REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

THE 2638 NAKOO CONDOMINIUM PROJECT
2638 Nakookoo Street
Honolulu, Hawaii

Registration No. 1589

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

(1) A copy of this Report has been given to the prospective purchaser,
(2) The latter has been given an opportunity to read same, and,
(3) His receipt taken therefor.

Issued: April 26, 1984
Expires: May 26, 1985

SPECIAL ATTENTION

A comprehensive reading of this report by the prospective purchaser is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON FEBRUARY 21, 1984 AND INFORMATION SUBSEQUENTLY SUBMITTED ON APRIL 10, 1984, THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. THE 2638 NAKOO CONDOMINIUM PROJECT is a proposed leasehold condominium project consisting of one (1) five (5) story building with ten (10) apartment units. There will be twelve (12) assigned parking stalls.

2. The Developer of the project has submitted to the

Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-laws of Association of Apartment Owners and a copy of the approved floor plans) have not been filed in the office of the recording officer.

4. No advertising or promotional matter has been submitted to the Commission pursuant to the Rules and Regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

6. This Preliminary Public Report is made a part of the registration on THE 2638 NAKOO CONDOMINIUM PROJECT. The Developer is responsible for placing a copy of this Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed receipt therefor.

7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, April 26, 1984, unless a Final or Supplementary Public Report is issued, or the Commission upon review of the registration, issues an order extending the effective period of this Report.

NAME OF PROJECT: THE 2638 NAKOO CONDOMINIUM PROJECT

LOCATION: The land submitted to the regime of approximately 7,163 square feet, is located at 2638 Nakookoo Street, Honolulu, Hawaii.

TAX MAP KEY: (1) 2-7-17-15

ZONING: A-4

DEVELOPER: 2638 NAKOO, INC., a Hawaii corporation, whose business and post office address is 2106 Young Street, Honolulu, Hawaii. Telephone No. 941-5436.

The Officers of the corporation are as follows:

Roy M. Iwamoto, President, Treasurer	2106 Young Street Honolulu, Hawaii
Mieko Iwamoto, Vice-President, Secretary	2106 Young Street Honolulu, Hawaii
George S. Iwamoto, Vice-President	2106 Young Street Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Christopher L. Lau, Esq., Lau

& Chock, Suite 976, Pacific Tower, 1001 Bishop Street, Honolulu, Hawaii, 96813; Telephone: 537-5976.

DESCRIPTION: The proposed Declaration and the Condominium Map reflect that the project is to consist of the land aforesaid with one (1) five (5) story apartment building containing ten (10) apartment units. The principal materials used in the construction of the project are concrete, glass, concrete block, steel, aluminum and gypsum board.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior loadbearing walls, the floors and ceilings surrounding each apartment or pipes, wires, ducts, conduits and other utility or service lines running through such apartments which are utilized for or serve more than one apartment, the same being deemed common elements are hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not loadbearing and which are within its perimeter or party walls, doors and door frames, windows and window frames, the inner decorated or finished surfaces of all walls, floors and ceilings adjoining and connected thereto, and all fixtures originally installed therein.

The apartment units are located as follows:

There are three (3) apartments on the second, third, and fourth floors and one (1) apartment on the fifth floor. The apartment numbers are: Second Floor: Apartment 201, 202, 203; Third Floor: Apartment 301, 302, 303; Fourth Floor: Apartment 401, 402, 403; Fifth Floor: 501. The description, floor area and undivided interest of the common elements is as follows:

Apartment	Percentage of Common Element	Description
201, 203, (1) 301, 303, 401, 403	9.0321%	A two (2) bedroom, one bath unit with a living room and kitchen of approximately 567.41 sq. feet, more or less.
202, 302, (1) 402	9.1618%	A two (2) bedroom, one bath unit with a living room and kitchen of approximately 575.55 sq. feet, more or less.
501	18.3220%	A three (3) bedroom, two (2) bath unit with a living room and kitchen of approximately 1151.00 sq. feet, more or less.

Each of the apartments will have immediate access to a corridor on the floor on which it is located leading to elevators and stairways providing access to the grounds of the Project and to the public street.

COMMON ELEMENTS: The proposed Declaration provides that the common elements shall include, but are not limited to, the following:

(a) Said land in fee simple.

(b) All foundations, floor slabs, columns, girders, beams, supports, load-bearing walls, interior walls separating adjacent apartments in the same building, fences and roofs of the buildings.

(c) All yards, grounds, landscaping, mail boxes and refuse facilities.

(d) All building walkways, building sidewalks, pathways, parking areas, loading zones, fire escapes, driveways, private roads and pedestrian and automobile bridges, if any.

(e) All ducts, electrical equipment, wiring and other central and appurtenant installations, including power, light, water, sewer, gas and telephone; all pipes, wires, conduits or other utility or service lines, including television cables, which run through an apartment but which are utilized by or serve more than one apartment; and elevators, if installed.

(f) All non-public recreational facilities.

(g) All articles of personal property acquired for common use in the operation or maintenance of said buildings or common elements.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) Each apartment shall have appurtenant to it the parking space(s) designated on the Condominium Map. The restrictive apartments and parking space(s) appurtenant thereto are as follows:

Apartment Number	Parking Stall Number
201	2
202	3
203	4
301	5
302	6
303	7
401	1 (Compact)
402	8
403	10
501	9 (Compact), 11 & 12 (Compact)

(b) Entry patios, porches, decks and steps, if any, which

would be used only for the purposes of ingress and egress for a specific unit, shall be appurtenant to and for the exclusive use of such unit.

(c) A recreation area on the fifth floor of approximately 624 square feet shall be appurtenant to and for the exclusive use of Apartment 501.

(d) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited common elements appurtenant to the apartments to which they are so related.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided percentage interest in all of the common elements of the project, called "common interest" and the same proportionate share in all common profits and expenses of the project, and for all other purposes including voting as set forth above under DESCRIPTION.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The apartments shall be used for residential purposes and for no other purpose, unless prior written consent of the Board of Directors of the Association is secured; provided that the owners of the apartments shall have the right to lease or rent the apartments subject to the limitations, restrictions, covenants and conditions of the Declaration.

As of the date hereof, no residential occupancy is permitted by the City and County of Honolulu for Apartments 401, 402 and 403. Such units may be occupied and used only in accordance with the uses prescribed or allowed by said City and County of Honolulu. The restrictions imposed upon the residential occupancy of any units of the Project shall not lessen or alter the obligations of the owners of such units to pay the portion of the common expenses charged or assessed on such units.

The House Rules submitted to the Commission indicate in part that 1) occupancy is limited to no more than two persons per bedroom and 2) pets must be registered with the Managing Agent; the Board of Directors may limit the number of pets allowed, and they may also require the immediate removal of pets that are a nuisance.

OWNERSHIP OF TITLE: The Commitment for Title Insurance issued by First American Title Insurance Company dated February 15, 1984, represents that IWAMOTO CONSTRUCTION, INC., a Hawaii corporation, is the owner of the fee simple title to the property committed to the project. By Lease Agreement dated October 4, 1983, by and between Iwamoto Construction, Inc., as Lessor, and Developer, as Lessee, said fee simple owner permitted Developer to develop the land on which the project will be built.

ENCUMBRANCES AGAINST TITLE: The Commitment for Title Insurance, dated February 15, 1984, issued by First American Title Insurance Company, reflects the following encumbrances:

1. For any taxes that may be due and owing on the land,

reference is hereby made to the Office of the Tax Assessor of the First Taxation Division.

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

3. That certain Purchase Money Mortgage dated October 4, 1977 by and between Iwamoto Construction, Inc., a Hawaii corporation, as Mortgagor, and Central Pacific Bank, a Hawaii corporation, as Mortgagee, filed as aforesaid as Document No. 838635.

PURCHASE MONEY HANDLING: A copy of the Condominium Escrow Agreement dated February 17, 1984, made between First American Title Company of Hawaii, Inc., as Escrow, and Developer, as Seller, has been submitted to the Commission as part of the registration. On examination, the specimen Sales Contract and the executed Condominium Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

It is incumbent upon the prospective purchaser that he read with care the Deposit, Receipt, Offer and Acceptance ("Sales Contract") and the executed Condominium Escrow Agreement. The latter Agreement establishes how the proceeds from the sale of Condominium units are placed in trust as well as the retention and disbursement of said funds. The former sets forth the terms of the purchase.

The Condominium Escrow Agreement provides that purchaser shall be entitled to a refund of his funds, and Escrow shall pay the funds to the purchaser, without interest, less $25.00 cancellation fee, if purchaser requests in writing refund of his funds, provided, one of the following has occurred:

1. Seller has requested Escrow in writing to return to purchaser the funds of purchaser then being held hereunder by Escrow; or

2. Purchaser's funds were obtained prior to the issuance of a Final Public Report and subsequent to the execution of purchaser's sales contract there is a change in the condominium building plans requiring the approval of a county officer having jurisdiction over the issuance of permits for the construction of buildings (unless purchaser has given written approval or acceptance of the specific changes); or

3. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has previously given written approval or acceptance of such difference; or

4. If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report.

Escrow will also refund a purchaser's deposits as required by Part VI of the Condominium Law, if the purchaser

and the Seller request it in writing and if the purchaser is on the Developer's reservation list as an intended owner/occupant under Section 514A-104 of the Condominium Law and

i. the Developer does not offer such purchaser a Sales Contract; or

ii. the purchaser fails to obtain financing satisfactory to Developer within the time required by Part VI of the Condominium Law; or

iii. the purchaser asks to cancel because of hardship circumstances as described in Section 514A-104(1) of the Condominium Law; or

iv. the purchaser does not plan to occupy the unit he is buying.

Except for cancellation under subparagraphs 3 and (c) above, Escrow may deduct from any such refund made to purchaser the sum of $25.00 for each unit cancelled. If a purchaser defaults or cancels out, then that purchaser's cancellation fee will be increased by adding Escrow's out-of-pocket costs (for example, credit fees, document charges, long distance telephone charges).

Purchaser agrees that all of the rights of the purchaser under the specimen sales contract are and shall be subject and subordinate to the lien of the Purchaser Money Mortgage dated October 4, 1977 in favor of Central Pacific Bank and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 838635 on said property. Purchaser irrevocably appoints Seller, the attorney-in-fact of purchaser, to execute and deliver on behalf of purchaser any instrument of subordination which Mortgage Company or its successors in interest may require.

FINANCING CONSTRUCTION: The Developer is negotiating for, but has not obtained, commitments for interim financing for the construction of the project and for permanent financing for the apartments. However, upon obtaining such interim financing, Developer reserves the right to give such lender a security interest in the project, which security interest shall remain at all times a lien on the project, including the apartments and common elements. The lien shall have priority over any interests whatsoever that a purchaser may obtain by any sales contract and the purchaser in any sales contract agrees to subordinate any interest he may acquire thereby in favor of said lien for the construction loan.

MANAGEMENT AND OPERATIONS: Administration and operation of the project shall be conducted for the Association of Apartment Owners, consisting of all apartment owners of the project, through the Board of Directors, by a responsible management agent, in accordance with the By-Laws of the Association. The initial managing agent shall be Carlton Chang, Realtors, whose address is 3435 Waialae Avenue, Rm. 203, Honolulu, Hawaii 96816, which Management Contract is for a term of one (1) year and may be cancelled upon sixty (60) days' notice.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that construction of the project commenced on October 6, 1983 and the anticipated completion date is June 1, 1984. A Construction contract with Iwamoto Construction, Inc. was executed on August 4, 1983.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted February 21, 1984 and information subsequently submitted on April 10, 1984.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1589 filed with the Commission on February 21, 1984.

The report, when reproduced, shall be a true copy of the Commissions' Public Report. The paper stock used in making fascimiles must be yellow.

Gloria Damron

for G. A. "RED" MORRIS, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF FINANCE
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, City and County of Honolulu
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 1589

April 26, 1984