CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer Kalihi Streamside LLC
Address 212 Merchant Street, Suite 330
Honolulu, Hawaii 96813

Project Name(*): KALIHI STREAMSIDE
Address: 2130 North King Street, Honolulu, Hawaii 96819

Registration No. 5372

Effective date: June 23, 2004
Expiration date: July 23, 2005

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:

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

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

_____ **SUPPLEMENTARY:** (pink)
This report updates information contained in the: _____
[ ] Preliminary Public Report dated. _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And
[ ] Supersedes all prior public reports.
[ ] Must be read together with _____
[ ] This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1098/0800/0203/0104

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

[ ] Required and attached to this report [X] 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.

[X] No prior reports have been issued by the Developer.

[ ] Changes made are as follows:

SPECIAL ATTENTION SHOULD BE GIVEN TO THE SUMMARY OF RIGHTS RESERVED TO THE DEVELOPER (EXHIBIT "J")

SPECIAL ATTENTION

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This is a CONDOMINIUM PROJECT, not a subdivision. The private yard areas beneath and immediately appurtenant to the apartments are designated as LIMITED COMMON ELEMENTS appurtenant to the respective apartments and do not represent legally subdivided lots. The walls, fences, and dashed lines shown on the condominium map as delineating the boundaries between the limited common element private yard areas of the apartments 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.

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer:
Name*

Kalihi Streamside LLC
Name*
212 Merchant Street, Suite 330
Business Address
Honolulu, Hawaii 96813

Phone: (808) 524-3551
(Business)

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):

Kalihi Streamside LLC
Smith/Foti Development, Inc., a Hawaii corporation (manager)
Smith/Foti Limited Partnership, a Hawaii limited partnership (member)

Real Estate Broker*:

Hawaiian Island Homes Ltd.
Name
212 Merchant Street, Suite 330
Business Address
Honolulu, Hawaii 96813

Phone: (808) 946-3222
(Business)

Escrow:

Old Republic Title & Escrow of Hawaii, Ltd.
Name
733 Bishop Street, Suite 2700
Business Address
Honolulu, Hawaii 96813

Phone: (808) 566-0100
(Business)

General Contractor*:

[to be determined]
Name

Business Address

Phone:
(Business)

Condominium Managing Agent*:

Hawaiiana Management Company, Ltd.
Name
711 Kapiolani Blvd., Suite 700
Business Address
Honolulu, HI 96813

Phone: (808) 593-9100
(Business)

Attorney for Developer:

Gary S. Kerwood
Schneider Tanaka Radovich Andrew & Tanaka, LLLC
Name
700 Bishop Street, Suite 501
Business Address
Honolulu, Hawaii 96813

Phone: (808) 792-4200
(Business)

* 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:

[X] Proposed

[ ] Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____

[ ] Filed - Land Court: Document No. _____

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

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:

[X] Proposed

[ ] Recorded - Bureau of Conveyances Condominium Map No. _____

[ ] 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]:

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:

[X] Proposed

[ ] Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____

[ ] Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

[X] 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:

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	Majority Vote of Directors, if adopted

* 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.

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

[See Exhibit "J" to this public report]

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer:**

[X] 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

* Buyers will acquire their apartments and appurtenant common interests in fee simple. One or more of the apartments owned by the Developer may be held subject to a lease; however, upon the sale of an apartment by the Developer to a buyer and upon the occurrence of certain other events, the lessor of such lease will record a partial cancellation of lease as to each such apartment and its appurtenant common elements. See Article IV, Section C.1 for additional information.

[ ] 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: 2130 North King Street, Honolulu, HI 96819 Tax Map Key: (1) 1-3-3:52 (portion)

[ ] Address [X] TMK is expected to change because the condominium project is being construction on a portion of TMK (1) 1-3-3:52. The Developer has made application to subdivide TMK (1) 1-3-3:52 into two parcels, only one of which will be included in the condominium project at this time and made subject to the declaration. Only when the subdivision is approved, will the exact TMK applicable to the condominium project be known.

Land Area: estimated 10,398.92 [X] square feet [ ] acre(s) Zoning: BMX-3

* Apartments will be conveyed to buyers in fee simple, free of any lease. See Article IV, Section C.1 below for additional information.

Fee Owner: EMLC Associates
Name

P.O. Box 1953
Address

Honolulu, Hawaii 96805

Lessor: EMLC Associates *
Name

P.O. Box 1953
Address

Honolulu, Hawaii 96805

* Will only apply to apartments held by the Developer. Upon sale of an apartment by the Developer and upon the occurrence of certain other conditions, the lessor will execute a partial cancellation of Lease as to such apartment. See Article IV, Section C.1 below for additional information.

C. Buildings and Other Improvements:

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

2. Number of Buildings: 1 Floors Per Building 9*
*includes 7 floors of residential condominium apartments above 2 floors of parking garage

[X] Exhibit A contains further explanations.

3. Principal Construction Material:

[X] Concrete [ ] Hollow Tile [X] Wood

[X] Other steel, glass, and other building materials

4. Uses Permitted by Zoning:

		No. of Apts.	Use Permitted By Zoning	
[X]	Residential	26	[X] Yes	[ ] No
[ ]	Commercial		[ ] Yes	[ ] No
[ ]	Mix Res/Comm		[ ] Yes	[ ] No
[ ]	Hotel		[ ] Yes	[ ] No
[ ]	Timeshare		[ ] Yes	[ ] No
[ ]	Ohana		[ ] Yes	[ ] No
[ ]	Industrial		[ ] Yes	[ ] No
[ ]	Agricultural		[ ] Yes	[ ] No
[ ]	Recreational		[ ] Yes	[ ] No
[ ]	Other		[ ] Yes	[ ] No

Is/Are this/these use(s) specifically permitted by the Project's Declaration or Bylaws?
[X] 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:

[X] Pets: Aquarium fish are permitted. No pets or other animals are permitted, provided that the Board may authorize the keeping by owners of one dog, or two cats, or any other household pet subject to limitations as set forth in the Bylaws and the House Rules, including the requirement that all pets be vaccinated, licensed, spayed/neutered, leashed and treated humanely in accordance with State law and guidelines set by the Hawaiian Humane Society.

[X] Number of Occupants: No more than two permanent residents per bedroom, excluding children under five years; no more than three permanent residents per bedroom including children under five years; and otherwise only in accordance with applicable laws. Permanent residence is defined as residence of twenty-six consecutive days or more.

[X] Other: Apartments shall be used for residential purposes only; no "time-sharing" permitted.

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 1 Stairways: 1 Trash Chutes: 1

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
A	6	2/1	581.9	58.96	Exterior lanai
AR	6	2/1	575.9	58.96	Exterior lanai
B	6	2/1	575.9	116.42	Exterior lanai
BR	6	2/1	581.9	116.42	Exterior lanai
P1	1	2/1	821.5	528	Exterior lanai
P 2	1	2/1	821.5	528	Exterior lanai

Total Number of Apartments: 26

Note: The A and B apartments may be optionally combined into a single apartment known as apartment Type D. The Type AR and BR apartments may be optionally combined into a single apartment known as apartment Type DR. There could be as many as 6 Type D and 6 Type DR apartments in the Project. There is no assurance that any Type D or DR apartments will be created. In the event that any Type D or DR apartments are sold by the Developer, the Developer will have the right, without the approval, consent or joinder of any person or group of persons, including the Association, any apartment owner or any mortgagee, lienholder, apartment buyer or any other person who may have an interest in the Project, to record appropriate amendments to the Declaration and to the Condominium Map to reflect the replacement of the Type A and Type B apartments with a Type D apartment and/or the replacement of the Type AR and Type BR apartments with a Type DR apartment, and to reflect other appropriate amendments, including the assignment of parking stalls and allocation of appropriate percentages of interest in the common elements.

D	up to 6	2/1	1,141.5	191.7	Exterior lanai
DR	up to 6	2/1	1,141.5	191.7	Exterior lanai

* Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls and includes all of the walls and partitions within its perimeter walls, whether load-bearing or non-load-bearing.

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 whatsoever as to the floor area of any particular apartment.

Boundaries of Each Apartment: Each apartment includes all walls, columns, and partitions which are not load-bearing within the apartment's perimeter walls, the inner decorated or finished surfaces of all walls, floors, ceilings, doors, door frames, and window frames along the perimeters, all windows along the perimeters, the air space within the perimeter, the lanais, if any, shown on the Condominium Map to the inner decorated or finished surfaces of the perimeter walls of such lanais and to the interior edge of the exterior railings or other boundaries of such lanais, the storage area, if any, adjacent to the lanais as shown on the Condominium Map, all fixtures originally installed in the apartment, and all pipes, plumbing (including water heaters), air conditioning units, if any, wires, conduits, and other utility or service lines and facilities servicing only the apartment. The apartments shall not include the undecorated or unfinished surfaces of the perimeter party or non-party walls, the undecorated or unfinished surfaces of the doors, door frames, and window frames along the perimeters, the interior load-bearing columns, girders, beams, and walls, the undecorated or unfinished surfaces of the floors and ceiling surrounding each apartment, the exterior edge of the exterior railings or other exterior boundaries of the lanais, if any, shown on the Condominium Map, the entry area shown on the Condominium Map, or any pipes, shafts, wires, conduits, or other utility or service lines running through an apartment which are utilized for or serve more than one apartment, all of which are deemed common elements as provided in the Declaration.

Permitted Alterations to Apartments: Alterations or additions solely within one or more apartments and appurtenant limited common elements thereto and for the exclusive use of such affected apartments require only the consent of affected Apartment Owners, their first mortgage holders (if required), appropriate government agencies, and, if the estimated cost of the Alteration exceeds $1,000, the Board of Directors. All Alterations visible from outside the Apartment require the approval of the Board of Directors. In certain cases, the consent of the Declarant is also required. Any alteration or addition different in any material respect from the Condominium Map shall be commenced only pursuant to an amendment to the condominium declaration, as provided in Section L of the condominium declaration. The Developer may make certain alterations as provided in Section L of the condominium declaration. See Exhibit J to this public report.

Apartments Designated for Owner-Occupants Only: Fifty percent (50%) of **residential** apartments must be so designated; the Developer has a right to substitute similar apartments for those apartments already designated. The 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. The Developer has elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 32

	Regular Covered	Regular Open	Compact Covered	Compact Open	Tandem Covered	Tandem Open	TOTAL
Assigned	28	0	0	0	0	0	28
Guest**	1*	3	0	0	0	0	4
Unassigned	0	0	0	0	0	0	0
Extra for Purchase	0	0	0	0	0	0	0
Other: _____	0	0	0	0	0	0	0
Total Covered & Open:	32		0		0		32

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

* One is oversized for the handicapped (stall numbered 30).
** The Developer has reserved the right to designate parking stalls not otherwise designated as limited common elements to be appurtenant to and for the exclusive use of any apartment in the Project or in any other phase merged or to be merged with the Project, or as guest parking stalls for the Project or any other phase merged or to be merged with the Project. See Exhibit J to this public report.

[ ] Commercial parking garage permitted in condominium project.

[X] Exhibit B 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 [X] Trash Chute/Enclosure(s)

[ ] Other: _____

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

[X] 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. [X] No variances to zoning code have been granted.

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

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

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

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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:

[X] described in Exhibit C.

[ ] as follows:

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

[ ] There are no limited common elements in this project.

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

[X] described in Exhibit ___D*___.

[ ] as follows:

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

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

[X] described in Exhibit ___E___.

[ ] as follows:

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

Exhibit ___F___ describes the encumbrances against the title contained in the title report dated **April 2, 2004 and updated April 9, 2004,** and issued by Old Republic Title & Escrow of Hawaii, Ltd.

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.

Type of Lien	Effect on Buyer's Interest and Deposit if the Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage(s) and related security interests	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:

The Developer makes no warranties itself. However, the Developer will attempt to assign to each apartment owner any and all warranties given the Developer by the general contractor for the Project and by any subcontractors or materialmen. ** See Exhibit "H" for additional details.

2. Appliances:

The Developer makes no warranties itself. However, the Developer will attempt to assign to each apartment owner the benefit of any manufacturer's or dealer's warranties covering the appliances in his or her apartment. Each apartment owner shall have the direct benefit of any such warranties that are assigned, if the Developer's attempted assignment is successful and binding. Such warranties, if available, will expire at different times, depending on the date of manufacture, sale, or installation of the appliances.

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

Construction is anticipated to begin in approximately August, 2004, and is anticipated to be completed by approximately June, 2005.

H. **Project Phases:**

The Developer [X] has [ ] has not reserved the right to add to, merge, or phase this condominium.

Summary of the Developer's plans or right to perform for future development (such as additions, mergers or phasing):

A. Merger. The Developer has reserved the right (but is not obligated), in its sole and absolute discretion, to merge this project with other condominium projects for purposes of use and administration and possibly ownership, as provided in the Declaration of Condominium Phases, to be recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii, as may be amended from time to time (the "Declaration of Merger"). Pursuant to an "administrative merger," use of the common elements, the common expenses, and management of the phases would be shared, but the ownership interests of the apartment owners in each phase would not be altered or affected. In other words, an apartment owner owning an apartment in Kalihi Streamside, while having the right to use the common elements (including the recreational facilities) of other merged phases, would not have an ownership interest in the other merged phases. Similarly, the owner of an apartment in another merged phase, while having the right to use the common elements of the Project, would not have an ownership interest in the common elements of the Project. An "ownership merger," on the other hand, would provide for the common ownership of all of the merged phases. Upon an ownership merger, all of the apartments in the merged phases would be treated as if they were all included in a single condominium project (the "merged project"), all common elements of the merged phases would become common elements of the merged project, and the common interest appurtenant to each apartment would be altered from the common interest set forth in Exhibit E to the common interest set forth in a "certificate of ownership merger," as provided in the Declaration of Merger. An ownership merger may also include a legal consolidation of the land underlying and included in Kalihi Streamside with any parcel(s) of land underlying and included in any of the additional phases. Each prospective buyer should carefully review the applicable provisions of the Declaration of Condominium Property Regime and the Declaration of Merger regarding the rights reserved to the Developer relating to development in phases and the merger of such phases. See Exhibit J of this public report for further information concerning merger.

B. 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 the apartments in increments on an apartment-by-apartment or floor-by-floor basis. See Exhibit J of this public 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:

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

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

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

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

Exhibit __G__ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

C. **Utility Charges for Apartments:**

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

[ ] None [X] Electricity (_X_ Common Elements only ___ Common Elements & Apartments)

[ ] Gas (___Common Elements only ___ Common Elements & Apartments)

[X] Water [X] Sewer [ ] Television Cable

[X] Other Telephone

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

[X] Specimen Sales Contract
Exhibit H contains a summary of the pertinent provisions of the sales contract.

[X] Escrow Agreement dated May 10, 2004
Exhibit I contains a summary of the pertinent provisions of the escrow agreement.

[ ] Other: _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

A) The Developer delivers to the buyer a copy of:
   1) Either the Final 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 Proposed Declaration of Merger of Condominium Phases Kalihi Streamside

Copies of the condominium and sales documents and amendments made by the Developer are available for review through the Developer or through the Developer's agents, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www. capitol.hawaii.gov
Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 5372 filed with the Real Estate Commission on May 12, 2004.

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

[X] YELLOW paper stock [ ] WHITE paper stock [ ] PINK paper stock

C. **Additional Information Not Covered Above**

1. The land underlying the Project is a portion of a parcel of property identified as TMK (1) 1-3-3:52. Prior to obtaining an effective date for a final condominium public report for the Project, TMK (1) 1-3-3:52 will be subdivided by Developer into two parcels, only one of which will be submitted to a condominium regime (such portion is sometimes referred to as "Parcel B"). Developer currently is the lessee of TMK (1) 1-3-3:52 pursuant to that certain Lease dated November 24, 1997, a memorandum of which was recorded in the Land Court as Document No. 2421575, as amended by that certain First Amendment of Lease recorded December 29th, 2003 in Land Court as Document No. 3048592 (collectively, the "Lease").

   Following the subdivision, the Developer and the lessor will cancel the Lease as to Parcel B and will enter into a new lease with respect to Parcel B (the "Parcel B Lease"). The Developer and the lessor have agreed in the Lease and will agree in the Parcel B Lease that lessor will join in apartment deeds and will execute and record partial cancellations of the Parcel B Lease with respect to each apartment sold by the Developer, so that buyers will acquire a fee simple interest in their apartment and in the common elements (including the land) appurtenant to their apartments. The buyer acknowledges that apartments in the Project held by the Developer may be subject to the terms and conditions of the Lease and/or the Parcel B Lease and that lessor may have certain rights under the Lease and/or under the Parcel B Lease with respect to the apartments held by the Developer.

2. The Association will have an obligation to repair, maintain, preserve, restore, replace and keep in good order and repair, the retaining wall located along Kalihi Stream boundary of the Project, which retaining wall is both located on and extends outside the boundary of the Project, and will have the right to assess expenses or capital costs incurred for such purposes as a common expense of the Association.

D. The Developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the Project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The Developer is required to make this declaration for issuance of an effective date for a final public report.)

E. The Developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the Developer to buyers concerning the Project have been reviewed by the Developer and are, to the best of the Developers knowledge, information and belief, true, correct and complete.

Kalihi Streamside LLC
Printed Name of the Developer

By: Kalihi Streamside LLC
By: Smith/Foti Development, Inc.
Its: Manager

By: _____ 5/12/04
Eric K. Smith, President* Date

Eric K. Smith, President
Print Name and Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, 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 BUILDINGS

The Project shall contain one seven story apartment building, located above 2 floors of parking, containing a total of twenty-six apartments, constructed principally of reinforced concrete with post-tensioned slabs, steel, glass, and related building materials, as shown on the Condominium Map.

The Project shall contain twenty-six apartments. The apartments are constructed according to six different basic floor plans, six each of the Type "A," "AR," "B" and "BR" apartments, and one each of the Type "P1" and "P2" apartments. The Type A and B apartments may be optionally combined into a single apartment known as apartment Type D. The Type AR and BR apartments may be optionally combined into a single apartment known as apartment Type DR. There may be as many as 6 Type D and 6 Type DR apartments in the Project. There is no assurance that any Type D or DR apartments will be created.

EXHIBIT B

PARKING STALLS

APT. NUMBER	STALL #1	STALL #2	APT. NUMBER	STALL #1	STALL #2
200	1		52	21	
202	2		503	22	
203	3		505	23	
205	4		600	24	
300	5		602	25	
302	6		603	26	
303	7		605	27	
305	8		700	28	
400	9		702	29	
402	10		703	31	
403	11		705	32	
505	12		802	13	14
500	20		808	15	16

Note: In addition to the above, the Project includes 4 unassigned parking stalls, currently designated as guest parking stalls, one of which is oversized, van accessible and designated as handicapped.

The Developer has reserved the right, by amendment to the Declaration in accordance with Section V.2 of the Declaration, to convey or otherwise designate any parking stall not designated above as a limited common element to be appurtenant to and for the exclusive use of any apartment in the Project or in any other phase merged or to be merged with the Project, or to be used as a guest parking stall for the Project or any other phase merged or to be merged with the Project.

The Developer has reserved the right, by amendment to the Declaration and the Condominium Map, as appropriate, to delete and/or modify any parking stall appurtenant to any apartment in the Project prior to the sale of such apartment. See Section L.3(c) of the Declaration.

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, however, the Developer's interest in such land will or may be subject to the Parcel B Lease between the Developer and lessor, as described in Article IV, Section C.1. The Developer and Lessor will agree in the Parcel B Lease that Lessor will, upon conveyance of apartments by the Developer to buyers and in certain other cases, join in apartment Deeds and will execute and record partial cancellations of lease with respect to each apartment, so that buyers will acquire a fee simple interest in their apartment and in the common elements (including the Project land) appurtenant to their apartments. Apartments in the Project held by the Developer may be held subject to the terms and conditions of the Parcel B Lease.

2. All structural components, such as foundations, girders, columns, beams, floor slabs, supports, main walls, load-bearing walls, floors, ceilings (except the inner or decorated surfaces of such walls, floors, and ceilings), roofs, exterior stairs and stairways, landings, railings (except the inner decorated or finished surfaces of the perimeter walls of such lanais and the interior edge of the exterior railings or other boundaries of such lanais), entrances and exits of the building and/or apartments, and other building appurtenances.

3. All yards, grounds, gardens, planters, plants, landscaping, garbage chutes and other refuse facilities, if any, whether within or appurtenant to the Project, which are not defined as part of an apartment.

4. All sidewalks, pathways, retaining walls, driveways, roads, loading zones, parking areas and parking stalls.

5. All ducts, pumps, valves, sewer lines, electrical equipment, cables, chutes, transformers, wiring, pipes, shafts, wires, conduits or other utility or service lines and facilities which are utilized for or serve more than one apartment and other central and appurtenant transmission facilities and installations over, under, and across the Project which are utilized by or serve more than one apartment for services such as power, light, water, gas, sewer, refuse, telephone, and radio and television signal distribution.

6. All areas, rooms, spaces, structures, housings or facilities of the Project within or outside of the building, which are for common use or which serve more than one apartment, such as electrical, maintenance, service, security, machine, mechanical, and equipment rooms and the equipment, machinery, and facilities therein.

7. The entirety of the fire sprinkler system including portions thereof installed within the various apartments.

8. All hallways, corridors, stairs, stairways, elevators, elevator lobbies, mechanical rooms, electrical rooms, mail rooms, fire control room, trash rooms and other similar areas which are not part of an apartment.

9. All mailboxes, one for each apartment and others for the administrative offices and service providers.

10. All the benefits, if any, inuring to the land or to the Project from all easements, if any, shown on the Condominium Map or listed in Exhibit "A" to the Declaration.

11. 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.

12. All other parts of the Project that are not included in the definition of an apartment or limited common elements.

EXHIBIT D

LIMITED COMMON ELEMENTS

Each apartment shall have appurtenant to the apartment easements for the exclusive use of certain limited common elements as follows:

1. Parking Stalls:

Each apartment shall have appurtenant to it, as a limited common element, the exclusive right to use such parking stall(s) as designated on Exhibit "B" to this Public Report.

2. Mailboxes:

Each apartment shall have appurtenant to it, as a limited common element, the exclusive right to use the mailbox designated in the following chart, as a limited common element appurtenant to that apartment.

MAILBOXES

APT. NUMBER	MAILBOX #	APT. NUMBER	MAILBOX #1
200	A	502	N
202	B	503	O
203	C	505	P
205	D	600	Q
300	E	602	R
302	F	603	S
303	G	605	T
305	H	700	U
400	I	702	V
402	J	703	W
403	K	705	X
405	L	802	Y
500	M	808	Z

EXHIBIT E

COMMON INTERESTS*

Type and Number of Apartments	Apartment Number	Undivided Common Interest of Each Apartment
Plan A (6)	200, 300, 400, 500, 600, 700	3.745350%
Plan AR (6)	203, 303, 403, 503, 603, 703	3.706731%
Plan B (6)	202, 302, 402, 502, 602, 702	3.706731%
Plan BR (6)	205, 305, 405, 505, 605, 705	3.745350%
Penthouse – P1(1)	802	5.290000%
Penthouse – P2(1)	808	5.290000%

* The common interests for the apartments may change in connection with a change by the Developer in the apartment floor plan(s) for any or all of the apartments in an increment to the Project, and may also change in the event of an ownership merger of this project with one or more other condominium projects. See Exhibit J to this Public Report for further information concerning incremental development and merger.

In the event that any Type A and B apartments are combined to create Type D apartments, the undivided common interest of the resulting Type D apartment will be the total of the common interest allocated to the Type A and Type B apartments, or 7.452081%. In the event that any Type AR and BR apartments are combined to create Type DR apartments, the undivided common interest of the resulting Type DR apartment will be the total of the common interest allocated to the Type AR and Type BR apartments, or 7.452081%.

EXHIBIT F

ENCUMBRANCES AGAINST TITLE

1. For REAL PROPERTY TAXES that may be due and owing, reference is made to the Office of the Tax Assessor of the City and County of Honolulu.

*NOTE: TAX MAP KEY (1) 1-3-3-52 includes property in addition to the project lands. All taxes applicable to an apartment will be paid in full prior to the sale of such apartment to a buyer.

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

3. Any rights, interests or claims which may exist or arise by reason of the facts shown on a survey plat entitled ALTA/ACSM LAND TITLE SURVEY, Lots A-2 and A-3 of Land Court Application 984 (Map 3) and Parcel 26 described in Book 16645, Page 616ff, dated August 26th, 1997, prepared by JAMES M. BROCK, Licensed Professional Land Surveyor No. 3218, Job No. None, as follows:

(A) The overhang fronting Kalihi Stream near the Westerly most corner of the subject property extends "25" into Lot B (Kalihi Stream) NOTE: This encumbrance applies to a portion of TAX MAP KEY (1) 1-3-3-52 that will not be included in the Project and will be removed prior to closing.

(B) Two sheds occupy the Westerly end of Konani Place (Roadway). NOTE: These two sheds will be removed from the Project prior to closing.

NOTE: Matters shown on a survey plat entitled "ALTA/ACSM LAND TITLE SURVEY, Lots A-2 and A-3 of Land Court Application 984 (Map 3) and Parcel 26 described in Book 16645, Page 616ffW, dated August 26, 1997, prepared by JAMES M. BROCK, Licensed Professional Land Surveyor No. 3218, as follows:

(A) A CMU wall along a portion of Lot A-3's Northeasterly boundary extends 3.5" at its Northerly end into the Konani Place (roadway) and ends 1" within the roadway at its Southerly end. NOTE: this will be demolished prior to construction and, to the extent replaced, will be re-located in a non-encroaching location.

FURTHER NOTE: The matters shown above would appear to fall within the definition of a "de minimus structure position discrepancy" pursuant to HRS Section 669-A, however, no assurance is provided regarding the accuracy of the survey nor the interpretation of said statute.

4. MEMORANDUM OF LEASE

Dated	:	November 24th, 1997
Recorded	:	November 24th, 1997 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2421575
Lessor	:	EMLC ASSOCIATES, a Hawaii limited partnership
Lessee	:	KBC PARTNERS, a Hawaii limited partnership
Term	:	Commencing on November 24, 1997 and terminating on November 23, 2062

FIRST AMENDMENT TO LEASE

Dated	:	December 19th, 2003
Recorded	:	December 29th, 2003 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 3048592

SAID LEASE IS SUBJECT TO THE FOLLOWING:

A. Mortgage to secure an indebtedness of the amount stated below and any other amounts payable under the terms thereof

Amount	:	$480,000.00
Mortgagor	:	KBC PARTNERS, a Hawaii limited partnership
Mortgagee	:	CENTRAL PACIFIC BANK, a Hawaii corporation
Dated	:	December 24th, 1998
Recorded	:	December 30th, 1998 in the Bureau of Conveyances, State of Hawaii, as Document No. 98-196302, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2510403

(INCLUDES OTHER PROPERTY).

(B) ASSIGNMENT OF LESSOR'S INTEREST IN LEASES AND RENTS

Dated	:	December 24th, 1998
Recorded	:	December 30th, 1998 in the Bureau of Conveyances, State of Hawaii, as Document No. 98-196303, and in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 2510404
Assignor	:	KBC PARTNERS, a Hawaii limited partnership
Assignee	:	CENTRAL PACIFIC BANK, a Hawaii corporation

Assignment as security for the repayment of $480,000.00.
(INCLUDES OTHER PROPERTY)

(C) FINANCING STATEMENT

Recorded	:	December 30th, 1998 in the Bureau of Conveyances, State of Hawaii, as Document No. 98-196304
Debtor	:	KBC PARTNERS
Secured Party	:	CENTRAL PACIFIC BANK
Covers	:	All right, title and interest in and to the property described therein.

(INCLUDES OTHER PROPERTY)

CONTINUATION OF FINANCING STATEMENT

Recorded	:	September 19th, 2003 in the Bureau of Conveyances, State of Hawaii, as Document No. 2003-201914

*NOTE: The Mortgage to Central Pacific Bank will be paid off and released of record as to the project land with the proceeds of the loan to be obtained by the Developer for construction of the project. The construction loan will be secured by a blanket mortgage against the project. The mortgage lien applicable to an apartment securing the construction loan will be released on or prior to the sale of such apartment to a buyer.

**FURTHER NOTE:

Note: this Lease will be cancelled as to the project land prior to the effective date for a final public report and will be replaced by the Parcel B Lease between KBC Partners and EMLC Associates (or their respective assignees) that applies only to the project land. Furthermore, for any apartment sold by the Developer to a buyer, and in certain other cases, the lessor will execute and record a partial cancellation of lease, so that each buyer will receive their apartment free of any lease. The Developer may continue to hold its apartments subject to the terms and conditions of Parcel B Lease. See Article IV, Section C.1 for further details.

5. Discrepancies, conflicts in boundary lines, shortage in area, encroachments or any other matters which a correct survey or archaeological study would disclose.

6. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land.

7. Covenants, conditions, restrictions, reservations, agreements, easements, obligations, and other provisions contained in the Declaration of Merger of Condominium Phases Kalihi Streamside dated _____, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. _____.

8. Covenants, conditions, restrictions, reservations, agreements, easements, obligations, and other provisions contained in the Declaration of Condominium Property Regime of Kalihi Streamside dated _____, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. _____, as may be amended from time to time.

9. Condominium Map No. _____, and any amendments thereto.

10. Covenants, conditions, restrictions, reservations, agreements, easements, obligations, and other provisions contained in the Bylaws of the Association of Apartment Owners of Kalihi Streamside dated _____, recorded in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. _____, as may be amended from time to time.

EXHIBIT G

ESTIMATE OF INITIAL MAINTENANCE FEES

WITH DEVELOPER'S ONE TIME BUDGET SUBSIDY*

Kalihi Streamside ASSOCIATION'S FIRST YEAR ONLY			
Apartment Type	**Percentage Common Interest**	**Estimated Monthly Fee (per apt.) With Developer's One-Time Subsidy**	**Estimated Yearly Total (per apt.) With Developer's One-Time Subsidy**
Plan A	3.745350%	$ 173.15	$ 2,077.77
Plan AR	3.706731%	$ 171.36	$ 2,056.35
Plan B	3.706731%	$ 171.36	$ 2,056.35
Plan BR	3.745350%	$ 173.15	$ 2,077.77
Plan P1	5.290000%	$ 244.56	$ 2,934.68
Plan P2	5.290000%	$ 244.56	$ 2,934.68

NOTE: The Developer will contribute a $36,000 budget subsidy to the Association upon the closing of the first sale of an Apartment in the Project (the "Developer's One-time Budget Subsidy"). The Developer's One-time Budget Subsidy will have the effect of reducing monthly maintenance fees for the first year of the Association to the amounts estimated in the table shown on this page. The figures set forth in the table on this page are based on the estimate of the initial maintenance fee disbursements set forth in Exhibit G, page 4, after application of the Developer's One-time Budget Subsidy. Buyers who purchase Apartments after the beginning of the Association's first year, will pay the reduced maintenance fees only until the end of Association's first year and then will pay normal maintenance fees, without the Developer's One-time Budget Subsidy, beginning with the Association's second year. For the purposes of this Section, the "Association's first year" will begin on the date of the closing of escrow of the first sale of an Apartment in the Project. The Developer's One-time Budget Subsidy will be in addition to any maintenance fees which the Developer must pay on account of the Developer's ownership of Apartments in the Project.

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

ESTIMATE OF INITIAL MAINTENANCE FEES

WITHOUT DEVELOPER'S ONE-TIME BUDGET SUBSIDY

Kalihi Streamside			
Apartment Type	**Percentage Common Interest**	**Estimated Monthly Fee (per apt.)**	**Estimated Yearly Total (per apt.)**
Plan A	3.745350%	$ 285.51	$ 3,426.10
Plan AR	3.706731%	$ 282.56	$ 3,390.77
Plan B	3.706731%	$ 282.56	$ 3,390.77
Plan BR	3.745350%	$ 285.51	$ 3,426.10
Plan P1	5.290000%	$ 403.26	$ 4,839.08
Plan P2	5.290000%	$ 403.26	$ 4,839.08

NOTE: The figures set in the table on this page are the estimates for the initial maintenance fees, before the application of the Developer's One-time Budget Subsidy in the amount of $36,000, to be paid by the Developer into the account of the Association at the time of the closing of the first sale of an Apartment.

The figures set forth in the table on this page are based on the estimate of the initial maintenance fee disbursements set forth in Exhibit G, page 4, without consideration of the Developer's One-time Budget Subsidy. The figures do not take into account any adjustments that might be applicable to maintenance fee disbursements in the second year of the Association. The fees set forth above ARE ESTIMATES ONLY. Fees in the second year of the Association will be based on the Association's actual experience during its first year and will almost certainly be different than the amounts shown above.

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

DEVELOPER'S EXPLANATION REGARDING REPLACEMENT RESERVE FIGURE

In arriving at the figure for "Reserves" used in the budget set forth on Page 4 of this Exhibit G 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.

Kalihi Streamside LLC,
a Hawaii limited liability company

By: Smith/Foti Development, Inc.
Its: Manager

By: _____
Eric K. Smith, Its President

Date: MAY 12 2004

Estimate of Maintenance Fee Disbursements:

	Monthly	x 12	=	Annual
Utilities and Services				
Air Conditioning	n/a			n/a
Gas	n/a			n/a
Cable	n/a			n/a
Electricity	260.00	x 12	=	3,120.00
Refuse Collection (City Pick-up)	n/a			n/a
Sewer	520.00	x 12	=	6,240.00
Telephone	50.00	x 12	=	600.00
Water	590.00	x 12	=	7,080.00
Maintenance				
Building/Supplies/Repairs	350.00	x 12	=	4,200.00
Grounds	250.00	x 12	=	3,000.00
Elevator	400.00	x 12	=	4,.800.00
Fire Systems	50.00	x 12	=	600.00
Equipment and systems	400.00	x 12	=	4,800.00
Pest Control	50.00	x 12	=	600.00
Management				
Payroll and Payroll Taxes	n/a			n/a
Audit and Tax Preparation Fees	80.00	x12	=	960.00
Legal Fees	25.00	x12	=	300.00
Management fees	886.00	x12	=	10,632.00
Reserve Study	30.00	x12	=	360.00
Admin. Services/Supplies/Office Expenses	50.00	x 12	=	600.00
Taxes and Other Government Assessments				
Taxes-Income	25.00	x 12	=	300.00
GET/Other	20.00	x 12	=	240.00
Condo Registration	20.00	x 12	=	240.00
Insurance				
Property/fire and hurricane	370.00	x 12	=	4,440.00
CGL	120.00	x 12	=	1,440.00
Umbrella	21.00	x 12	=	252.00
D & O	125.00	x 12	=	1,500.00
Flood	150.00	x 12	=	1800.00
Bond	31.00	x 12	=	372.00
Reserves	1,000.00	x 12	=	12,000.00
Contingency	1,000.00	x 12	=	12,000.00
TOTAL	$7,623.00	x 12	=	$91,476.00

Eric ~~Eric~~ K. Smith, as President of the Developer of the Kalihi Streamside 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

5/12/04
Date

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

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

PAGE INTENTIONALLY OMITTED

EXHIBIT H

SUMMARY OF SALES CONTRACT

The Deposit Receipt, Reservation and Sales Agreement (the "Sales Contract") contains the price and other terms and conditions under which a buyer 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 buyer acknowledges having received and read a public report (either preliminary, contingent, or final) 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 buyer's money will be held in escrow, under the terms of the Escrow Agreement.

(f) Requirements relating to the buyer's financing of the purchase of an apartment.

(g) That the apartment and the Project will be subject to various other legal documents which the buyer should examine, and that the Developer may change 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 that may result in certain annoyances to the buyer.

(j) That the buyer 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 buyer 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.

(m) That in the event of a default by the buyer under the Sales Contract, all sums paid by the buyer under the Sales Contract shall belong to the Developer as liquidated damages, and the Developer may, in addition to such damages, pursue any other remedy, including specific performance, permitted by law or equity.

(n) That all disputes regarding punchlist items shall be resolved by a process involving inspection by the buyer, notice to the general contractor of items needing completion or correction, completion or correction by the general contractor and re-inspection. All disputes regarding punchlist items are to be decided by the Project architect, whose decision is final.

(o) That all disputes arising out of (i) the Declaration, the Bylaws, the Project Rules or the Management Agreement or the enforcement thereof, (ii) the design or orientation of the apartment or of the improvements to the apartment as they relate to exposure to the sun, the wind and/or adjacent properties, (iii) the development, construction, quality, sales, marketing, disclosures concerning, financing or delivery of the common elements, the Project, the apartment or the improvements to the apartment, (iv) warranties, if any, (v) the reservations with respect to, or limitations on, use or purpose of the Project, the common elements, the apartment or any improvements thereto, or (vi) any other aspect of or activity with respect to the common elements, the Project or the apartment, shall not be litigated, but shall be resolved by a process involving negotiation, mediation and arbitration (except punchlist items, which shall be resolved as described above).

(p) That the Developer will make a one time budget subsidy payment in the amount of $36,000, to be paid into the account of the Association upon the closing of the first sale of an apartment in the Project.

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

EXHIBIT I

SUMMARY OF ESCROW AGREEMENT

The Escrow Agreement sets up an arrangement under which the deposits a buyer 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 buyer know when payments are due.

(b) Escrow will arrange for the buyer to sign all necessary documents.

(c) 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.

(d) The buyer will be entitled to a refund of his or her funds deposited with Escrow, upon written request by buyer to Escrow, if the buyer exercises buyer's right to cancel or rescind the Sales Contract pursuant to the Hawaii Condominium Act or as set forth in the Sales Contract (less a cancellation fee commensurate with the work done by Escrow prior to such cancellation, with certain minimum fees as set out in the Escrow Agreement, up to a maximum of $250.00).

(e) No disbursements of funds held in Escrow shall be made to the Developer until certain conditions, as set forth in the Escrow Agreement and in accordance with the Hawaii Condominium Act, have been fulfilled, including delivery of a copy of the Final Public Report to the buyer and waiver (or deemed waiver) of the buyer's right to cancel the Sales Contract. Under certain circumstances, in accordance with the Condominium Property Act and as described in the Escrow Agreement, the buyer's funds may be disbursed to the Developer to pay for construction and other costs of the Project.

(f) Upon a default by the buyer under the Sales Contract, and the Developer's termination of the Sales Contract as a result of such default, all funds of the buyer deposited with Escrow shall be treated as funds of the Developer and not as funds of the buyer, and shall be disbursed to the Developer upon request by the Developer.

The Escrow Agreement contains various other important provisions and establishes certain charges with which a buyer should be familiar. Buyers and prospective buyers should carefully read the signed Escrow Agreement on file with the Real Estate Commission.

EXHIBIT J

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 the title insurance company, by a mortgage lender, or by any governmental agency (including the VA, HUD, FNMA, and/or FHLMC), provided that no such amendments change the common interest appurtenant to an apartment or substantially change the design, location, or size of an 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 which has been sold.

D. The Developer may amend the Declaration to designate parking stalls not otherwise designated as limited common elements to be appurtenant to and for the exclusive use of any apartment in the Project or in any other phase merged or to be merged with the Project, or for use as guest stalls for the Project or any other phase merged or to be merged with the Project.

E. RESERVATION TO DEVELOP INCREMENTALLY

The Developer has reserved the right, but is not obligated, to construct, sell, and convey the apartments in the Project incrementally on a building-by-building, floor-by-floor or Apartment-by-Apartment basis. Upon the completion of each building, floor or apartment, the Developer may obtain a certificate of occupancy for the apartments in such building, floor or apartment and thereupon transfer ownership of the apartments to apartment buyers. 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.

The Developer also has the right, at the discretion of the Developer, to change the apartment floor plan, or create one or more new apartment floor plans, for any or all of the apartments in an increment, and in connection therewith to amend the Declaration and the Condominium Map to reflect such changes in apartment floor plan(s) and make appropriate revisions to the common interests appurtenant to any or all apartments in the Project to reflect resulting changes in floor area.

See Section O of the Declaration for details regarding the Developer's right to develop the Project in increments.

F. RESERVATION TO ALTER THE PROJECT

The Developer has reserved the right to make the following alterations in the Project:

1. To make alterations in the Project (and, if appropriate, to amend the Declaration and the Condominium Map accordingly) which change the floor plan of (including without limitation establishing a new floor plan), 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

2. To make other alterations in the Project (and, if appropriate, to amend the 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; and

3. With respect to any two or more adjacent apartments owned by the Developer, the Developer reserves the right, at any time and from time to time at the Developer's sole cost and expense, to consolidate, divide and otherwise reconfigure such apartments, provided that the common interest

appurtenant to apartments not included in the consolidation, division or other reconfiguration may not be affected.

G. RESERVATION TO MERGE PHASES

The Developer has reserved the right, but not the obligation, to effect the merger of additional condominium project(s) (which may be developed by the Developer, or the successors or assigns of Developer on land adjacent to or in the vicinity of the Project land) with the Project. In the Developer's discretion, any such merger shall be for administrative purposes only (an "administrative merger") or for both administrative purposes and for purposes of allocating ownership of common elements in the Projects to be merged among all of the apartment owners of the merged project. In the event of merger for purposes of allocating ownership interest (an "ownership merger"), each apartment owner's common interest appurtenant to his or her apartment will be recalculated and may be reduced or increased to reflect that proportion which his or her apartment's net interior floor area bears to the total net interior floor area of all apartments in the merged project. The Developer has the right to execute and record amendments to the Declaration and other documents to effect such a merger, including but not limited to a consolidation of the land covered by the Project with any other parcel(s) of land in connection with a merger, in accordance with the terms and provisions of the Declaration of Merger of Condominium Phases, a copy of which is on file with the Real Estate Commission.

See Section R of the Declaration for easements reserved to the Developer with respect to the construction, maintenance, operation, and sale of the phases. See also page 16 of this public report for further information concerning merger.

H. RESERVATION TO DEVELOP ADJACENT PROPERTY

The Developer, for itself and its successors and assigns, has reserved the right, but not the obligation, to develop any other property, whether or not adjacent to or in the vicinity of the Project, for any commercial, residential or other purposes allowed by law.