CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by: Developer Milton George Takao and Tazuko Takao
Address 1021 Sixth Avenue

Project Name(*): 1021 Sixth Avenue
Address: 1021 and 1021-A Sixth Avenue

Registration No. 3004 (Conversion)

Effective date: March 7, 1994
Expiration date: April 7, 1995

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared the Real Estate Commission nor any other government agency. Neither the Commission or any other government agency has judged or approved the merits or value, if any, of the project or of purchasing of an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of any apartment in the project.

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

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

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

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

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

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

SPECIAL ATTENTION

This is a CONDOMINIUM PROJECT, not a subdivision. 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 number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

This public report does not constitute approval of the Project by the Real Estate Commission, or any other government agency, nor does it ensure that all applicable County codes, ordinances, and subdivision requirements have necessarily been complied with.

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

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 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 or 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: Milton George Takao & Tazuko Takao
Name
1021 Sixth Avenue
Business Address
Honolulu, Hawaii 96816

Phone: 922-6682
(Business)

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

Real Estate Broker: Pacific Acquisitions, Ltd.
Name
3124 Brokaw Street, Second Floor
Business Address
Honolulu, Hawaii 96815

Phone: 734-2277
(Business)

Escrow: Island Title Corporation
Name
95-390 Kuahelani Avenue, Suite 1D
Business Address
Mililani, Hawaii 96789

Phone: 623-2067
(Business)

General Contractor:
Name
Business Address

Phone:
(Business)

Condominium Managing Agent: Self Managed by Association of Apartment Owners
Name
Business Address

Phone:
(Business)

Attorney for Developer: Lester G. L. Wong
Name
1088 Bishop Street, Suite 404
Business Address
Honolulu, Hawaii 96813-3115

Phone: 526-3033
(Business)

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

[X] Recorded - Bureau of Conveyances: Document No. 93-177325
Book_____ Page_____

[ ] Filed - Land Court: Document No._____

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment of Declaration of Condominium Property Regime dated January 6, 1994, recorded as Document No. 94-005422 on January 12, 1994.

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, dimensions of each apartment.

The Condominium Map for this condominium project is:

[ ] Proposed

[X] Recorded - Bureau of Conveyances Condo Map No. 1945

[ ] 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]:

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

[X] Recorded - Bureau of Conveyances: Document No. 93-177326
Book_____ Page_____

[ ] Filed - Land Court: Document No._____

The Bylaws referred to above have been amended by the following instruments [state name of document, dated 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 [X] Adopted [ ] Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents.**

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	75%
Bylaws	65%	65%
House Rules	---	Majority vote of Board of Directors

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

2. Developer:

[X] 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:

[X] 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:_____

_____

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: 1021 Sixth Avenue
Honolulu, Hawaii 96816

Tax Map Key: (1) 3-2-11-8 (TMK)

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

Land Area: 10,000 [X] square feet [ ] acre(s) Zoning: R-10

Lessor
(Fee Owner): Milton George Takao and Tazuko Takao
Name
1021 6th Avenue
Address
Honolulu, Hawaii 96816

Sublessor: _____
Name
_____
Address
_____

C. **Buildings and Other Improvements:**

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

2. Number of Buildings: 2 Floors Per Building 1021-A =1; 1021 =2

   [ ] Exhibit_____ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [ ] Other_____

4. Permitted Uses by Zoning:

	No. of Apts.	Use Permitted By Zoning		No. of Apts.	Use Determined By Zoning
[X] Residential	2	[X] Yes [ ] No	[ ] Ohana	____	[ ] Yes [ ] No
[ ] Commercial	____	[ ] Yes [ ] No	[ ] Industrial	____	[ ] Yes [ ] No
[ ] Mix Res/Comm	____	[ ] Yes [ ] No	[ ] Agricultural	____	[ ] Yes [ ] No
[ ] Hotel	____	[ ] Yes [ ] No	[ ] Recreational	____	[ ] Yes [ ] No
[ ] Timeshare	____	[ ] Yes [ ] No	[ ] Other:_____	____	[ ] Yes [ ] No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
[X] Yes [ ] No

5. Special Use Restrictions:

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

[X] Pets: No livestock or poultry shall be allowed or kept, except for such animals that are customarily kept as pets.

[ ] Number of Occupants:_____

[ ] Other:_____

[ ] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 1021-A: 1 Trash Chutes: 0

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
1021	1	3/2	1,168	
1021-A	1	6/4	2,496	

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 the those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

1. All perimeter walls, floors, foundations and roof of each building.

2. All pipes, wires, conduits, or other utility and services lines in such building, outside such building, if the same are not utilized for more than one apartment.

3. The garage appurtenant to the respective apartment.

Permitted Alterations to Apartments:

Apartment owner, may renovate, remodel, make additions to, remove or restore the unit.

7. Parking Stalls:

Total Parking Stalls: 6

	Regular		Compact		Tandem		TOTAL
	covered	open	covered	open	covered	open	
Assigned (for each units)	4					2	6
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	4					2	

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.
[ ] Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming pool [ ] Storage Area [ ] Recreation Area

[ ] Laundry Area [ ] Tennis Court [ ] Trash Chute

[ ] Other: _____

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

[X] There are no violations. [ ] Violations will not be cured.

[ ] Violations and cost to cure are listed below. [ ] Violations will be cured by_____

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):
See Letters from Engineer dated June 15, 1993 and October 4, 1993.

11. Conformance to Present Zoning Code

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

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

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

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

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures	X		
Lot	X		

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

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

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

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

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

[X] described in Exhibit A.

[ ] as follows:

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

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

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

[ ] described in Exhibit_____.

[X] as follows:

The portion of the land area beneath and adjacent to each unit on the site plan of the Condominium Map. Said land areas are not legally subdivided lots.

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

[ ] described in Exhibit _____.

[X] as follows:

Apt. No.	% Common Interest
1021	50%
1021-A	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 ___B___ describes the encumbrances against the title contained in the title report dated October 22, 1993 _____ and issued by Island Title Corporation.

Blanket Liens:

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

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

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

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

Type of Lien	Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage	Buyer's contract will be canceled and Buyer's deposit will be refunded.

F. Construction Warranties:

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

1. Building and Other Improvements:

   The standard one year contractor's warranty on materials and workmanship for unit 1021-A has already expired.

2. Appliances: The appliances will have warranties as provided by the appliance manufacturer.

G. Status of Construction and Estimated Completion Date:

Construction for unit 1021 was completed in 1963 and renovations completed in December, 1991.
Construction for unit 1021-A was completed in October, 1992.

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):

IV. CONDOMINIUM MANAGEMENT

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

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

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

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

B. Estimate of Initial Maintenance Fees:

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

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

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

C. Utility Charges for Apartments:

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

[X] None [ ] Electricity [ ] Gas [ ] Water

[ ] Sewer [ ] Television Cable [ ] Other_____

V. MISCELLANEOUS

A. **Sales Documents Filed With the Real Estate Commission:**

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

[ ] Notice to Owner Occupants

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

[X] Escrow Agreement dated October 2, 1992
Exhibit E 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 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 as 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.
   C) Bylaws of the Association of Apartment Owners.
   D) House Rules.
   E) Condominium Map
   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. 3004 filed with the Real Estate Commission on November 12, 1993.

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

[ ] yellow paper stock [X] white paper stock [ ] pink paper stock

C. Additional Information Not Covered Above

None

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.

MILTON GEORGE TAKAO and TAZUKO TAKAO
Name of Developer

By: _____ 2/25/04
Duly Authorized Signatory Date

MILTON GEORGE TAKAO and TAZUKO TAKAO
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"

COMMON ELEMENTS

One freehold estate is hereby designated as the common elements in all of the remaining portions and appurtenances of the Project, excluding those items defined as part of any apartment hereof, but including the portions of the land on which the buildings are located, including specifically, but not limited to:

(a) The land in fee simple described in Exhibit "A" of the Declaration of Condominium Property Regime;

(b) All ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve the apartments for services such as power, light, water, gas, refuse, telephone, radio, and television signal distribution; and

(c) Any and all other apparatus and installations of common use and all other parts of the Project necessary or convenient to its existence, maintenance or safety, and normally in common use.

EXHIBIT "B"

1. For information regarding Real Property Taxes that may be due and owing, reference is made to the Director of Finance, City and County of Honolulu.

2. Title to all mineral and metallic mines reserved to the State of Hawaii.

3. Grant of Easement in favor of the City and County of Honolulu to construct, install, maintain, operate, repair and remove an underground sewer pipe line or pipe lines with manholes and other equipment, under and across Parcel 84 (area 2,375 square feet, more or less), portion of Lot 12, dated June 3, 1952, recorded June 26, 1952 in the Bureau of Conveyances, State of Hawaii, in Book 2598, at Page 50.

4. Restriction of any abutter's right of access appurtenant to the premises described in Schedule C into and from Interstate Highway Federal Aid Project No. I-H1-1 (1) which rights were conveyed by Deed recorded March 4, 1963, in the Bureau of Conveyances, State of Hawaii, in Book 4469, Page 517.

5. An easement for the installation, maintenance and removal of an underground sewer pipe line or pipe lines and manholes, under, across and through Easement 4 (area 1,900 square feet, more or less), in favor of the City and County of Honolulu, dated July 11, 1963, recorded December 5, 1963, in the Bureau of Conveyances, State of Hawaii, in Book 4641, Page 571.

6. Covenants and agreements contained in Affidavit dated July 3, 1990, recorded July 19, 1990, in the Bureau of Conveyances, State of Hawaii, as Document No. 90-109683, and re-recorded July 19, 1990, in said Bureau, as Document No. 90-109684, by Milton Takao, to-wit:

   "(1) that the layout or use of the building will not be converted at a future date to some other layout or use which is illegal;

   "(2) that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the Director and Building Superintendent, City and County of Honolulu."

7. Covenants and agreement contained in Affidavit dated April 25, 1991, recorded April 30, 1991, in the Bureau of Conveyances, State of Hawaii, as Document No. 91-054540, by Milton Takao and Tazuko Takao, to wit:

   "(1) that the layout or use of the building will not be

converted at a future date to some other layout or use which is illegal;

(2) that this covenant and agreement shall be binding upon ourselves, or any tenant or lessee or any subsequent owners of the building for as long as the building is in use or unless otherwise released by authority of the Director and Building Superintendent, City and County of Honolulu."

8. Mortgage dated April 30, 1992, recorded May 7, 1992 in said Bureau as Document No. 92-071067, from Milton George Takao and Tazuko Takao, husband and wife as Mortgagor to Finance Factors, Limited a Hawaii corporation, to secure the repayment of $381,000.00, and any additional advances and other amount secured thereby under the terms and provisions thereof.

9. Mortgage dated June 1, 1992, recorded June 5, 1992 in said Bureau as Document No. 92-089645, from Milton George Takao and Tazuko Takao, husband and wife to Finance Factors, Limited, a Hawaii corporation, to secure the repayment of $100,000.00, and any additional advances and other amounts secured thereby, under the terms and provisions thereof. Said Mortgage was amended by instrument dated July 19, 1993 recorded August 3, 1993, in said Bureau, as Document No. 93-125408

10. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and by laws set forth in the Declaration of Condominium Property Regime dated December 1, 1992, recorded in the Bureau of Conveyances, State of Hawaii, on October 27, 1993 as Document No. 93-177325.

11. By-Laws of the Association of Apartment Owners of "1021 SIXTH AVENUE" dated December 1, 1992 and recorded in said Bureau on October 27, 1993 as Document No. 93-177326.

12. Condominium Map No. 1945.

END OF EXHIBIT "B"

EXHIBIT C

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee	x 12 months	Yearly Total
1021	$36	x 12 =	$432
1021-A	$36	x 12 =	$432

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	$57.92 x 12 = $695	
Reserves(*) $14.08 x 12 = $168.96 for repair of roadway easement.		
Taxes and Government Assessments		
Audit Fees		
Other		
TOTAL		

We, Milton George Takao and Tazuko Takao, the developer for the condominium project 1021 Sixth Avenue, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Date: 2/25/94

(*) Mandatory reserves in effect January 1, 1993

EXHIBIT D

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.

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.

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

EXHIBIT E

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) The escrow agreement says under what conditions escrow will disburse buyer's funds.

(e) The escrow agreement says under what conditions buyer's funds will be refunded if buyer cancels the sales contract.

(f) The escrow agreement says what will happen to a buyer's funds upon default under the sales contract.

(g) Escrow will arrange for and supervise the signing of all necessary documents.

(h) 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.

November 4, 1993 (REVISED)

Lester Wong, Attorney-at-Law
A Law Corporation
1088 Bishop Street, Suite 404
Honolulu, Hawaii 96813

Dear Mr. Lester Wong:

Re: 1021 6th Avenue CPR
1021 and 1021-A 6th Avenue
Honolulu, Hawaii

As per your instructions, a visual observation was made on subject property on December 28, 1992 and June 9, 1993.

The purpose of the visitation was to visually examine and comment on the present condition of two separate dwellings on said property. The dwelling which is closest to 6th Avenue is Unit 1021 and the unit towards the rear of the property is Unit 1021-A (see CPR map). Present for walk-thru was Mr. Earl Kawanishi (The Carpenter's Son), and myself. Information was obtained through "As-Builts" provided by The Carpenter's Son, visual walkthru of each dwelling and verbal communication with present tenant of Unit 1021.

UNIT 1021 6TH AVENUE

The dwelling whose address is 1021 6th Avenue is a wooden one story structure with an attached open carport. Although original drawings were not available for verification, it does appear that the structure was constructed at different periods.

Visually, we noted the original structure was constructed on a raised wooden foundation with precast concrete footing blocks. Floor framing consisted of 4X girders, 2X floor joists with what appears to be 1X oak flooring. Original framing does not appear to be pressure treated. Exterior walls were 1" (net) X 8 VJ2SS2S T&G Redwood sheathing. Roof framing consisted of two different systems. On one half, the ceiling was exposed 4X rafters and on the other half, roof trusses with canec ceilings. Roofing material appeared to be asphalt shingles. Shingles and underlayment have not been tested for Asbestos content.

The addition on the rear was constructed with "Slab on Grade". The lower walls were constructed of cmu blocks and the upper with 1X VJ2SS2S T&G Redwood sheathing. Roofing material is similar to the original structure.

In general, existing electrical outlets does appear to be grounded, but we were unable to locate any GFI outlets. We did not visually see any smoke detector. The tenant did

EXHIBIT F

indicate that when the electrical range and dryer runs simultaneously, the main fuse trips. It would appear that there is an electrical problem that should be inspected by a licensed Electrician and/or Electrical Engineer. John Leung of John Leung Electric has indicated that he has corrected the problem (see report dated 6/15/93). At the time of our visitation, we noted that the existing light and plumbing fixtures were in fair condition and in proper operation. The tenant has indicated that she did not encounter any electrical nor plumbing problems.

Existing interior floor covering was wooden parquet flooring. It is unknown whether the original floor covering has been removed or covered. Existing interior and exterior paint has not been checked for lead content.

We did note that the existing range had a range hood but no fire backing. We also noted that the interior bathroom had the jalousie window boarded up. This is in violation of existing building codes. Bathroom needs to be vented with a mechanical exhaust fan. Owner has corrected the problem by installing an exhaust fan (see report dated 6/15/93). On the mauka side of the structure, we noted the floor framing had evidence of termite damage. We also noted exterior siding had damage with droppings. It would appear from the droppings that the termites appear to be live. At this time, we were not positively sure of the extent of damage or whether the termites were still alive. According to the tenant, the house was tented recently. We also noted several girders have been replaced with pressure treated lumber.

Generally, the overall condition of the structure is in good shape considering the age of the building. We estimate the life expectancy of the building to be approximately 20 years. The owner should maintain a scheduled maintenance program (such as; termite treatment, painting, reroofing etc..) to enhance the life expectancy of the building.

UNIT 1021-A 6TH AVENUE

The dwelling whose address is 1021-A 6th Avenue is a wooden two story structure with an attached open carport.

Visually, we noted the structure was constructed on a raised wooden foundation with precast footings on poured in place concrete footings. Floor construction is similar to existing floor framing plans. Finish flooring consist of ceramic tile, parquet wood, and carpeting. Subflooring is plywood. Walls are stud walls with T-111 exterior siding and gypsum board interior siding. Roof framing appears to be trusses with plywood sheathing and asphalt shingle roofing.

At the rear of the lot is a retaining rock wall that abuts the dwelling. It appears that the dirt overflows over the wall and runs down the concrete driveway.

In general, it appears that the existing electrical outlets appear to be grounded. We did not visually note any GFI outlets in the kitchen and master bathroom. John Leung of John Leung Electric has assured the owners that the outlets are GFI (see report dated 6/15/93). Existing smoke detectors was noted in the hallways. Existing light and plumbing fixtures were in good condition.

Existing bar layout appears to indicate that a range and refrigerator was recently removed. Homeowner should be aware that the present building codes allow only 1 kitchen. Existing interior stairs has a door that separate the upper from the lower floor. Door is in violation with existing building codes. Handrail is presently installed at 2'-11 1/2" high. Building code requires that height be set between 30" to 34" high. Owner has removed the door and has assured me that he has corrected the handrail height (see report dated 6/15/93).

Generally, the overall condition of the structure is in good shape. We estimate that the life expectancy of the building to be approximately 35 years. The owner should maintain a scheduled maintenance program (such as; termite treatment, painting, reroofing etc..) to enhance the life expectancy of the building.

Sincerely,

Steven M. Higashiya
Licensed Professional Architect
Hawaii Reg. No. 7689

June 15, 1993

Lester Wong, Attorney-at-Law
A Law Corporation
1088 Bishop Street, Suite 404
Honolulu, Hawaii 96813

Dear Mr. Lester Wong:

Re: 1021 6th Avenue CPR Project
1021 and 1021-A Avenue
Honolulu, Hawaii

Site visitation was made on subject property on June 9, 1993. The purpose of the visit was to visually comment on nonconforming items on previous report has been completed as noted. Information based on visual observations, comments by owner(s), and Electricians receipt.

Electrician: John Yeung Electric
2018 Iholena Street
ph. 595-2829
Lic. # 12153

UNIT 1021 6TH AVENUE

1. It appears that a mechanical exhaust fan has been installed in the bathroom. Owner has informed me that the fan is being exhausted to the exterior.

2. Owner has informed me that the Electrician has installed a separate fuse box for range. Since the installation of the box, the owners have indicated that the fuse has not tripped.

UNIT 1021-A 6TH AVENUE

1. Door at interior stairway has been removed.

2. Owner has indicated to us that he was unsure of how he should measure handrail height. After showing him, he assured me that he would correct the deficiency.

3. Electrician appears to have installed GFI outlets. He also reassured owner that all outlets required to be GFI are GFI outlets.

1021 6th Avenue CPR Project
1021 and 1021-A Avenue
Honolulu, Hawaii

It appears that items noted on previous report has been completed as noted.

Sincerely,

STEVEN M. HIGASHIYA
LICENSED PROFESSIONAL ARCHITECT
No. 7689
HAWAII, U.S.A.

Steven M. Higashiya
Licensed Professional Architect
Hawaii Reg. No. 7689