

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

First Amendment to Declaration of Condominium Property Regime of 2406 Oahu Condominium dated November 23, 1993, recorded in the Bureau of Conveyances of the State of Hawaii as Document No. 93-195173, clarifies the following matters:

1. Common elements - are more particularly described.
2. Limited common elements - are more particularly described and use restrictions are made applicable to the limited common elements.
3. Easements - are more particularly described to allow access for maintenance and repair of limited common elements.
4. Common expenses - revised to provide that maintenance and repair costs of limited common elements are to be paid by apartment owners having use of such limited common elements.
5. Insurance - revised to provide that limited common elements shall be insured by apartment owner having use of such limited common elements.

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General Information On Condominiums

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

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

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

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

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

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

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

Operation of the Condominium Project

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

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

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

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Bert A. Kobayashi and Susan A. Kobayashi Phone: [REDACTED]
Name [REDACTED] (Business)
Business Address [REDACTED]

Names of officers or general partners of developers who are corporations or partnerships:

Not Applicable.

Real Estate Broker: None. See p. 20. Phone: _____
Name _____ (Business)
Business Address _____

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211
Name _____ (Business)
235 Queen Street
Business Address _____
Honolulu, Hawaii 96813

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

Condominium Managing Agent: Developer. See p. 20. Phone: _____
Name _____ (Business)
Business Address _____

Attorney for Developer: Tanaka & Tsugawa Phone: 523-7581
Name _____ (Business)
Suite 1100, Pacific Tower
Business Address _____
1001 Bishop Street
Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 20616 Page 542
 Filed - Land Court: Document No. _____

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

First Amendment to Declaration of Condominium Property Regime of 2406 Oahu Condominium dated November 23, 1993, recorded as Document No. 93-195173.

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. 1064
 Filed - Land Court Condo Map No. _____

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

Revised Sheet 1 of Condominium Map filed with First Amendment to Declaration dated November 23, 1993, recorded as Document No. 93-195173

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book 20616 Page 550
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. Changes to Condominium Documents

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. Apartment Owners: Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	—	<u>N/A</u>

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

2. Developer:

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

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

III. THE CONDOMINIUM PROJECT

A. Interest to be Conveyed to Buyer:

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

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

For Subleaseholds:

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

Individual Apartments in Fee Simple; Common Interest in the Underlying Land in Leasehold or Subleasehold:

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

Lease Rent Payable: Monthly Quarterly
 Semi-Annually Annually

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

[] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

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

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

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

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

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

B. Underlying Land:

Address: 2406 Oahu Avenue Tax Map Key: (1)2-9-11-12
Honolulu, Hawaii 96822 (TMK)

[] Address [] TMK is expected to change because _____

Land Area: 7,500 [x] square feet [] acre(s) Zoning: R-5.0

Lessor
(Fee Owner): Bert A. Kobayashi and Susan A. Kobayashi

Name _____

Address _____

Sublessor: None
Name _____

Address _____

C. Buildings and Other Improvements:

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

2. Number of Buildings: 1 Floors Per Building 2

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other _____

4. Permitted Uses by Zoning:

	<u>No. of</u>	<u>Use Permitted</u>		<u>No. of</u>	<u>Use Determined</u>
	<u>Apts.</u>	<u>By Zoning</u>		<u>Apts.</u>	<u>By Zoning</u>
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Ohana	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Commercial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Industrial	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Agricultural	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Hotel	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Recreational	___	<input type="checkbox"/> Yes <input type="checkbox"/> No
<input type="checkbox"/> Timeshare	___	<input type="checkbox"/> Yes <input type="checkbox"/> No	<input type="checkbox"/> Other: _____	___	<input type="checkbox"/> Yes <input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?

Yes No

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

[] Pets: _____

[] Number of Occupants: _____

[] Other: _____

[x] There are no special use restrictions other than those in the Declaration and By-Laws, as amended.

6. Interior (fill in appropriate numbers):

Elevators: none Stairways: none Trash Chutes: none

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area*</u>	<u>Patio and Porch*</u>	<u>Limited Common Element Approximate Area* (Including Dwelling Area)</u>
A	1	3BR/2 1/2 BA	1,500 sq. ft.	160/96 sq. ft.	3,357 sq. ft.
B	1	3BR/2 1/2 BA	1,500 sq. ft.	160/96 sq. ft.	4,143 sq. ft.

Total Apartments: 2

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

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

Interior surface of perimeter walls.

Permitted Alterations to Apartments:

Any to interior not affecting structure.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> x </u>	<u> </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

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

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

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

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

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

described in Exhibit C .

as follows:

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

There are no limited common elements in this project.

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

described in Exhibit D .

as follows:

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

described in Exhibit .

as follows:

Unit A	50%
Unit B	50%

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

Exhibit A describes the encumbrances against the title contained in the title report dated October 1, 1993 and issued by Title Guaranty of Hawaii, Incorporated .

Blanket Liens:

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

- [] There are no blanket liens affecting title to the individual apartments.
- [x] There are blanket liens which may affect title to the individual apartments.

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

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
Mortgages	The mortgage lenders may take over the units, the Buyer's deposit may not be returned and the Buyer may lose all rights to acquire the unit(s).

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: NONE

2. Appliances: NONE

G. Status of Construction and Estimated Completion Date:

The units were constructed in 1985 as an Ohana duplex.

H. Project Phases:

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

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

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

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

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit E contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated October 11, 1993
Exhibit F contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission;
AND
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); AND
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; AND
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

- A) Condominium Public Reports issued by the developer which have been given an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners.
- D) House Rules.
- E) Condominium Map, as amended.
- F) Escrow Agreement.
- G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
- H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Property Act (Chapter 514A, HRS) and Hawaii Administrative Rules, Chapter 16-107, are available at the Cashier's Office, Department of Commerce and Consumer Affairs, 1010 Richards Street, 3rd Floor, Honolulu, Hawaii, mailing address: P. O. Box 541, Honolulu, HI 96809, at a nominal cost.

This Public Report is a part of Registration No. 1854 filed with the Real Estate Commission on May 12, 1987

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

yellow paper stock white paper stock pink paper stock

C. Additional Information Not Covered Above

Disclosure re: Selection of Real Estate Broker

This public report shall not be valid for the sale of any apartment until the Developer submits to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, a copy of which shall be attached to this public report, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, as applicable.

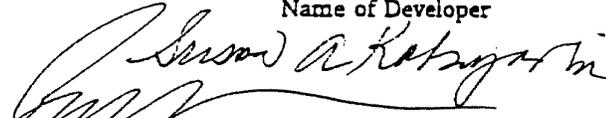
Managing Agent

* The Developer is not a registered condominium managing agent and does not have the required bond as specified under Chapter 514A, Hawaii Revised Statutes. The Developer will not be able to operate as a condominium managing agent until he is properly licensed and registered with the Real Estate Commission. If the Developer does not register as a condominium managing agent (CMA) or a CMA is not appointed and registered, then the project will be considered self-managed.

D. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Bert A. Kobayashi and Susan A. Kobayashi

Name of Developer

By: 
Duly Authorized Signatory

8-20-93
Date

SUSAN A KOBAYASHI - OWNER BERT A KOBAYASHI - OWNER
print name & title of person signing above

Distribution:

Department of Finance, City and County of Honolulu
Planning Department, City and County of Honolulu
Federal Housing Administration

EXHIBIT A

Encumbrances Against Title

The Status Title Report by Title Guaranty of Hawaii, Incorporated, dated October 1, 1993, reflects that fee simple title to the land is held by Bert A. Kobayashi and Susan A. Kobayashi, husband and wife.

Said Status Title Report and Developer's report show title to the property to be subject to the following encumbrances:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. The terms and provisions, including the failure to comply with any covenants, conditions and reservations contained in instrument dated July 1, 1919, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 569, Page 350, as follows:

"That no malt, vinous, spirituous or intoxicating liquors of any kind shall ever be sold or exposed for sale or manufactured on the premises or any part thereof".
3. Grant in favor of the City and County of Honolulu, dated June 23, 1967, recorded in said Bureau of Conveyances in Liber 5711, Page 185, granting an easement for sewer purposes.
4. As to Apartment A Only:
 - a. The terms, provisions, covenants, conditions and reservations contained in Apartment Deed dated March 3, 1988, recorded in said Bureau of Conveyances in Liber 21697, Page 538.
 - b. That certain Mortgage dated March 3, 1988, in favor of International Savings and Loan Association, Limited, a Hawaii corporation, recorded in said Bureau of Conveyances in Liber 21697, Page 544.
 - c. That certain Mortgage dated June 24, 1991, in favor of City Bank, a Hawaii corporation, recorded in said Bureau of Conveyances as Document No. 91-087223.
 - d. That certain Mortgage dated August 9, 1993, in favor of First Federal Savings and Loan Association of America, a federal corporation, recorded in said Bureau of Conveyances as Document No. 93-130986.
5. As to Apartment B Only:
 - a. The terms, provisions, covenants, conditions and reservations contained in Apartment Deed dated March 3, 1988, recorded in said Bureau of Conveyances in Liber 21697, Page 551.

- b. That certain Mortgage dated March 3, 1988, in favor of International Savings and Loan Association, Limited, a Hawaii corporation, recorded in said Bureau of Conveyances in Liber 21697, Page 557.
 - c. That certain Mortgage dated June 24, 1991, in favor of City Bank, a Hawaii corporation, recorded in said Bureau of Conveyances as Document No. 91087224.
 - d. That certain Mortgage dated August 9, 1993, in favor of First Federal Savings and Loan Association of America, a federal corporation, recorded in said Bureau of Conveyances as Document No. 93-130990.
- 6. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Condominium Property Regime dated February 12, 1987, recorded in said Bureau of Conveyances in Liber 20616, Page 542, as the same are or may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1064).
 - 7. By-Laws of the Association of Apartment Owners of the condominium project known as "2046 OAHU", dated April 29, 1987, recorded in said Bureau of Conveyances in Liber 20616, Page 550, as the same may hereafter be amended.
 - 8. Real property taxes as may be due and owing. Check with the County Tax Assessor for further information.

NOTE: (1) *The Developer represents that Item 2 above contains no conditions, covenants or reservations that will materially frustrate the expectations of a purchaser. A copy is on file with the Real Estate Commission.*

(2) *Subsequent to issuance of the above title report, the Developer amended the Declaration of Condominium Property Regime and Condominium Map as noted on page 6 of this Public Report.*

EXHIBIT B

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Maintenance Fee Disbursements:

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

Reserves(*)

Taxes and Government Assessments

Audit Fees

Other

TOTAL

NOTE: The Association is only responsible for the replacement and maintenance of the common wall separating the apartments. All other common elements are maintained, repaired or replaced by either of the apartment owners, individually. All utilities and services, real property taxes, fire and liability insurance, are billed and paid separately by each apartment owner. Accordingly, the Association will not collect any reserves for the repair and/or replacement of the common wall, but at the time such repair or replacement of the wall is necessary, the Association will make a special assessment to each apartment owner for such costs. The project will be self-managed.

I, BERT A. KOBAYASHI, one of the developers for the condominium project, "2406 OAHU", hereby certify that there are no regular maintenance fees to be assessed against each apartment.



BERT A. KOBAYASHI

(*) Mandatory reserves in effect January 1, 1993

EXHIBIT C

Common Elements

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

- a. Said land in fee simple.
- b. All foundations, floor supports, columns, girders, beam supports, perimeter walls, load bearing walls and roof of the building.
- c. Installations such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the project which serve more than one unit, for services such as power, light, gas, sewage, drainage, telephone, radio and television signal distribution, if any that is not owned by a governmental agency or electric, telephone or cable television company; provided, however, that ownership of any common element by the Association shall end at the meter box or other measuring device attached or adjacent to each residence; subject, however, to ownership in case of any governmental agency, or electric, telephone or television signal improvements as provided in the laws, rules or regulations applicable to the governmental agency or company providing such services; any meter or other measuring device for the common use of the units, not owned by the public utility or governmental agency providing the service shall be a common element.
- d. Any parts of the project existing for the common use and are necessary for the maintenance and safety of the project.

EXHIBIT D

Limited Common Elements

A. The Declaration, as amended, describes the limited common elements as follows:

Certain parts of the common elements, herein called the "limited common elements", are hereby designated and set aside for the exclusive use of a specified unit, and such unit shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows: Each unit shall have for its exclusive use (a) the building constructed within the area denoted "Limited Common Element Area A" or "Limited Common Element Area B" as shown on Revised Sheet 1 of the Condominium Map, and any other improvements located therein that serves only the building or benefits only the owner of the unit excluding the beams, posts, framing materials with the joint wall between the two units; for example, Unit A shall have for its exclusive use the building constructed upon Limited Common Element Area A; (b) the mailbox bearing the same letter or street address of such unit; subject to the right of Declarant to determine the type, size, color, materials, construction method, and exact location of the mailbox for each unit; (c) the area of land around and upon which such unit is located and designated as "Limited Common Element Area A" or "Limited Common Element Area B" as shown on Revised Sheet 1 of the Condominium Map, including any common element located therein that serves only such unit and not more than one unit; (d) any meter box or measuring device for the exclusive use of a unit which is not owned by any governmental agency or electric, telephone or cable television company; and (e) the concrete driveway and carport designated on the Condominium Map with the same alphabet as the unit; for example, Unit A has appurtenant to it Carport A and Concrete Driveway A; Unit B has appurtenant to it Carport B and Concrete Driveway B. Each unit shall have the right to use the limited common elements appurtenant to such unit. Each unit owner shall also have the obligation to keep and maintain the limited common elements appurtenant to such unit in good condition, fair wear and tear being excepted. Each unit owner shall also observe the conditions, covenants and restrictions set forth in the Criteria for Use of Unit and Limited Common Elements Appurtenant to Each Unit, attached to the Declaration as Exhibit "C".

B. Exhibit "C" to the First Amendment to the Declaration of the Condominium Property Regime sets forth the terms under which the limited common elements appurtenant to each residence can be used.

EXHIBIT E

Summary of Pertinent Provisions of Sales Contract

The Sales Contract sets forth the terms and conditions concerning the sale of an apartment in the project for the stated purchase price.

Some of the salient areas of the Sales Contract are:

1. Developer retains certain reserved rights, some of which are:
 - a. Developer's sales activities will continue for some time in the future so Developer and its construction and sales representatives and customers may use on-street parking and the common elements of any residence for sales purposes;
 - b. Developer may cancel the Sales Contract if a Buyer does not have the resources to pay the purchase price or does not diligently follow through with an application to finance the purchase price.
2. The closing date shall be sixty (60) days after the date Seller has accepted the Sales Contract.
3. Estimated Monthly Maintenance Charges. The Association is only responsible for the replacement and maintenance of the common wall separating the apartments. All other common elements are maintained, repaired or replaced by either of the apartment owners, individually. All utilities and services, real property taxes, fire and liability insurance, are billed and paid separately by each apartment owner. Accordingly, the Association will not collect any reserves for the repair and/or replacement of the common wall, but at the time such repair or replacement of the wall is necessary, the Association will make a special assessment to each apartment owner for such costs. The project will be self-managed.
4. All construction has been completed for some time and all contractors' warranties have expired. THE DEVELOPER MAKES NO WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE APARTMENT, THE PROPERTY, THE PROJECT, OR CONSUMER PRODUCTS OR OTHER THINGS INSTALLED OR CONTAINED IN THE APARTMENT, THE PROPERTY OR THE PROJECT, INCLUDING BUT NOT LIMITED TO WARRANTIES OR MERCHANTABILITY, HABITABILITY, WORKMANLIKE CONSTRUCTION OR FITNESS FOR A PARTICULAR USE.
5. No Rental Representations. Buyer acknowledges and agrees:
 - (a) THAT DEVELOPER AND ITS SALES AGENTS ARE NOT OFFERING AND HAVE NOT OFFERED, DIRECTLY OR INDIRECTLY, A RENTAL SERVICE OF ANY KIND TO ANY PURCHASER OF CONDOMINIUM APARTMENT UNITS IN THE PROJECT, EITHER INDIVIDUALLY OR IN ANY FORM OF POOLING ARRANGEMENT, OR BY A THIRD PARTY DESIGNATED OR ARRANGED FOR BY DEVELOPER, NOR HAVE ANY REPRESENTATIONS BEEN MADE BY DEVELOPER OR ITS SALES AGENTS AS TO THE FEASIBILITY OF RENTING THE APARTMENT OR OTHERWISE GENERATING INCOME OR DERIVING ANY OTHER ECONOMIC BENEFIT FROM OWNERSHIP OF THE APARTMENT.
 - (b) THAT DEVELOPER AND ITS SALES AGENTS HAVE MADE NO REPRESENTATIONS (NOR IS ANYONE AUTHORIZED TO DO SO) CONTRARY TO THIS PARAGRAPH 5 WITH RESPECT TO EITHER BENEFITS TO BE DERIVED FROM

THE RENTALS OR OTHER TAX TREATMENT OF ANY PURCHASE OF AN APARTMENT EXCEPT AS TO THE AVAILABILITY OF INCOME TAX DEDUCTIONS FOR MORTGAGE INTEREST PAYMENTS AND REAL ESTATE TAXES.

(c) That the Developer may, as a condition of the closing hereof, require of the Purchaser, any brokers involved in the sale or agents of such brokers, or anyone else connected in any way with the offer to sell and the purchase of the property, the execution and delivery to Developer of such waivers, affidavits, or other documents as may from time to time be required by Developer to satisfy Developer that the offer to sell and the purchase of the property is not in violation of any federal or state securities laws or regulations.

(d) That it is understood and agreed that any rental or other disposition of the apartment shall be the sole responsibility of the Purchaser.

6. Default Remedies.

(a) If the Purchaser shall default in making any payment when required, or fail to perform any other obligation required of the Purchaser under the Sales Contract, and the Seller or Escrow shall notify the Purchaser by hand delivery or certified or registered mail of such default and if such default shall not be cured within ten (10) days after the date of delivery or deposit of such notice in the United States mail, Seller may, at Seller's option, terminate the Sales Contract. In the event of such termination, the Seller and Purchaser acknowledge that they understand and have agreed that in the event of a default the injury to Seller will be difficult and expensive to measure in view of: Seller's financial commitments with respect to the Project; the connection between sale, cancellation or default with respect to one apartment and sale, cancellation or default with respect to the other apartment in the Project; and the nature of the real estate market in Hawaii. As a reasonable estimate of Seller's fair compensation for any damages resulting from such default, the parties agree that the sums paid by the Purchaser under the Sales Contract shall belong to Seller as liquidated damages. It is understood that the damages suffered by Seller by virtue of a default later in time will likely be greater than such a default occurring at an earlier point in time. Seller may, in addition to or in lieu of retention of the sums paid by Purchaser, pursue any other remedy permitted by law or equity, including specific performance. All costs, including reasonable attorneys' fees, incurred by reason of default by the Purchaser shall be borne by the Purchaser.

(b) If Purchaser shall default in making any payment when due, a late charge of one percent (1%) per month (based on the amount of such payment), prorated on a daily basis, shall accrue from the due date until such payment, together with such late charge, is paid. At any time prior to the time that such payment and late charge is paid in full, Seller may, at its option and in lieu of collecting such late charge, terminate the Sales Contract as provided in the preceding paragraph.

(c) If the Seller shall fail to perform any of the obligations required of the Seller under the Sales Contract and the Purchaser shall notify the Seller by hand delivery or certified or registered mail of such default and if such default shall not be cured within ten (10) days after the date of delivery or deposit of such notice in the United States mail, Purchaser may at Purchaser's option terminate the Sales Contract and Purchaser may pursue any remedy permitted by law or equity, including specific performance, against the Seller.

This is a summary of selected portions of the Sales Contract and may be incomplete or inadvertently incorrect. The Buyer is requested to read and understand the terms and conditions of the Sales Contract before executing the Sales Contract.

EXHIBIT F

Summary of Pertinent Provisions of Escrow Agreement

The executed escrow agreement dated October 11, 1993, identifies Title Guaranty Escrow Services, Inc., as the "Escrow" and provides that a purchaser shall be entitled to a return of his funds, if any one of the following has occurred:

(a) Developer and the purchaser shall have requested Escrow in writing to return to purchaser the funds of purchaser held under the Escrow Agreement by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the sales contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the contract pursuant to §514A-62, Hawaii Revised Statutes, as amended; or

(d) A purchaser has exercised his right to rescind the contract pursuant to §514A-63, Hawaii Revised Statutes, as amended.

In any of the foregoing events, Escrow shall, upon the occurrence of the event described in (a) or (b) above or upon receipt of a written request for a refund from purchaser upon the occurrence of an event described in (c) or (d) above, unless the purchaser has waived or has been deemed to have waived the right to a refund, pay said funds to said purchaser (less a cancellation fee of Escrow of not less than \$25.00 per unit or a cancellation fee commensurate with the work done by Escrow prior to such cancellation, whichever fee is greater and other costs associated with the purchase up to a maximum of \$250.00), and thereupon said sales contract and any conveyance document theretofore delivered to Escrow shall be returned to Developer and shall be deemed no longer held under the Escrow Agreement; provided, however, that no refund shall be made to a purchaser at purchaser's request prior to receipt by Developer of written notice from Escrow of its intent to make such refund.