

**DEVELOPER'S PUBLIC REPORT
FOR A CONDOMINIUM**

| | |
|--------------------------|---|
| CONDOMINIUM PROJECT NAME | 1119 & 1121 8TH AVENUE CONDOMINIUM |
| Project Address | 1119 & 1121 8th Avenue Honolulu, HI 96816 |
| Registration Number | 6804 |
| Effective Date of Report | May 7, 2009 |
| Developer(s) | MING KUEN CHEUNG & LAI CHIEN CHEUNG KIN HO CHEANG & XIU YAO CHEANG |

Preparation of this Report

The Developer prepared this report to disclose relevant information, including "material facts", that are reasonably known to the Developer about the condominium project covered by this report. This report has been prepared pursuant to the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, as amended from time to time. The law defines "material facts" to mean "any fact, defect, or condition, past or present that to a reasonable person, would be expected to measurably affect the value of the project, unit, or property being offered or proposed to be offered for sale."

This report has not been prepared or issued by the Real Estate Commission or any other governmental agency. The issuance by the Commission of an effective date for this Developer's Public Report (1) does not mean that the Commission approves or disapproves of the project; (2) does not mean that the Commission thinks that either all material facts or all pertinent changes, or both, about the project have been fully or adequately disclosed; and (3) is not the Commission's judgment of the value or merits of the project.

This report may be used by the Developer for promotional purposes only if it is used in its entirety. No person shall advertise or represent that the Commission has approved or recommended the project, this report or any of the documents submitted with Developer's application for registration of this project.

This report will be amended if, after the effective date of this report, any changes, either material or pertinent changes, or both, occur regarding the information contained in or omitted from this report. In that case, the Developer is required to submit immediately to the Commission an amendment to this report or an amended Developer's Public Report, clearly reflecting the changes, including any omitted material facts, together with such supporting information as may be required by the Commission. In addition, the Developer may choose at any time to change or update the information in this report. Annually, at least thirty days prior to the anniversary date of the Effective Date of this report, the Developer shall file an annual report to update the material contained in this report. If there are no changes, the Developer is required to state that there are no changes. The Developer's obligation to amend this report or to file annual reports ends when the initial sales of all units in the project have been completed.

Purchasers are encouraged to read this report carefully and to seek professional advice before signing a sales contract for the purchase of a unit in the project.

Signing a sales contract may legally bind a purchaser to purchase a unit in the project, though a purchaser may have rights to cancel or rescind a sales contract under particular circumstances that may arise.

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

SPECIAL ATTENTION

[Use this page for special or significant matters which should be brought to the purchaser's attention and that are not covered elsewhere in this report.]

This is a CONDOMINIUM PROJECT, not a subdivision.

1. This public report does not constitute an "approval" of the project by the Real Estate Commission, or any other governmental agency.
2. The land area beneath and immediately appurtenant to each unit is designated a LIMITED COMMON ELEMENT and is not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated area of the land comprising the limited common elements are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.
3. Facilities and improvements associated with approved subdivisions, such as fire protection devices, street lighting, electricity, upgraded water facilities, improved access for owners and emergency traffic, drainage facilities, etc., may not be provided, and services such as Street maintenance and trash collection may not be available for interior roads and driveways.

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

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| Preparation of this Report..... | 1 |
| General Information On Condominiums..... | 2 |
| Operation of the Condominium Project..... | 2 |
| 1. THE CONDOMINIUM PROJECT..... | 3 |
| 1.1 The Underlying Land..... | 3 |
| 1.2 Buildings and Other Improvements..... | 3 |
| 1.3 Unit Types and Sizes of Units..... | 3 |
| 1.4 Parking Stalls..... | 4 |
| 1.5 Boundaries of the Units..... | 4 |
| 1.6 Permitted Alterations to the Units | 4 |
| 1.7 Common Interest..... | 4 |
| 1.8 Recreational and Other Common Facilities..... | 4 |
| 1.9 Common Elements..... | 5 |
| 1.10 Limited Common Elements..... | 5 |
| 1.11 Special Use Restrictions | 5 |
| 1.12 Encumbrances Against Title..... | 5 |
| 1.13 Uses Permitted by Zoning and Zoning Compliance Matters | 6 |
| 1.14 Other Zoning Compliance Matters..... | 6 |
| 1.15 Conversions | 7 |
| 1.16 Project In Agricultural District..... | 8 |
| 1.17 Project with Assisted Living Facility..... | 8 |
| 2. PERSONS CONNECTED WITH THE PROJECT..... | 9 |
| 2.1 Developer..... | 9 |
| 2.2 Real Estate Broker..... | 9 |
| 2.3 Escrow Depository..... | 9 |
| 2.4 General Contractor..... | 9 |
| 2.5 Condominium Managing Agent..... | 9 |
| 2.6 Attorney for Developer | 9 |
| 3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS | 10 |
| 3.1 Declaration of Condominium Property Regime | 10 |
| 3.2 Bylaws of the Association of Unit Owners | 10 |
| 3.3 Condominium Map..... | 10 |
| 3.4 House Rules..... | 11 |
| 3.5 Changes to the Condominium Documents..... | 11 |
| 3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents..... | 11 |
| 4. CONDOMINIUM MANAGEMENT..... | 12 |
| 4.1 Management of the Common Elements | 12 |
| 4.2 Estimate of the Initial Maintenance Fees..... | 12 |
| 4.3 Utility Charges to be Included in the Maintenance Fee..... | 12 |
| 4.4 Utilities to be Separately Billed to Unit Owner | 12 |
| 5. SALES DOCUMENTS..... | 13 |
| 5.1 Sales Documents Filed with the Real Estate Commission..... | 13 |
| 5.2 Sales to Owner-Occupants..... | 13 |
| 5.3 Blanket Liens..... | 13 |
| 5.4 Construction Warranties | 13 |
| 5.5 Status of Construction, Date of Completion or Estimated Date of Completion..... | 14 |

TABLE OF CONTENTS

| | <u>Page</u> |
|--|-------------|
| 5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance | 14 |
| 5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance | 14 |
| 5.6.2 Purchaser Deposits Will Be Disbursed Before Closing | 14 |
| 5.7 Rights Under the Sales Contract | 16 |
| 5.8 Purchaser's Right to Cancel or Rescind a Sales Contract | 16 |
| 5.8.1 Purchaser's 30-Day Right to Cancel a Sales Contract..... | 16 |
| 5.8.2 Right to Cancel a Sales Contract if Completion Deadline Missed..... | 17 |
| 5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change . | 17 |
| 6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT..... | 18 |
| EXHIBIT A: Description of Project | |
| EXHIBIT B: Description of Common Elements | |
| EXHIBIT C: Encumbrances Against Title | |
| EXHIBIT D: Estimate of Initial Maintenance Fees | |
| EXHIBIT E: Summary of Sales Contract | |
| EXHIBIT F: Summary of Escrow Agreement | |
| EXHIBIT G: Holding Tank Facility Declaration | |

General Information On Condominiums

A condominium is a special form of ownership of real property. To create a condominium in Hawaii after July 1, 2006, the Condominium Property Act, Chapter 514B, Hawaii Revised Statutes, must be followed. 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 and/or the building(s) and other improvements are leased to the purchaser. The lease for the land usually requires that at the end of the lease term, the lessees (unit owners) deliver their interest in the land to the lessor (fee property owner).

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

You will be entitled to exclusive ownership and possession of your unit. Subject to the documents governing them, condominium units may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift or operation of law.

Your unit will, however, be part of the group of units that comprise the condominium project. Study the project's Declaration of Condominium Property Regime, Bylaws of the Association of Unit Owners, Condominium Map and House Rules, if any, which are being concurrently delivered to you with this report. These documents contain important information on the use and occupancy of the units and the common elements of the project, as well as the rules and regulations of conduct for unit owners, tenants and guests.

Operation of the Condominium Project

The Association of Unit Owners is the entity through which unit owners may take action with regard to the administration, management and operation of the condominium project. Each unit 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 a unit owner. The Board and officers can take certain actions without the vote of the unit owners. For example, the Board may hire and fire employees, increase or decrease maintenance fees, adopt budgets for revenues, expenses and reserves and regulate the use, maintenance, repair and replacement of common elements. Some of these actions may significantly impact the unit owners.

Until there is a sufficient number of purchasers of units to elect a majority of the Board, it is likely at first 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 purchasers should understand that it is important to all unit owners that the transition of control from the Developer to the unit owners be accomplished in an orderly manner and in a spirit of cooperation.

1. THE CONDOMINIUM PROJECT

1.1 The Underlying Land

| | |
|--|--|
| Fee Simple or Leasehold Project | <input checked="" type="checkbox"/> Fee Simple <input type="checkbox"/> Leasehold (attach Leasehold Exhibit) |
| Developer is the Fee Owner | <input checked="" type="checkbox"/> Yes <input type="checkbox"/> No |
| Fee Owner's Name if Developer is not the Fee Owner | |
| Address of Project | 1119 & 1121 8th Avenue, Honolulu, HI 96816 |
| Address of Project is expected to change because | |
| Tax Map Key (TMK) | (1) 3-2-004-005 |
| Tax Map Key is expected to change because | |
| Land Area | 8,176 sq. ft. |
| Developer's right to acquire the Property if Developer is not the Fee Owner (describe) | |

1.2 Buildings and Other Improvements

| | |
|--|---|
| Number of Buildings | 2 |
| Floors Per Building | 2 |
| Number of New Building(s) | 2 |
| Number of Converted Building(s) | 0 |
| Principle Construction Materials (concrete, wood, hollow tile, steel, glass, etc.) | Wood, glass and allied building materials. Roofing is Architect 80. |

1.3 Unit Types and Sizes of Units

| Unit Type | Quantity | BR/Bath | Net Living Area | Net Other Areas | Other Areas (lanai, garage, etc) | Total Area |
|-------------------|----------|---------|-----------------|-----------------|----------------------------------|------------|
| A | 1 | 5/3 | 1,908.0 sf | 668.0 sf | Foyer/garage lanai/carport | 2,576 sf |
| B | 1 | 5/3 | 1,908.0 sf | 668.0 sf | Foyer/garage lanai/carport | 2,576 sf |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| | | | | | | |
| See Exhibit _____ | | | | | | |

| | |
|---|------------------------------|
| 2 | Total Number of Units |
|---|------------------------------|

Note: Net Living Area is the floor area of the unit measured from the interior surface of the perimeter walls of the unit. Other documents and maps may give floor area figures that differ from those above because a different method of determining floor area may have been used.

1.4 Parking Stalls

| | |
|---|---|
| Total Parking Stall in the Project: | 6 |
| Number of Guest Stalls in the Project: | 0 |
| Number of Parking Stalls Assigned to Each Unit: | A&B each have a 2 car garage & 1 open stall |
| Attach Exhibit _____ specifying the Parking Stall number(s) assigned to each unit and the type of parking stall(s) (regular, compact or tandem and indicate whether covered or open). | |
| If the Developer has reserved any rights to assign or re-assign parking stalls, describe such rights. | |

1.5 Boundaries of the Units

Boundaries of the unit:
 Each unit shall be deemed to include the building comprising the unit, including, specifically, but not limited to: 1) all perimeter walls, floors, foundations and roofs of each building, and 2) all pipes, wires, conduits or other utility and service lines in such building, or outside such building, if the same are not utilized for or serve more than one unit.

1.6 Permitted Alterations to the Units

Permitted alterations to the unit (if the unit is defined as a non-physical or spatial portion of the project, also describe what can be built within such portion of the project):
 Notwithstanding anything to the contrary contained in this Declaration each unit owner has the right, at his sole option, at any time, without the consent of anyone other than the holders of all liens affecting his unit to improve, renovate, remodel, make additions to, remove, replace or restore the improvements to or in his unit.

1.7 Common Interest

Common Interest: Each unit will have a percentage interest in the common elements appurtenant to each unit. This interest is called the "common interest". It is used to determine each unit'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 unit owners. The common interest for each unit in this project, as described in Declaration, is:

Described in Exhibit _____

As follows:

Unit A: 50%

Unit B: 50%

1.8 Recreational and Other Common Facilities (Check if applicable):

| | |
|--------------------------|--------------------------|
| <input type="checkbox"/> | Swimming pool |
| <input type="checkbox"/> | Laundry Area |
| <input type="checkbox"/> | Storage Area |
| <input type="checkbox"/> | Tennis Court |
| <input type="checkbox"/> | Recreation Area |
| <input type="checkbox"/> | Trash Chute/Enclosure(s) |
| <input type="checkbox"/> | Exercise Room |
| <input type="checkbox"/> | Security Gate |
| <input type="checkbox"/> | Playground |
| <input type="checkbox"/> | Other (describe): |

1.9 Common Elements

Common Elements: Common elements are those parts of the condominium project other than the individual units and any other real estate for the benefit of unit owners. Although the common elements are owned jointly by all unit owners, those portions of the common elements that are designated as limited common elements (see Section 1.10 below) may be used only by those units to which they are assigned. In addition to the common facilities described in Section 1.8 above, the common elements for this project, as described in the Declaration, are set forth below.

Described in Exhibit B.

Described as follows:

| Common Element | Number |
|----------------|--------|
| Elevators | |
| Stairways | |
| Trash Chutes | |

1.10 Limited Common Elements

Limited Common Elements: A limited common element is a portion of the common elements that is reserved for the exclusive use of one or more but fewer than all units in the project.

Described in Exhibit _____.

Described as follows:

Certain parts of the common elements called "Limited Common Elements, are hereby designated and set aside for the exclusive use of each unit(s), and each unit(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. Unless otherwise specified, all costs, of every kind pertaining to each limited common element, including, but not limited, costs of landscaping, maintenance, repair, replacement and improvement, shall be borne entirely by the unit(s) to which is appurtenant. The limited common elements so set aside and reserved to each unit is the limited common area of each unit consisting of the land beneath and immediately adjacent thereto (including any yard areas, landscaping, driveway and access areas), as shown and delineated on said Condominium Map.

1.11 Special Use Restrictions

The Declaration and Bylaws may contain restrictions on the use and occupancy of the units. Restrictions for this project include, but are not limited to, those described below.

| | |
|-------------------------------------|--|
| <input type="checkbox"/> | Pets: |
| <input type="checkbox"/> | Number of Occupants: |
| <input type="checkbox"/> | Other: |
| <input checked="" type="checkbox"/> | There are no special use restrictions. |

1.12 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 a unit in the project. Encumbrances shown may include blanket liens which will be released prior to conveyance of a unit (see Section 5.3 on Blanket Liens).

Exhibit C describes the encumbrances against title contained in the title report described below.

Date of the title report: April 8, 2009

Company that issued the title report: First Hawaii Title Corporation

1.13 Uses Permitted by Zoning and Zoning Compliance Matters

| Uses Permitted by Zoning | | | | | |
|---|----------------------------|--------------|---|--|--------|
| | Type of Use | No. of Units | Use Permitted by Zoning | | Zoning |
| <input checked="" type="checkbox"/> | Residential | 2 | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | R-5 |
| <input type="checkbox"/> | Commercial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Mix Residential/Commercial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Hotel | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Timeshare | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Ohana | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Industrial | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Agricultural | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Recreational | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| <input type="checkbox"/> | Other (Specify): | | <input type="checkbox"/> Yes | <input type="checkbox"/> No | |
| Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws? | | | <input checked="" type="checkbox"/> Yes | <input type="checkbox"/> No | |
| Variances to zoning code have been granted. | | | <input type="checkbox"/> Yes | <input checked="" type="checkbox"/> No | |
| Describe any variances that have been granted to zoning code | | | | | |

1.14 Other Zoning Compliance Matters

| Conforming/Non-Conforming Uses, Structures and Lots | | | |
|---|-------------------------------------|--------------------------|--------------------------|
| <p>In general, a non-conforming use, structure or lot is a use, structure or lot that was lawful at one time but that does not now conform to present zoning requirements. Under present zoning requirements, limitations may apply to extending, enlarging or continuing the non-conformity and to altering and repairing non-conforming structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.</p> <p>If a variance has been granted or if uses, structures or lots are either non-conforming or illegal, the purchaser should consult with county zoning authorities as to possible limitations that may apply in situations such as those described above.</p> <p>A purchaser may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure or lot.</p> | | | |
| | Conforming | Non-Conforming | Illegal |
| Uses | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Structures | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| Lot | <input checked="" type="checkbox"/> | <input type="checkbox"/> | <input type="checkbox"/> |
| <p>If a non-conforming use, structure or lot exists in this project, this is what will happen under existing laws or codes if the structure is damaged or destroyed:</p> <div style="border: 1px solid black; height: 40px;"></div> | | | |

1.15 Conversions

| | |
|--|--|
| <p>Developer's statements regarding units that may be occupied for residential use and that have been in existence for five years or more.</p> | <p><input type="checkbox"/> Applicable</p> <p><input checked="" type="checkbox"/> Not Applicable</p> |
| <p>Developer's statement, based upon a report prepared by a Hawaii-licensed architect or engineer, describing the present condition of all structural components and mechanical and electrical installations material to the use and enjoyment of the units:</p> | |
| <p>Developer's statement of the expected useful life of each item reported above:</p> | |
| <p>List of any outstanding notices of uncured violations of any building code or other county regulations:</p> | |
| <p>Estimated cost of curing any violations described above:</p> | |

| | |
|---|--|
| <p>Verified Statement from a County Official</p> | |
| <p>Regarding any converted structures in the project, attached as Exhibit ____ is a verified statement signed by an appropriate county official which states that either:</p> | |
| <p>(A) The structures are in compliance with all zoning and building ordinances and codes applicable to the project at the time it was built, and specifying, if applicable:</p> <ul style="list-style-type: none"> (i) Any variances or other permits that have been granted to achieve compliance; (ii) Whether the project contains any legal non-conforming uses or structures as a result of the adoption or amendment of any ordinances or codes; and (iii) Any violations of current zoning or building ordinances or codes and the conditions required to bring the structure into compliance; | <p style="text-align: center;">or</p> <p>(B) Based on the available information, the county official cannot make a determination with respect to the foregoing matters in (A) above.</p> |
| <p>Other disclosures and information:</p> | |

1.16 Project In Agricultural District

| | |
|---|---|
| <p>Is the project in an agricultural district as designated by the land use laws of the State of Hawaii? If answer is "Yes", provide information below.</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> |
| <p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable state and county land use laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation.</p> | |
| <p>Are the structures and uses anticipated by the Developer's promotional plan for the project in compliance with all applicable county real property tax laws? <input type="checkbox"/> Yes <input type="checkbox"/> No</p> <p>If the answer is "No", provide explanation and state whether there are any penalties for noncompliance.</p> | |
| <p>Other disclosures and information:</p> | |

1.17 Project with Assisted Living Facility

| | |
|---|---|
| <p>Does the project contain any assisted living facility units subject to Section 321-11(10), HRS? If answer is "Yes", complete information below.</p> | <p><input type="checkbox"/> Yes <input checked="" type="checkbox"/> No</p> |
| <p>Licensing requirements and the impact of the requirements on the costs, operations, management and governance of the project.</p> | |
| <p>The nature and the scope of services to be provided.</p> | |
| <p>Additional costs, directly attributable to the services, to be included in the association's common expenses.</p> | |
| <p>The duration of the provision of the services.</p> | |
| <p>Other possible impacts on the project resulting from the provision of the services.</p> | |
| <p>Other disclosures and information.</p> | |

2. PERSONS CONNECTED WITH THE PROJECT

| | |
|--|--|
| 2.1 Developer(s) | Name: MING KUEN CHEUNG & LAI CHIEN CHEUNG KIN HO CHEANG & XIU YAI CHEANG Business Address: 22 Iliahi Street, Ste. 204 Honolulu, HI 96817 Business Phone Number : (808) 497-7781 E-mail Address: |
| Names of officers and directors of developers that are corporations; general partners of a partnership; partners of a limited liability partnership (LLP); or a manager and members of a limited liability company (LLC) (attach separate sheet if necessary). | |
| 2.2 Real Estate Broker | Name: DOWER REALTY, INC. Business Address: 1114 11th Avenue Honolulu, HI 96816 Business Phone Number: (808) 735-8838 E-mail Address: |
| 2.3 Escrow Depository | Name: FIRST HAWAII TITLE CORPORATION Business Address: 201 Merchant Street, Ste. 2000 Honolulu, HI 96813 Business Phone Number: |
| 2.4 General Contractor | Name: LANNY CURRY Business Address: P. O. Box 688 Haleiwa, HI 96712 Business Phone Number: (808) 479-0326 |
| 2.5 Condominium Managing Agent | Name: SELF MANAGED BY THE ASSOCIATION Business Address: Business Phone Number: |
| 2.6 Attorney for Developer | Name: LESTER G. L. WONG, AAL/ALC Business Address: 1188 Bishop Street, Suite 702 Honolulu, HI 96813 Business Phone Number: (808) 526-3033 |

3. CREATION OF THE CONDOMINIUM AND CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances (Regular System) or filing in the Office of the Assistant Registrar of the Land Court, or both, a Declaration of Condominium Property Regime, a Condominium Map and the Bylaws of the Association of Unit Owners. The Condominium Property Act (Chapter 514B, HRS), the Declaration, Bylaws and House Rules control the rights and obligations of the unit owners with respect to the project and the common elements, to each other, and to their respective units.

3.1 Declaration of Condominium Property Regime

The Declaration of Condominium Property Regime contains a description of the land, buildings, units, common interests, common elements, limited common elements, and other information relating to the condominium project.

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| Bureau of Conveyances | January 7, 2009 | 2009-052453 |

Amendments to Declaration of Condominium Property Regime

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| | | |
| | | |
| | | |
| | | |

3.2 Bylaws of the Association of Unit Owners

The Bylaws of the Association of Unit Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Unit 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 that affect how the condominium project will be governed.

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| Bureau of Conveyances | January 7, 2009 | 2009-052454 |

Amendments to Bylaws of the Association of Unit Owners

| Land Court or Bureau of Conveyances | Date of Document | Document Number |
|-------------------------------------|------------------|-----------------|
| | | |
| | | |
| | | |
| | | |

3.3 Condominium Map

The Condominium Map contains a site plan and floor plans, elevations and layout of the condominium project. It also shows the floor plan, unit number and dimensions of each unit.

| | |
|--|------|
| Land Court Map Number | |
| Bureau of Conveyances Map Number | 4791 |
| Dates of Recordation of Amendments to the Condominium Map: | |
| | |

3.4 House Rules

The Board of Directors may adopt rules and regulations (commonly called "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. Changes to House Rules do not need to be recorded to be effective.

The House Rules for this project:

| | | |
|--|-------------------------------------|---------------|
| Are Proposed | <input type="checkbox"/> | |
| Have Been Adopted and Date of Adoption | <input checked="" type="checkbox"/> | April 6, 2009 |
| Developer does not plan to adopt House Rules | <input type="checkbox"/> | |

3.5 Changes to the Condominium Documents

Changes to Condominium Documents: Changes to the Declaration, Bylaws and Condominium Map are effective only if they are duly adopted and recorded. Where permitted, the minimum percentages of the common interest that must vote for or give written consent to changes to the Declaration, Bylaws and Condominium Map are set forth below. The percentages for any individual condominium project may be more than the minimum set by law if the Declaration or Bylaws for the project so provide.

| Document | Minimum Set by Law | This Condominium |
|-------------|--------------------|------------------|
| Declaration | 67% | 67% |
| Bylaws | 67% | 67% |

3.6 Rights Reserved by the Developer to Make Changes to the Condominium Project or Condominium Documents

| | |
|-------------------------------------|--|
| <input type="checkbox"/> | No rights have been reserved to the Developer to change the Declaration, Bylaws, Condominium Map or House Rules (if any). |
| <input checked="" type="checkbox"/> | <p>Developer has reserved the right to change the Declaration, Bylaws, Condominium Map and House rules (if any) and to add to or merge the project or to develop the project in one or more phases, and such rights are summarized as follows:</p> <ul style="list-style-type: none"> a) To amend the Declaration, By-Laws, or Condo Map without the consent or joinder of anyone for the purpose of adjusting the plan or description of any unit which has not yet been constructed, completed and conveyed, provided that it not alter any unit of common interest already conveyed. b) To grant to any public authority or governmental entity rights of way and easements which do not materially interfere with the use nor materially impair the value of any unit. c) To amend the Declaration, By-Laws or Condo Map as required by law, lenders, Real Estate Commission, or title insurers. d) To maintain development facilities and conduct sales of units until all units are sold. e) To enter upon the Project and land to carry on such construction and demolition activities as may be necessary with construction, alteration or restoration. |

4. CONDOMINIUM MANAGEMENT

4.1 Management of the Common Elements

| | |
|---|--|
| <p>Management of the Common Elements: The Association of Unit 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.</p> | |
| <p>The initial Condominium Managing Agent for this project is (check one):</p> | |
| <input type="checkbox"/> | Not affiliated with the Developer |
| <input checked="" type="checkbox"/> | None (self-managed by the Association) |
| <input type="checkbox"/> | The Developer or an affiliate of the Developer |
| <input type="checkbox"/> | Other (explain) |

4.2 Estimate of the Initial Maintenance Fees

| |
|---|
| <p>Estimate of the Initial Maintenance Fees: The Association will make assessments against your unit 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 unit and the unit 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.</p> |
| <p>Exhibit ___ contains a breakdown of the estimated annual maintenance fees and the monthly estimated maintenance fee for each unit, certified to have been based on generally accepted accounting principles, with the Developer's statement as to when a unit owner shall become obligated to start paying the unit owner's share of the common expenses.</p> |

4.3 Utility Charges to be Included in the Maintenance Fee

| | |
|---|-------------------------------------|
| <p>If checked, the following utilities are included in the maintenance fee:</p> | |
| <input type="checkbox"/> | Electricity for the common elements |
| <input type="checkbox"/> | Gas for the common elements |
| <input type="checkbox"/> | Water |
| <input type="checkbox"/> | Sewer |
| <input type="checkbox"/> | TV Cable |
| <input type="checkbox"/> | Other (specify) |

4.4 Utilities to be Separately Billed to Unit Owner

| | |
|---|-------------------------------|
| <p>If checked, the following utilities will be billed to each unit owner and are not included in the maintenance fee:</p> | |
| <input checked="" type="checkbox"/> | Electricity for the Unit only |
| <input checked="" type="checkbox"/> | Gas for the Unit only |
| <input checked="" type="checkbox"/> | Water |
| <input checked="" type="checkbox"/> | Sewer |
| <input checked="" type="checkbox"/> | TV Cable |
| <input checked="" type="checkbox"/> | Other (specify) Telephone |

5. SALES DOCUMENTS

5.1 Sales Documents Filed with the Real Estate Commission

| | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | Specimen Sales Contract Exhibit <u>E</u> contains a summary of the pertinent provisions of the sales contract. Including but not limited to any rights reserved by the Developer. |
| <input checked="" type="checkbox"/> | Escrow Agreement dated: April 6, 2009 Name of Escrow Company: First Hawaii Title Corporation Exhibit <u>F</u> contains a summary of the pertinent provisions of the escrow agreement. |
| <input type="checkbox"/> | Other: |

5.2 Sales to Owner-Occupants

If this project contains three or more residential units, the Developer shall designate at least fifty percent (50%) of the units for sale to Owner-Occupants.

| | |
|--------------------------|--|
| <input type="checkbox"/> | The sales of units in this project are subject to the Owner-Occupant requirements of Chapter 514B. |
| <input type="checkbox"/> | Developer has designated the units for sale to Owner-Occupants in this report. See Exhibit ____ . |
| <input type="checkbox"/> | Developer has or will designate the units for sale to Owner-Occupants by publication. |

5.3 Blanket Liens

Blanket Liens: A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project or more than one unit that secures some type of monetary debt (such as a loan) or other obligation. Blanket liens (except for improvement district or utility assessments) must be released as to a unit before the developer conveys the unit to a purchaser. The purchaser's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the unit to the purchaser.

| | |
|-------------------------------------|---|
| <input checked="" type="checkbox"/> | There are <u>no blanket liens</u> affecting title to the individual units. |
| <input type="checkbox"/> | There are <u>blanket liens</u> that may affect title to the individual units. |

| <u>Type of Lien</u> | Effect on Purchaser's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance |
|---------------------|--|
| | |
| | |
| | |

5.4 Construction Warranties

| |
|---|
| Construction Warranties: Warranties for individual units and the common elements, including the beginning and ending dates for each warranty (or the method of calculating them), are as set forth below: |
| Building and Other Improvements: Standard 1 yr. contractor warranty on materials and workmanship when recorded. |
| Appliances: Warranties as provided by the manufacturers. |

5.5 Status of Construction, Date of Completion or Estimated Date of Completion

| |
|--|
| <p>Status of Construction:</p> <p>Units A and B were completed in 2009.</p> |
| <p>Completion Deadline: If a sales contract for a unit is signed before the construction of the unit has been completed, or, in the case of a conversion, completion of any repairs, does not occur by the completion deadline set forth below, one of the remedies available to a purchaser is a cancellation of the purchaser's sales contract. The sales contract may include a right of the Developer to extend the completion deadline for force majeure as defined in the sales contract. The sales contract may also provide additional remedies for the purchaser.</p> |
| <p>Completion Deadline for any unit not yet constructed, as set forth in the sales contract:</p> |
| <p>Completion Deadline for any repairs required for a unit being converted, as set forth in the sales contract:</p> |

5.6 Developer's Use of Purchaser Deposits to Pay for Project Construction Costs Before Closing or Conveyance

The Developer is required to deposit all moneys paid by purchasers in trust under a written escrow agreement with a Hawaii licensed escrow depository. Escrow shall not disburse purchaser deposits to the Developer or on behalf of the Developer prior to closing, except if a sales contract is canceled or if Developer has met certain requirements, which are described below.

5.6.1 Purchaser Deposits Will Not Be Disbursed Before Closing or Conveyance

| | |
|--------------------------|--|
| <input type="checkbox"/> | <p>The Developer hereby declares by checking the box to the left that it shall use its own funds to complete the construction of the condominium project by the date indicated in Section 5.5 of this report, and the Developer, pursuant to its own analysis and calculations, certifies that it has sufficient funds to complete the construction of the condominium project.</p> <p><i>If this box is checked, Section 5.6.2, which follows below, will not be applicable to the project.</i></p> |
|--------------------------|--|

5.6.2 Purchaser Deposits Will Be Disbursed Before Closing

| | |
|---|--|
| <p>Hawaii law provides that, if certain statutory requirements are met, purchaser deposits in escrow under a binding sales contract may be used before closing to pay for certain project costs. For this project, the Developer indicates that purchaser deposits may be used for the following purposes (check applicable box):</p> | |
| <input type="checkbox"/> | <p>For new construction: to pay for project construction costs described in the Developer's budget and approved by the Developer's lender or an otherwise qualified, financially disinterested person; or</p> |
| <input type="checkbox"/> | <p>For conversions: to pay for repairs necessary to cure violations of county zoning and building ordinances and codes, for architectural, engineering, finance and legal fees, and for other incidental expenses.</p> |

In connection with the use of purchaser deposits (check Box A or Box B):

| | |
|---|---|
| <p>Box A</p> <p><input type="checkbox"/></p> | <p>The Developer has submitted all information and documents required by law and the Commission prior to the disbursement of purchaser deposits before closing. This means that the Developer may use such deposits before closing. If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>If Box A is checked, you should read and carefully consider the following notice, which is required by law:</p> <p><u>Important Notice Regarding Your Deposits:</u> Deposits that you make under your sales contract for the purchase of the unit may be disbursed before closing of your purchase to pay for project costs, construction costs, project architectural, engineering, finance, and legal fees, and other incidental expenses of the project. While the developer has submitted satisfactory evidence that the project should be completed, it is possible that the project may not be completed. If your deposits are disbursed to pay project costs and the project is not completed, there is a risk that your deposits will not be refunded to you. You should carefully consider this risk in deciding whether to proceed with your purchase.</p> |
| <p>Box B</p> <p><input type="checkbox"/></p> | <p>The Developer has not submitted all information and documents required by law and the Commission, and, until all such information and documents are submitted, thus, the Developer cannot use purchaser deposits.</p> <p>If the Developer later submits all information and documents required by law and the Commission for the use of purchaser deposits, then the Developer must provide an amendment to this report or an amended developer's public report to each purchaser who has signed a sales contract. At such time, the <u>Important Notice Regarding Your Deposits</u> set forth immediately above will apply to all purchasers and will be restated in the amendment to this report or an amended developer's public report. When an effective date for such an amendment or an amended developer's public report is issued, <u>you will not have the right to rescind or cancel the sales contract by reason of such submission and amendment.</u> (This, however, does not affect your right to rescind for material changes or any other right you may have to rescind or cancel the sales contract, as described in Section 5.8 below.) If the Developer decides not to use purchaser deposits before closing, the Developer does not need to amend this report.</p> <p>You should understand that, although the <u>Important Notice Regarding Your Deposits</u> set forth above does not currently apply to you, it might apply to you in the future, and, therefore, you should read and carefully consider it now to ensure that you understand the risk involved in deciding whether to proceed with your purchase.</p> |

Material House Bond. If the Developer has submitted to the Commission a completion or performance bond issued by a material house instead of a surety as part of the information provided prior to the use of purchaser deposits prior to closing or conveyance of a unit, the Developer shall disclose the same below and disclose the impact of any restrictions on the Developer's use of purchaser deposits.

5.7 Rights Under the Sales Contract

Before signing the sales contract, prospective purchasers should carefully review all documents relating to the project. These include but are not limited to the documents listed below. Items 2, 3 and 4 are made a part of this public report, as well as item 5, if any, and are being delivered to you with this report.

| | |
|----|--|
| 1. | Developer's Public Report |
| 2. | Declaration of Condominium Property Regime (and any amendments) |
| 3. | Bylaws of the Association of Unit Owners (and any amendments) |
| 4. | Condominium Map (and any amendments) |
| 5. | House Rules, if any |
| 6. | Escrow Agreement |
| 7. | Hawaii's Condominium Property Act (Chapter 514B, HRS, as amended) and Hawaii Administrative Rules (Chapter 16-107, adopted by the Real Estate Commission, as amended), provided that rules and regulations under Chapter 514B have not yet been adopted. |
| 8. | Other: |

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 sales agent, if any. The Condominium Property Regime law (Chapter 514B, HRS) and the Administrative Rules (Chapter 107, HAR), are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov

Website to access rules: www.hawaii.gov/dcca/har

5.8 Purchaser's Right to Cancel or Rescind a Sales Contract

A purchaser's right to cancel a sales contract or to rescind a sales contract may arise under varying circumstances. In the sections below, some circumstances that will give rise to a purchaser's right to cancel or rescind are described, together with what a purchaser must do if the purchaser wishes to exercise any of the rights.

5.8.1 When a Sales Contract becomes Binding and Purchaser's 30-Day Right to Cancel a Sales Contract

A sales contract signed by a purchaser and the developer will not become binding on a purchaser or the Developer until the following events have taken place:

- (1) The purchaser has signed the sales contract.
- (2) The Developer has delivered to the purchaser a true copy of the developer's public report with an effective date issued by the Commission, together with all amendments to the report as of the date of delivery, and the project's recorded Declaration and Bylaws, House Rules (if any), the Condominium Map and any amendments to them to date (all of which are a part of the developer's public report). If it is impracticable to include a letter-sized Condominium Map, the Developer must provide written notice of an opportunity to examine the Condominium Map.
- (3) The Developer has delivered to the purchaser a notice of the purchaser's 30-day cancellation right on a form prescribed by the Commission.
- (4) The purchaser does at least one of the following:
 - (a) Waives the purchaser's right to cancel the sales contract within 30 days from receipt of the notice of the purchaser's 30-day cancellation right; or

- (b) Allows the 30-day cancellation period to expire without exercising the right to cancel; or
- (c) Closes the purchase of the unit before the 30-day cancellation period expires.

The purchaser or the Developer may cancel the sales contract at any time during the 30-day cancellation period, and the sales contract will be canceled and the purchaser's deposits returned to the purchaser, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

5.8.2 Right to Cancel a Sales Contract if Completion Deadline Is Missed

In addition to the purchaser's 30-day cancellation right described in Section 5.8.1 above, when a sales contract is signed before completion of construction of a project, the purchaser will have the right to cancel if the unit is not completed by certain deadlines. In conversion projects, there must be a deadline for completion of any required repairs. Every sales contract shall contain an agreement of the Developer that the completion of construction shall occur on or before the completion deadline, and that completion deadline is set forth in this report in Section 5.5. The sales contract shall provide that the purchaser may cancel the sales contract at any time after the specified completion deadline, if completion of construction does not occur on or before the completion deadline, as the same may have been extended. Upon a cancellation, the purchaser's deposits shall be refunded, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.00.

5.8.3 Purchaser's Right to Rescind a Binding Sales Contract After a Material Change

If a "material change" in a project occurs after a purchaser has signed a sales contract that has become binding, the purchaser will have a 30-day right to rescind after notification and description of the material change. A material change is defined in the Condominium Property Act to be any change that "directly, substantially and adversely affects the use or value of (1) a purchaser's unit or appurtenant limited common elements; or (2) those amenities of the project available for the purchaser's use."

The purchaser will be informed of the material change by the developer on a form prescribed by the Commission containing a description of the material change.

After notice of the material change, the purchaser may waive the right to rescind by:

- (1) Checking the waiver box on the rescission form; or
- (2) Letting the 30-day rescission period expire, without taking any action to rescind; or
- (3) Closing the purchase of the unit before the 30-day rescission period expires.

The rescission form must be signed by all purchasers of the affected unit and delivered to the developer no later than midnight of the 30th calendar day after the purchasers received the rescission form from the developer. Purchasers who validly exercise the right of rescission shall be entitled to a prompt and full refund of any moneys paid.

A rescission right shall not apply in the event of any additions, deletions, modifications and reservations including, without limitation, the merger or addition or phasing of a project, made pursuant to the terms of the project's Declaration.

These provisions shall not preclude a purchaser from exercising any rescission rights pursuant to a contract for the sale of a unit or any applicable common law remedies.

6. MISCELLANEOUS INFORMATION NOT COVERED ELSEWHERE IN THIS REPORT

1. MING KUEN CHEUNG, LAI CHIEN CHEUNG, KIN HO CHEANG and XIU YAO CHEANG are the owners and developers of this project. By Agreement dated January 7, 2009, MING KUEN CHEUNG and KIN HO CHEANG have been designated to sign any and all documents relating only to this project.
2. HOLDING TANK FACILITY: Developer represents that the holding tank is commercial grade. It will cost a few hundred dollars for a person to connect to the city sewer system. See Exhibit G for additional information

The Developer declares subject to the penalties set forth in Section 514B-69, HRS, that this project conforms to the existing underlying county zoning for the project, zoning and building ordinances and codes and all applicable permitting requirements adopted by the county in which the project is located, all in accordance with Sections 514B-5 and 32(a)(13), HRS.

For any conversion, if any variances have been granted, they are specified in Section 1.14 of this report, and, if purchaser deposits are to be used by the Developer to cure any violations of zoning, permitting requirements or rules of the county in which the project is located, the violation is specified in Section 1.15 of this report, along with the requirements to cure any violation, and Section 5.5 specifies the date by which the cure will be completed.

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 purchasers 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. The Developer hereby agrees promptly to amend this report to report and include either or all material facts, material or pertinent changes to any information contained in or omitted from this report and to file annually a report to update the material contained in this report at least 30 days prior to the anniversary date of the effective date of this report.

MING KUEN CHEUNG & LAI CHIEN CHEUNG

KIN HO CHEANG & XIU YAO CHEANG

Printed Name of Developer
By Kim Ho Cheung Xiu Yao Cheung April 6, 2009
By: Ming Kuen Cheung Lai Chien Cheung April 6, 2009
Duly Authorized Signatory* Date

LAI CHIEN CHEUNG, XIU YAO CHEANG
MING KUEN CHEUNG & KIN HO CHEANG, Developers

Printed Name & 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; for a partnership or limited liability partnership (LLP) by the general partner; for a limited liability company (LLC) by the manager or an authorized member; and for an individual by the individual.

EXHIBIT A

DESCRIPTION OF THE PROJECT.

Unit A as designated on the "CPR map" of the Condominium Map has a street address 1119 8th Avenue, Honolulu, Hawaii 96816 (CPR 001), is also referred to as 1119 Unit A. on the floor plans and elevations of the Condominium Map. Unit B as designated on the "CPR map" of the Condominium Map has a street address of 1121 8th Avenue, Honolulu, Hawaii 96816 (CPR 002), is also referred to as 1121 Unit B on the floor plans and elevations of the Condominium Map.

Unit A is a two-story residential dwelling, wood framed with stucco finish on a concrete slab foundation with no basement. The interior walls and ceiling consists of 1/2" thick gypsum board. Windows are fixed with sliding glass. The roofing is Architect 80.

Unit B is a two-story residential dwelling, wood framed with stucco finish on a concrete slab foundation with no basement. The interior walls and ceiling consists of 1/2" thick gypsum board. Windows are fixed with sliding glass. The roofing is Architect 80.

DESCRIPTION OF UNITS.

One (1) freehold estate is hereby designated in each of the dwellings. The Project consists of two (2) freehold estates.

Unit A consists of five (5) bedrooms and three (3) bathrooms. The first floor consists of two (2) bedrooms, one (1) bathroom, family room, wet bar, laundry and a two (2) car garage. The second floor consists of three (3) bedrooms, two (2) bathrooms, living room, dining area and kitchen.

Unit B consists of five (5) bedrooms and three (3) bathrooms. The first floor consists of two (2) bedrooms, one (1) bathroom, family room, wet bar, laundry and a two (2) car garage. The second floor consists of three (3) bedrooms, two (2) bathrooms, living room, dining area and kitchen.

Unit A has a two-car garage and one (1) open stall. Unit B has a two-car garage and one (1) open stall. No other parking will be provided.

Unit B will have an easement (Easement 1 on CPR map) consisting of approximately 546 square feet over Unit A for ingress and egress to 8th Avenue over the common area. Unit A will have access to 9th Avenue over the common area. Unit A will have an easement (Easement 2 of CPR map) over Unit B for vehicular ingress and egress consisting of approximately 416 square feet.

The apartments will be numbered in the manner shown on said Condominium Map. All apartment areas are approximate and are based on the net living area, as measured from the interior surface of the apartment perimeter walls.

The apartments by number, net living area, limited common and common elements area are as follows:

| <u>Unit No.</u> | <u>Net Living Area</u> | <u>Limited Common Area</u> |
|-----------------|------------------------|----------------------------|
| A | 1,908.0 sq. ft. | 3,412.50 sq. ft. |
| B | 1,908.0 sq. ft. | 3,412.50 sq. ft. |

EXHIBIT B

DESCRIPTION OF COMMON ELEMENTS

- (a) The land in fee simple described in Exhibit A of the Declaration.
- (b) All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve the units for services such as power, light, water, gas, refuse, telephone, radio, and television signal distribution.
- (c) Driveway consisting of approximately 1,351 sq. ft.
- (d) All portions of the Project other than the units, and any other interest in real estate for the benefit of the owners that are subject to this Declaration.

EXHIBIT C

ENCUMBRANCES AGAINST TITLE

1. Real Property Taxes (if any):
(Your attention is directed to the Director of Finance, City and County of Honolulu.)

Tax Map Key: (1) 3-2-004-005
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. ENCROACHMENT AGREEMENT (CONCRETE AND ROCK WALL) by and between DAVID S. YAMAUCHI and JO ANN M. YAMAUCHI, Trustees under the David S. Yamauchi and Jo Ann M. Yamauchi Living Trust, dated June 21, 2006, both with full powers and authority to buy, lease, mortgage and sell the property herein described , and other full powers more fully set forth therein, "YAMAUCHI", and EUNICE BOW CHAN HO, Trustee under that certain unrecorded Living Trust Agreement dated March 1, 1991, with full powers and authority to buy, lease, mortgage and sell the property herein described , and other full powers more fully set forth therein, GORDON W. H. HO and SARA HARTMAN HO, husband and wife, HARRISON W. H. HO, unmarried, NORMAN TIM HOY HO and ELENA VALDEZ HO, husband and wife, "HO", dated March 2, 2007, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 2007-040411.
4. ENCROACHMENT AGREEMENT (ROCK WALL) by and between SUMIKO YAMASHITA, Trustee under that certain unrecorded Trust Agreement known as the Revocable Living Trust Agreement of Sumiko Yamashita, dated October 1, 1996, as restated and amended, with full powers and authority to buy, lease, mortgage and sell the property herein described , and other full powers more fully set forth therein, "YAMASHITA" and DAVID S. YAMAUCHI and JO ANN M. YAMAUCHI, Trustees under the David S. Yamauchi and Jo Ann M. Yamauchi Living Trust, dated June 21, 2006, both with full powers and authority to buy, lease, mortgage and sell the property herein described , and other full powers more fully set forth therein, "YAMAUCHI",, dated March 2, 2007, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 2007-040412.
5. ENCROACHMENT AGREEMENT (ROCK WALL) by and between MASARU ASATO, Trustee for the Masaru Asato Revocable Trust Agreement, dated December 18, 1991, as amended in its entirety on February 8, 1994, with full powers and authority to buy, lease, mortgage and sell the property herein described , and other full powers more fully set forth therein, "ASATO" and DAVID S. YAMAUCHI and JO ANN M. YAMAUCHI, Trustees under the David S. Yamauchi and Jo Ann M. Yamauchi Living Trust, dated June 21, 2006, both with full powers and authority to buy, lease, mortgage and sell the property herein described , and other full powers more fully set forth therein, "YAMAUCHI",, dated March 2, 2007, recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 2007-040413.

6. The terms, provisions, covenants, easements and reservations as contained in the DECLARATION FOR HOLDING TANK FACILITY, dated July 3, 2007, recorded in said Bureau as Document No. 2007-123063, but omitting any covenants or restrictions, if any, based upon race, color, religion, sex, handicap, familial status, or national origin unless and only to the extent that said covenant (a) is exempt under Chapter 42, Section 3607 of the United States Code or (b) relates to handicap but does not discriminate against handicapped persons.
7. AFFIDAVIT dated July 17, 2007, recorded in said Bureau as Document No. 2007-128435 for building permits.
8. The covenants, agreements obligations, conditions, easements and other provisions, as contained in the DECLARATION OF CONDOMINIUM PROPERTY REGIME of "1119 & 1121 8TH AVENUE CONDOMINIUM", dated January 7, 2009, filed in the Bureau of Conveyances, State of Hawaii on April 8, 2009, as Document No. 2009-052453.
9. BY-LAWS OF ASSOCIATION OF APARTMENT OWNERS of "1119 & 1121 8TH AVENUE CONDOMINIUM", dated January 7, 2009, filed in the Bureau of Conveyances, State of Hawaii on April 8, 2009, as Document No. 2009-052454.
10. Condominium Map No. 4791.

EXHIBIT D

**ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS**

Estimate of Initial Maintenance Fees:

| <u>Apartment/Unit</u> | <u>Monthly Fee x 12 months</u> | <u>Yearly Total</u> |
|-----------------------|--------------------------------|---------------------|
| A | \$ 0 x 12 = | \$0 |
| B | \$ 0 x 12 = | \$0 |

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

Estimate of Maintenance Fee Disbursements:

Monthly x 12 months Yearly Total

Utilities and Services

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

Maintenance, Repairs and Supplies

- Building
- Grounds

Management

- Management Fee
- Payroll and Payroll Taxes
- Office Expenses

Insurance

\$0

Section 514B-143, Hawaii Revised Statutes, requires that fire insurance be purchased to cover the Project's improvements. It is contemplated that each apartment owner will purchase and maintain his own homeowner's insurance policy which will include fire and liability coverage, and name the Association as an additional insured. As such, the premiums on said policies will be the individual responsibility of each apartment owner rather than a common expense of the Association. The premiums for said fire insurance will vary depending upon the insurance company and the coverage. Developer's best estimate regarding the cost of said coverage is approximately \$500.00 to \$2,000.00 per year per unit. If it is necessary for the Association to have its own public liability coverage (which could occur), this will become a common expense of the Association shared by the apartment owners.

Reserves

Taxes and Government Assessments

Audit Fees

Other:

TOTAL

\$0

MING KUEN CHEUNG and KIN HO CHEANG, Developers for the condominium project 1119 & 1121 8TH AVENUE CONDOMINIUM, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

By Ming Kuen Cheung
MING KUEN CHEUNG

Date: APRIL 6, 2009

By Kin Ho Cheang
KIN HO CHEANG

Date: APRIL 6, 2009

EXHIBIT E

SUMMARY OF SALES CONTRACT

The sales contract contains the price, description and location of the apartment and other terms and conditions under which a buyer will agree to buy an apartment in the Project. Among other things, the sales contract provides:

1. A section for financing to be filled in and agreed to by the parties which will set forth how the buyer will pay the purchase price.
2. That a Buyer's deposits will be held in escrow until the sales contract is closed or cancelled. In the event Buyer fails to perform Buyer's obligations under this DROA (Seller not being in default), Seller may (a) bring an action for damages for breach of contract (b) retain the initial deposit and all additional deposits provided for herein as liquidated damages, and (c) Buyer shall be responsible for any costs incurred with this DROA.
3. That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.
4. What will happen if there is a default under the sales contract by Seller or Buyer. If Buyer defaults, Seller may cancel the contract or bring legal action to force sale, obtain money damages or retain Buyer's deposit. If Seller defaults, Buyer can bring an action to force the sale.

The sales contract contains various other provisions which the buyer should become acquainted with.

5. Buyers are also made aware of the following:

“CHAPTER 672E OF THE HAWAII REVISED STATUTES CONTAINS IMPORTANT REQUIREMENTS YOU MUST FOLLOW BEFORE YOU MAY FILE A LAWSUIT OR OTHER ACTION FOR DEFECTIVE CONSTRUCTION AGAINST THE CONTRACTOR WHO DESIGNED, REPAIRED OR CONSTRUCTED YOUR HOME OR FACILITY. NINETY DAYS BEFORE YOU FILE YOUR LAWSUIT OR OTHER ACTION, YOU MUST SERVE ON THE CONTRACTOR A WRITTEN NOTICE OF ANY CONSTRUCTION CONDITIONS YOU ALLEGE ARE DEFECTIVE. UNDER THE LAW, A CONTRACTOR HAS THE OPPORTUNITY TO MAKE AN OFFER TO REPAIR AND/OR PAY FOR THE DEFECTS. YOU ARE NOT OBLIGATED TO ACCEPT ANY OFFER MADE BY A CONTRACTOR. THESE ARE STRICT DEADLINES AND PROCEDURES UNDER THE LAW, AND FAILURE TO FOLLOW THEM MAY NEGATIVELY AFFECT YOUR ABILITY TO FILE A LAWSUIT OR OTHER ACTION.”

EXHIBIT F

SUMMARY OF ESCROW AGREEMENT

The escrow agreement sets up an arrangement under which the deposits a Buyer makes under a sales contract will be held by a neutral party ("Escrow"). Under the escrow agreement these things will or may happen:

- (a) Escrow will collect payments due pursuant to the sales contract.
- (b) Escrow will deposit all monies received pursuant to the sales contract in a special account with a financial institution.
- (c) Escrow will let Buyers know when payments are due.
- (d) Escrow will disburse Buyer's funds only after the following have happened:
 - 1. The Real Estate Commission has issued a developer's public report - §514B, HRS reference;
 - 2. Buyer has received a copy of the developer's public report - §514B, HRS reference and given Seller a Receipt;
 - 3. 2 working days after Seller has notified Escrow that it has received the receipt;
 - 4. Seller has notified Escrow in writing that the requirements of §514B-92 or §514B-93, HRS, have been satisfied;
 - 5. Seller notifies Escrow that the sales contract has become binding and that Seller's and Buyer's rights of cancellation have lapsed or become void.
- (e) Escrow will refund Buyer's funds if Seller tells Escrow in writing that a refund should be made in accordance with the sales contract. No refund will be made at Buyer's request unless Escrow receives written approval from the Seller.
- (f) Escrow will refund owner/occupant Buyer's deposits, if Seller and Buyer request a refund in writing, and (1) Seller does not offer Buyer a sales contract; or (2) Buyer fails to obtain financing within the prescribed time; or (3) Buyer asks to cancel because of hardship circumstances; or (4) Buyer does not plan to occupy the apartment.
- (g) If Buyer defaults Seller will notify Escrow of such default. Escrow will notify Buyer by registered mail that Seller has canceled sales contract because of Buyer's default. After 10 days following Buyer's receipt of cancellation notice, Escrow will treat Buyer's funds (less escrow cancellation fee) as Seller.

- (h) A Buyer's funds will be refunded without interest, less a cancellation fee if Buyer cancels the sales contract and either the seller requests that Buyer's funds be returned prior to issuance of the developer's public report, or Buyer's funds were obtained prior to issuance of the developer's public report and Buyer decides to cancel their reservation prior to receipt of the developer's public report.
- (i) The escrow agreement says what will happen to a Buyer's funds upon default under the sales contract.
- (j) Escrow will arrange for and supervise the signing of all necessary documents.
- (k) The escrow agreement sets forth Escrow's responsibilities in the event of any disputes.

The escrow agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.



R-893 STATE OF HAWAII
BUREAU OF CONVEYANCES
RECORDED
JUL 10, 2007 09:30 AM
Doc No(s) 2007-123063



/s/ CARL T. WATANABE
REGISTRAR OF CONVEYANCES

20 1/1 29

LAND COURT SYSTEM)
AFTER RECORDATION, RETURN BY MAIL (✓) REGULAR SYSTEM
PICK UP ()

Mr./Mrs. Cheang Kin Ho
Address 1118 Pua Lane, Apt. #28
Honolulu, HI 96817

DECLARATION FOR HOLDING TANK FACILITY

THIS INDENTURE (hereinafter referred to as this Declaration"), made this 3 day of July, 2007, by Cheang Kin Ho, whose address is 1118 Pua Lane, Apt. #28; Honolulu, HI 96817, hereinafter referred to as the "Declarant,"

WITNESSETH:

WHEREAS, the Declarant is the owner in fee simple of that certain parcel of land situated at 1119 8th Avenue
Honolulu, HI 96816,
Oahu, City and County of Honolulu, State of Hawaii, described as Tax Map Key: 3-2-004: 005, more particularly described in Exhibit "A," attached hereto and made a part hereof (the

EXHIBIT G

"Property"), and depicted as the shaded areas on the Portion of Zoning Map No. 4 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.

Cheang Kin Ho

PRINT DECLARANT'S NAME

Cheang Kin Ho

DECLARANT'S SIGNATURE

STATE OF HAWAII)

CITY AND COUNTY OF HONOLULU)

SS.

On this 5th day of July, 2007, before me personally appeared Cheang Kin Ho, 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.

Catherine Chiu

Notary Public, State of Hawaii

(CATHERINE CHIU)

My commission expires

MAY 18, 2011

EXHIBIT "A"

All of that certain parcel of land (being a portion of Lot 12, Block 5 of the Kaimuki Tract, being also a portion of L.C. Aw. 8515, R.P. 1616 to John Young, a portion of the III of Pahoa) situated on the Southeasterly side of 8th Avenue at Kaimuki, Kapahulu, Honolulu, Oahu, Hawaii, being LOT 12-B, more particularly described as follows:

Beginning at the West corner of this parcel of land, being also the Northwest corner of Lot 12-A of said portion of Lot 12, Block 5 of the Kaimuki Tract and on the Southeasterly side of 8th Avenue, the coordinates of said point of beginning referred to Government Survey Triangulation Station "KAIMUKI" being 2160.00 feet North and 1564.05 feet West, thence running by azimuths measured clockwise from true South:

- | | | | | | |
|----|------|-----|-----|--------|--|
| 1. | 208° | 31' | 30" | 22.00 | feet along the Southeasterly side of 8th Avenue |
| 2. | 298° | 31' | 30" | 200.00 | feet along Lot 10 of said Block 5 of the Kaimuki Tract |
| 3. | 28° | 31' | 30" | 75.00 | feet along Lots 9 and 11 of said Block 5 of the Kaimuki Tract |
| 4. | 118° | 31' | 30" | 91.00 | feet along Lots 15 and 16 of said Block 5 of the Kaimuki Tract |
| 5. | 208° | 31' | 30" | 53.00 | feet along said Lot 12-A, a portion of said Lot 12, Block 5 of the Kaimuki Tract |
| | | | | | Thence on a curve to the left, with a radius of 10.00 feet, the chord azimuth and distance being |
| 6. | 163° | 31' | 30" | 14.14 | feet |
| 7. | 118° | 31' | 30" | 89.00 | feet along said Lot 12-A |
| | | | | | Thence on a curve to the left, with a radius of 10.00 feet, the chord azimuth and distance being |
| 8. | 73° | 31' | 30" | 14.14 | feet to the point of beginning and containing an area of 8176 square feet, more or less. |

Order No. 1102598

Being all of the property conveyed by the following:

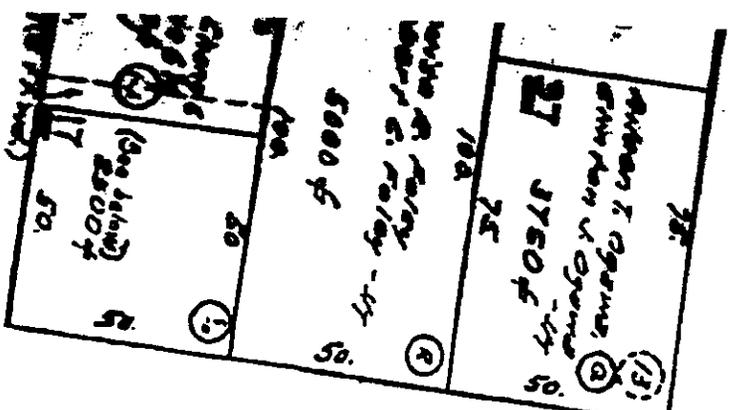
Limited Warranty Deed

Grantor: David S. Yamauchi and Jo Ann M. Yamauchi, husband and wife
Grantee: David S. Yamauchi and Jo Ann M. Yamauchi, Trustees, or their successors in trust, under the David S. Yamauchi and Jo Ann M. Yamauchi Living Trust, dated June 21, 2006, and any amendments thereto
Dated: June 21, 2006
Recorded: October 27, 2006, in the Bureau of Conveyances of the State of Hawaii, Document No. 2006-198525.

Tax Map Key: 3-2-004-005

Erving / Raymond L. Chung
544

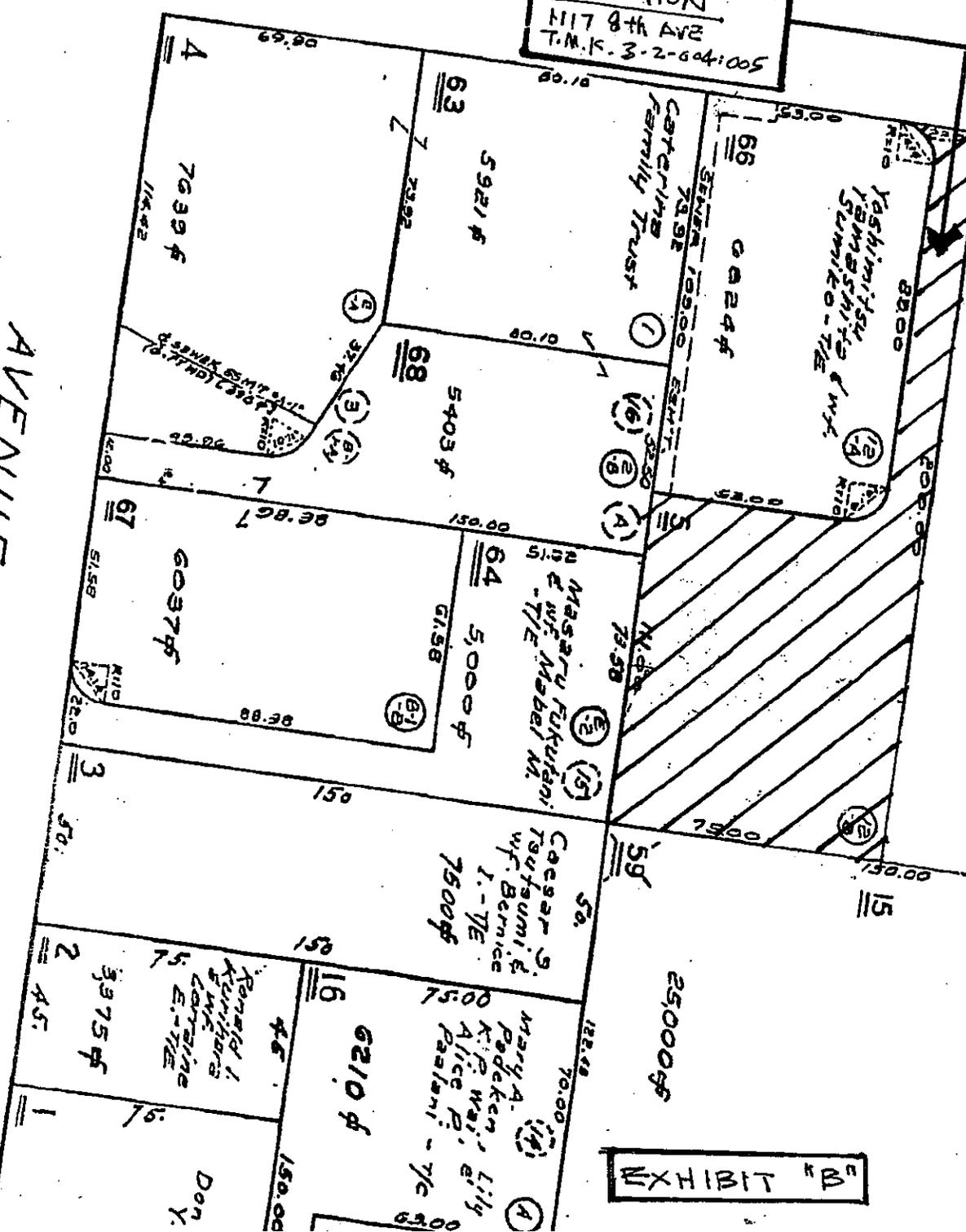
Hand w/ Soukin Wong 1/2
500



PROJECT LOCATION
117 8th AVE
T.M.K. 3-2-604105

8 TH. AVE

AVENUE



15,000 \$

EXHIBIT B

9th Avenue

1128 9th

114

since B.C. 46

117 8th Avenue
117 8th Avenue
117 8th Avenue