Declaration of Condominium Property Regime of Mango Hills and Amendment to Condominium Map No. 3324, dated May 28, 2002, recorded in the Bureau of Conveyances as Document No. 2002-096418, as may be further amended from time to time.
9. Condominium Map No. 3324, as amended by that certain Amendment to Declaration of Condominium Property Regime of Mango Hills and Amendment to Condominium Map No. 3324, dated September 4, 2001, recorded in the Bureau of Conveyances as Document No. 2001-141446, as further amended by that certain Second Amendment to Declaration of Condominium Property Regime of Mango Hills and Amendment to Condominium Map No. 3324, dated May 28, 2002, recorded in the Bureau of Conveyances as Document No. 2002-096418, as may be further amended from time to time.
10. Covenants, conditions, restrictions, reservations, agreements, easements, obligations and other provisions contained in the Bylaws of the Association of Apartment Owners of Mango Hills dated August 15, 2001, recorded in the Bureau of Conveyances as Document No. 2001-129534, as may be amended from time to time.
11. Covenants, conditions, restrictions, reservations, agreements, easements, obligations and other provisions contained in Declaration for Holding Tank Facility recorded in the Bureau of Conveyances on May 9, 2002 as Document No. 2002-082110, as may be amended from time to time.
12. Covenants, conditions, restrictions, reservations, agreements, easements, obligations and other provisions contained in Declaration of Restrictive Covenants (Private Park) recorded in the Bureau of Conveyances on May 9, 2002 as Document No. 2002-082111, as may be amended from time to time.
13. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.

EXHIBIT F

ESTIMATE OF INITIAL MAINTENANCE FEES AND MAINTENANCE FEE DISBURSEMENTS

The regular maintenance and repair of each apartment and appurtenant limited common element private yard area shall be the sole responsibility of each respective apartment owner. Section 514A-86, Hawaii Revised Statutes, requires that the association purchase fire insurance to cover the improvements portion of the Project. The Developer anticipates that the association will elect to require each owner to obtain separate fire insurance and liability policies for his respective apartment pursuant to Article 7 of the Bylaws. As such, premiums for such policies will be the individual responsibility of each apartment owner.

ESTIMATE OF INITIAL MAINTENANCE FEES*:

Mango Hills (Apartments 3 through 10)		
Apartments	Monthly Fee (per apt.)	Yearly Total (per apt.)
Apartments 3 through 10	\$155.00	\$1,860.00

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

* **NOTE:** The Developer estimates that the monthly/yearly maintenance fees for Apartments 1 and 2, which are not covered by this public report, will be \$18.50/\$220.00. The reason for the large difference in the amount of maintenance fees to be paid by the owners of Apartments 1 and 2 versus the amount of maintenance fees to be paid by the owners of Apartments 3 through 10 is that more services will be billed collectively for Apartments 3 through 10 than for Apartments 1 and 2 (e.g., private refuse collection, water and sewer use). See page 2 of Exhibit F for a list of the expenses to which the various apartments will be subject.

ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS:

Applicable to Apartments 3 through 10 Only:

	<u>Monthly Fee x 12 months = Yearly Total</u>	
Utilities and Services		
Air Conditioning	N/A	N/A
Electricity		
<input type="checkbox"/> common elements only		
<input type="checkbox"/> common elements and apartments		
Gas	N/A	N/A
Refuse Collection	\$300	\$3,600
Telephone	N/A	N/A
Water and Sewer	\$500	\$6,000
Maintenance, Repairs and Supplies		
Building	N/A	N/A
Grounds	\$150	\$1,800
Management	N/A	N/A
Management Fee		
Payroll and Payroll Taxes		
Expenses		
Insurance	\$100	\$1,200
Reserves(*)	\$100	\$1,200
Taxes and Government Assessments	\$50	\$600
Audit and Accounting Fees	\$15	\$180
Other	\$25	\$300
TOTAL	\$1,240	\$14,880

I, John Foti, as vice president of 2506 School Street, Inc., general partner of School Street Associates, the developer for the Mango Hills 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

7/2/02
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 §514-A-86.6, 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.

Developer's Explanation Regarding Replacement Reserve Figure

In arriving at the figure for "Reserves," as set forth in Exhibit F to the Condominium Public Report, the developer did not conduct a reserve study in accordance with HRS § 514A-83.6 or HAR § 16-107-65. The figure is an estimate, based on reasonable projections of reserve requirements.

SCHOOL STREET ASSOCIATES,
a Hawaii limited partnership

By: 2506 School Street
Its: General Partner



John Foti
Vice President

Date: 7/2/02

EXHIBIT G

SUMMARY OF SALES CONTRACT

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

- (a) The total purchase price, method of payment and additional sums which must be paid in connection with the purchase of an apartment.
- (b) That the purchaser acknowledges having received and read a public report (either preliminary, contingent, final or supplementary) for the Project prior to signing the Sales Contract.
- (c) That the Developer makes no representations concerning rental of an apartment, income or profit from an apartment, or any other economic benefit to be derived from the purchase of an apartment.
- (d) That the Sales Contract may be subordinate to the lien of a construction lender.
- (e) That the purchaser's money will be held in escrow, under the terms of the Escrow Agreement.
- (f) Requirements relating to the purchaser's financing of the purchase of an apartment, including providing documents and information to the Developer and the Developer's construction lender.
- (g) That the apartment and the Project will be subject to various other legal documents which the purchaser should examine, and that the Developer may change certain of these documents under certain circumstances.
- (h) That the Developer makes no warranties regarding the apartment, the Project or anything installed or contained in the apartment or the Project.
- (i) That the Project will be subject to ongoing construction and sales activities which may result in certain annoyances to the purchaser.
- (j) That the purchaser must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
- (k) That the Developer has reserved certain rights and powers relating to the Project and the purchaser acknowledges and consents to the exercise of such rights and powers.
- (l) That except under certain circumstances, as set forth in the Sales Contract, all interest on deposits toward the purchase price shall be the property of the Developer.

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

EXHIBIT H

SUMMARY OF ESCROW AGREEMENT

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

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

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

EXHIBIT I

RESERVED RIGHTS

- A. Upon completion of the Project, the Developer may amend the Declaration and the Condominium Map (if necessary) to file an "as built" statement required by Section 514A-12 of the Condominium Property Act.
- B. Until all of the apartments have been sold, the Developer may amend the Declaration, the Bylaws and/or the Condominium Map to make such amendments as may be required by law, by the Real Estate Commission, by any title insurance company issuing a title insurance policy on the Project or any of the Apartments, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA and/or FHLMC), provided that no such amendments which would change the common interest appurtenant to an apartment or substantially change the design, location or size of an apartment shall be made without the consent to such amendment by all persons having an interest in such apartment.
- C. Until all of the apartments have been sold and the "as built" statement is filed, the Developer may amend the Declaration and the Condominium Map to (i) reflect alterations in any apartment which has not been sold; and (ii) reflect minor changes in any apartment or in the common elements which do not affect the physical location, design or size of any apartment (other than minor changes to the size or dimensions of the yard area appurtenant to any apartment) which has been sold.
- D. The Developer has reserved the right, but is not obligated, to develop, construct, transfer, convey and/or sell the apartments in the Project incrementally on a building-by-building. Upon the completion of any increment, the Developer may obtain a certificate of occupancy for the apartments in such increment and thereupon transfer ownership of the apartments to apartment purchasers. In connection with this incremental development, the Developer has the right to enter upon the Project premises with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing all increments to the Project. See Section Q of the Declaration for details regarding the Developer's right to develop the Project in increments.

EXHIBIT J

Summary of Private Park Covenants

The Declaration of Restrictive Covenants (Private Park), recorded in the Bureau of Conveyances on May 9, 2002 as Document No. 2002-082111 (the "Private Park Covenants") contains various restrictions and obligations relating to the Private Park. Following is a summary of the Private Park Covenants:

1. The Private Park Covenants were created in accordance with Rule 10 of the Park Dedication Rules and Regulations of the City and County of Honolulu, which was adopted pursuant to Chapter 22-7, R.O. of the City and County of Honolulu.
2. The Private Park Covenants were created to provide active and passive recreation for the occupants of the Project.
3. Each Apartment and the common elements of the Project shall be subject in all respects to the Private Park Covenants, which shall be binding on and for the benefit of the Apartment Owners, their successors and assigns, and all subsequent owners, lessees or occupants of all or any part of the Project.
4. The Private Park is to be improved, maintained and used exclusively for private park, playground and recreational purposes, by the occupants, owners or lessees of the Project.
5. The Private Park Covenants are to continue in perpetuity and cannot be repealed, amended or altered in any way except by a majority vote of the Apartment Owners with the written approval of the Developer and the Director of Planning and Permitting of the City and County of Honolulu (the "Director").
6. All Apartment Owners are obligated to the perpetual maintenance of the Private Park. This obligation may be enforced by the Director. If the Association fails to properly maintain the Private Park, the Director can perform any necessary maintenance work on the Private Park and/or collect from the Association the estimated costs and expenses which may be incurred by the Director in performing any such maintenance work. Until all costs and expenses of such maintenance work performed by the Director have been fully paid, the Director shall have a lien upon the land of the Project.
7. The Director shall have the right to enforce any and all of the restrictions imposed by the Private Park Covenants upon the Association, and the cost of enforcement, including court costs and attorney's fees, shall be paid by the Association for violations of any of the restrictions.

areas on the Portion of Zoning Map No. 1-3-11 attached hereto as Exhibit "B" and made a part hereof, and desires to make the Property subject to this Declaration; and

WHEREAS, the Declarant plans to temporarily utilize a sewage holding tank facility (hereinafter "HTF") on the Property as a temporary measure to provide sewer service to Declarant's Property; and

WHEREAS, the Department of Planning and Permitting (hereinafter "DPP") has approved the utilization of said HTF subject to the Declarant's acceptance of certain conditions;

NOW, THEREFORE, the Declarant hereby covenants and declares as follows:

1. The use of the HTF is a temporary measure to provide sewer service to Declarant's Property.
2. The design and construction plans for the HTF shall be submitted to DPP for review and approval prior to installation of the HTF.
3. The HTF shall be built in a location on the Property that is approved by DPP to ensure easy accessibility for the purpose of inspecting the HTF. DPP inspection personnel shall have the right to inspect the HTF at all reasonable times.
4. The wastes from the HTF may be pumped or discharged by gravity directly to the City sewer system, provided that as to discharges from the HTF to the City's sewer system the Declarant shall strictly control and allow these discharges only during the hours of 1 a.m. to 4 a.m. each day. A recorder shall be

installed by the Declarant to daily chart the release of wastes into the City sewer system.

a. **During the Initial Year of Operation** - A licensed consulting engineer retained by Declarant at Declarant's sole expense, shall submit the daily charts to the DPP within 10 days after the end of each calendar year quarter. The Declarant shall obtain training from the consulting engineer on how to service and operate the recorder. It is the Declarant's responsibility to obtain proper and appropriate training for this purpose.

b. **After the Initial Year** - The Declarant shall submit the daily charts to DPP within the aforementioned time limits.

5. **Operation and Maintenance of the HTF.**

a. **During the Initial Year of Operation** - The Declarant, at Declarant's sole expense, shall retain the services of a licensed consulting engineer who shall operate and maintain the HTF. The Declarant shall be responsible for obtaining a consulting engineer to assist in formulating and adopting measures and/or procedures to guarantee proper operation and maintenance of the HTF.

b. **After Initial Year** - Notwithstanding the operation and maintenance of the HTF by the Declarant or the consulting engineer, the Declarant shall be responsible for the proper operation and maintenance of the HTF. In the event of improper operation and maintenance by either the Declarant or the consulting engineer, the City reserves the right to terminate the connection to the City sewer system.

6. An overflow/bypass line shall not be allowed. A sewage level alarm is recommended to alert of possible overflow.

7. The Declarant, when notified in writing by DPP as to system adequacy, shall eliminate the HTF as expeditiously as possible, and connect directly to the City sewer system. The Declarant shall obtain a building permit prior to dismantling the HTF.

8. Failure to comply with any of the terms of this Declaration, or in the event the Property is not physically occupied during any period of time shall subject the Property to severance of connection to the City sewer system or other appropriate action until the applicable conditions are met. However, the director may continue service based upon extenuating conditions.

9. The Declarant shall: a) have this Declaration recorded along with his or her deed at the Bureau of Conveyances, b) shall provide a copy of this Declaration to any succeeding owners or lessees (hereinafter "successors") and c) obtain a written acknowledgment and acceptance by said successors that they have received a copy of the Declaration. The Declarant shall forward DPP a copy of the written acknowledgment and acceptance.

AND IT IS EXPRESSLY UNDERSTOOD AND AGREED that the conditions imposed in this Declaration shall run with the land and shall bind and constitute notice to all the parties hereto and subsequent lessees, grantees, assignees, mortgagees, lienors, successors, and any other persons who have or claim to have an

interest in the Property, and the City and County of Honolulu shall have the right to enforce this Declaration by appropriate action at law or suit in equity against all such persons.

SCHOOL STREET ASSOCIATES

by: John Foti

it's Vice President


DECLARANT'S SIGNATURE

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

On this 3RD day of MAY, 2007, before me personally appeared JOHN FOTI, to me known to be the person described in and who executed the foregoing instrument and acknowledged that he/she executed the same as his/her free act and deed. and in such capacity.

L.S

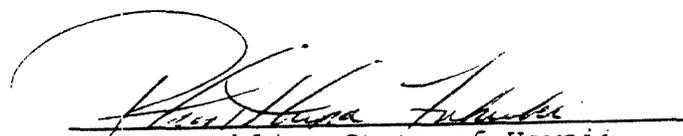

Notary Public, State of Hawaii
DHONITHIPA FURUKI
My commission expires 7-1-05

EXHIBIT A

OLD REPUBLIC TITLE CORPORATION

ORDER NO. 123631

REVISION - C

THE LAND UPON WHICH SAID CONDOMINIUM IS LOCATED IS DESCRIBED AS FOLLOWS:

All of that certain parcel of land (being portion(s) of the land(s) described in and covered by Royal Patent Number 1495, Land Commission Award Number 1238, Apana 5 to Hoenui, Royal Patent Grant Number 3707 to John McLain and Royal Patent Grant Number 4133 to H. C. Meyers) situate, lying and being on the Northerly side of School Street at Kaluaopalena, Kalihi, in Honolulu, being PARCEL NO. 8, State of Hawaii, and thus bounded and described:

Beginning at a pipe at the Southeast corner of this piece of land and on the Northerly side of School Street, the coordinates of said point of beginning referred to Government Survey Triangulation Station "HAUIKI", being 756.13 feet South and 284.64 feet West, and running by azimuths measured clockwise from true South:

Along the Northerly side of School Street on a curve to the left with a radius of 530.39 feet; the azimuth and distance of the chord being:

- | | | | | |
|----|----------|-----|--------|--|
| 1. | 35° 20' | 10" | 110.00 | feet to a pipe; |
| 2. | 151° 10' | 30" | 309.81 | feet to a pipe; |
| 3. | 228° 00' | | 122.51 | feet to a pipe; |
| 4. | 318° 00' | | 58.80 | feet along Government Land (Executive Order 921) to a pipe; |
| 5. | 229° 58' | | 28.37 | feet along same to a pipe; |
| 6. | 335° 53' | | 85.83 | feet to a pipe; |
| 7. | 343° 23' | | 251.16 | feet to the point of beginning and containing an area of 46,857 square feet, more or less. |

1116

EXHIBIT B-1

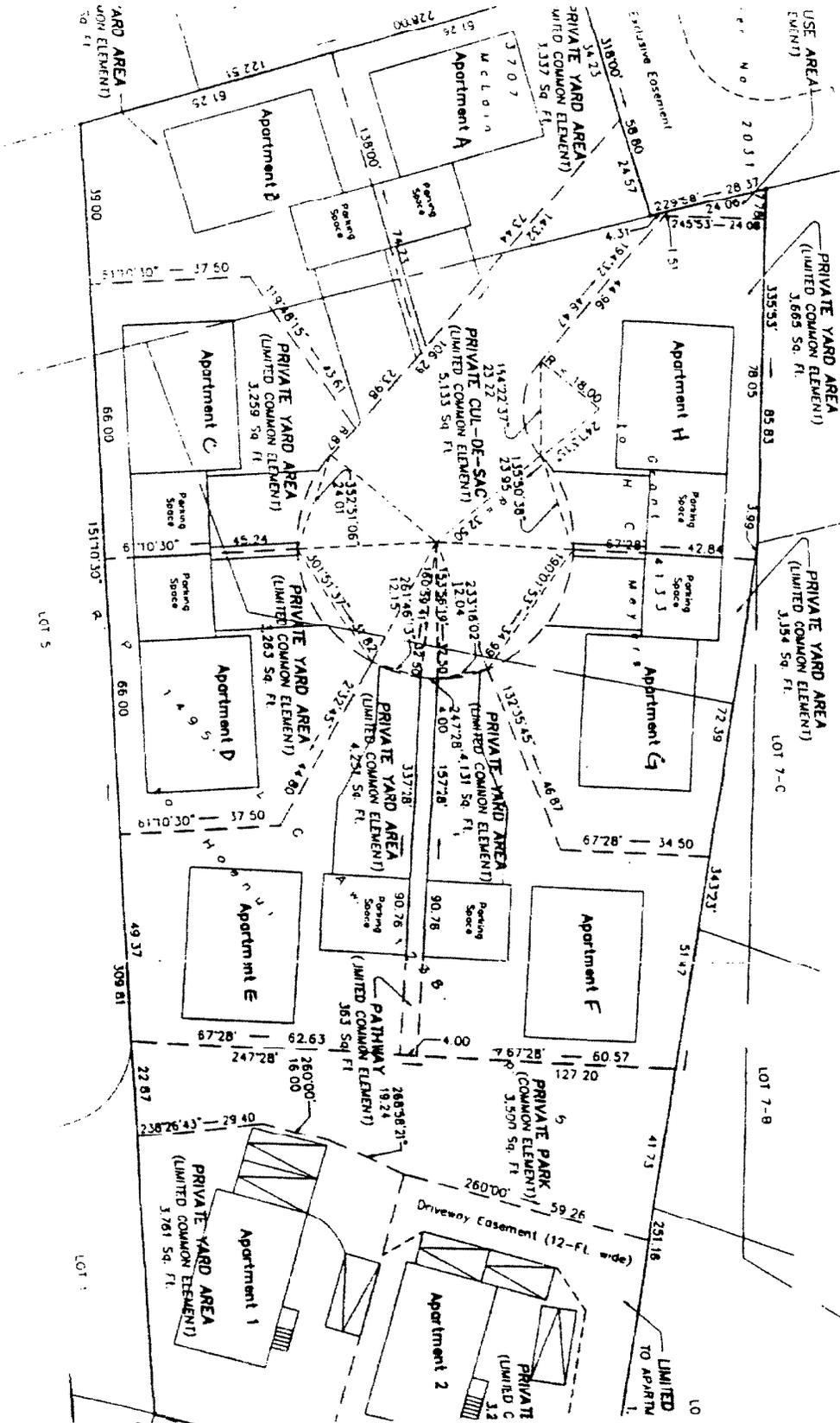
K A H A U I K I
U S MILITARY RESERVATION
(FOOT SHAPERS)
ZONE 1 SEC 1



11	12	13	14	15	16	17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32	33	34	35	36	37	38	39	40	41	42	43	44	45	46	47	48	49	50	51	52	53	54	55	56	57	58	59	60	61	62	63	64	65	66	67	68	69	70	71	72	73	74	75	76	77	78	79	80	81	82	83	84	85	86	87	88	89	90	91	92	93	94	95	96	97	98	99	100
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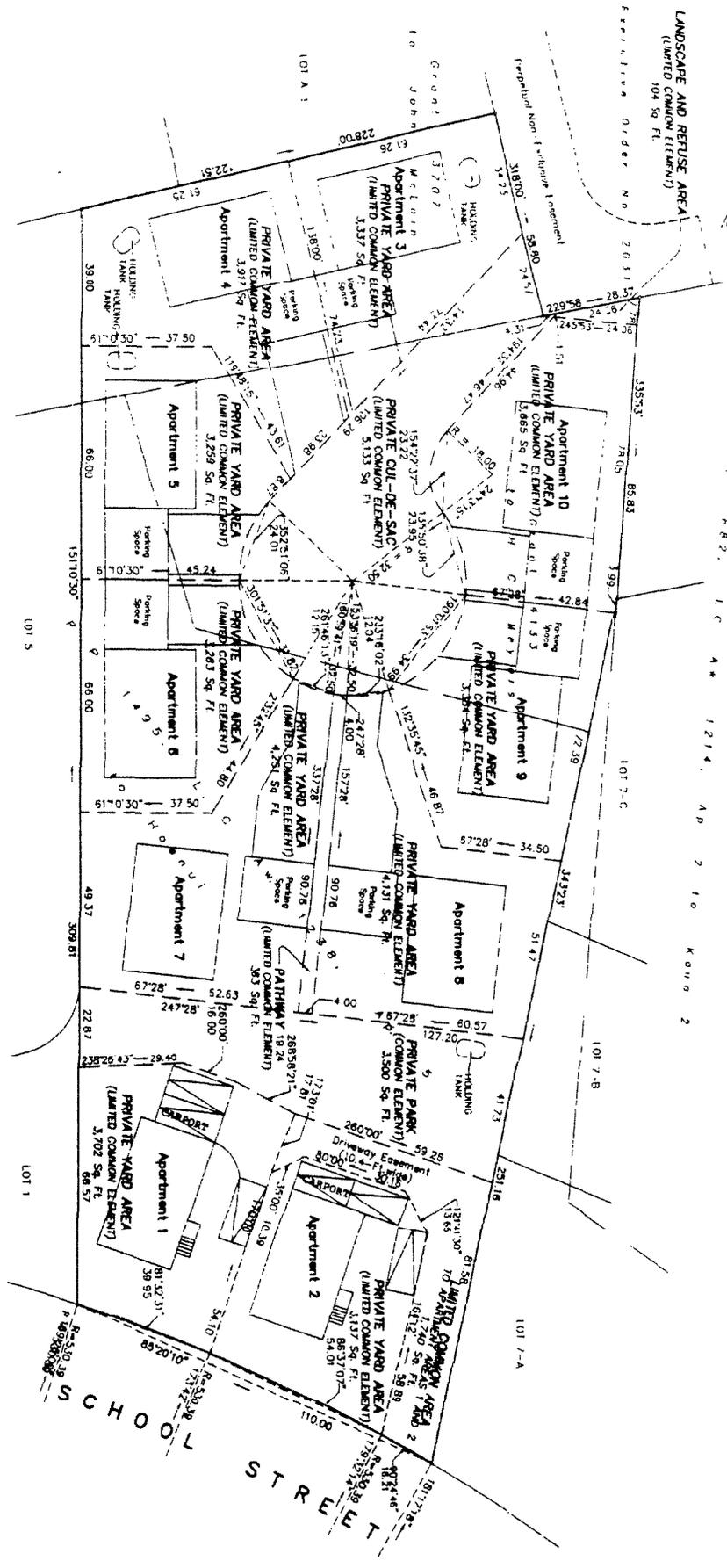
FOR PROPERTY ASSIGNMENT PURPOSES
UNITS TO BE BUILT

EXHIBIT B-2



SCALE: 1" = 20 FT.

LANDSCAPE AND REFUSE AREA
(LIMITED COMMON ELEMENT)
104 SQ. FT.



NOTE:
The boundaries of the limited common element "Private Yard Areas" shown on this plan are for informational purposes only and do not constitute an offer of any real estate. The boundaries of the limited common element "Private Yard Areas" are shown on the plan and are subject to change without notice. The boundaries of the limited common element "Private Yard Areas" are shown on the plan and are subject to change without notice.



THIS WORK WAS PREPARED BY
ME OR UNDER MY SUPERVISION
DATE: 1/15/2002

MANGO HILLS CONDOMINIUM PROJECT
AMENDED CONDOMINIUM MAP NO. 33324
LOT 8
SITE PLAN

2506 NORTH SCHOOL STREET
KALAH, HONOLULU, OAHU, HAWAII
TAX MAP KEY NO. (1) 1-3-11-78
SCALE: 1" = 20 FT.
WALTER P. THOMPSON, INC.

REVISIONS:
REVISION 1: JAN 13, 2001
REVISION 2: JAN 15, 2002

EXHIBIT L