

CONDOMINIUM PUBLIC REPORT

Prepared & Issued by:

Developer MONICA YONG KIM
Address 47-024 OKANA ROAD, KANEOHE, HAWAII 96744

Project Name (*): OKANA HILLSIDE TERRACE
Address: 47-022 & 47-024 OKANA ROAD
KANEOHE, HAWAII 96744

Registration No. 3509 (CONVERSION)
Effective date: April 30, 2001
Expiration date: May 30, 2002

Preparation of this Report:

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

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

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

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

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

Type of Report:

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.

X 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
This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.
FORM: RECO-30 286/986/189/1190/892/0197/1098/0800

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:

SPECIAL ATTENTION

This is a **CONDOMINIUM PROJECT**, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and 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.

1. 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 been complied with.

2. Facilities and improvements normally associated with county approved subdivisions, such as fire protection devices, County street lighting, electricity, upgraded water facilities, improved access for owner and emergency traffic, drainage facilities, etc., may not necessarily be provided for, and services such as County street maintenance and trash collection will not be available for interior roads and driveways.

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

3. 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.

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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: MONICA YONG KIM Phone: (808) 239-5714
 Name* (Business)
47-024 OKANA ROAD
 Business Address
KANEOHE, HAWAII 96744

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

NONE

Real Estate Broker*: FIRST HAWAIIAN PROPERTY ASSOCIATES, INC. Phone: (808) 239-5714
 Name (Business)
47-024 OKANA ROAD
 Business Address
KANEOHE, HAWAII 96744

Escrow: TITLE GUARANTY ESCROW SERVICES, INC. Phone: (808) 521-0211
 Name (Business)
235 QUEEN STREET
 Business Address
HONOLULU, HAWAII 96813

General Contractor*: NONE Phone: _____
 Name (Business)

 Business Address

Condominium Managing Agent*: SELF-MANAGED BY AOA OKANA HILLSIDE TERRACE Phone: _____
 Name (Business)

 Business Address

Attorney for Developer: RODWIN L. WONG Phone: (808) 373-2260
 Name (Business)
5803 HALEOLA STREET
 Business Address
HONOLULU, HAWAII 96821

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

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

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

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 2277112

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 Okana Hillside Terrace, dated January 19, 2001, filed as Land Court Document No. 2679732.

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. _____
 Filed - Land Court Condo Map No. 1120

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

First Amendment to Condominium Map No. 1120 dated January 19, 2001, filed as Land Court Document NO. 267931.

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 _____ Page _____
 Filed - Land Court: Document No. 2277113

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>100%</u>
Bylaws	65%	<u>100%</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:

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: 47-022 & 47-024 OKANA RD. Tax Map Key (TMK): (1) 4-7-039-019
KANEOHE, HAWAII 96744

Address TMK is expected to change because _____

Land Area: 2.0 square feet acre(s) Zoning: COUNTRY

Fee Owner: MONICA YONG KIM
 Name
47-024 OKANA ROAD
 Address
KANEOHE, HAWAII 96744

Lessor: 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: 5 Floors Per Building: 2

Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood

Other concrete floor, wood sides, wood doors, glass windows, composition roof.

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Commercial	_____	<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"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<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: SEE EXHIBIT "A" (SPECIAL USE RESTRICTION)

Number of Occupants: _____

Other: SEE EXHIBIT "A" (SPECIAL USE RESTRICTION)

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 0 Stairways: 2 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>	<u>TOTAL SQ. FT.</u>
<u>1</u>	<u>1</u>	<u>4/2</u>	<u>2,191</u>	<u>462</u>	<u>GARAGE</u>	
				<u>290</u>	<u>LANAI</u>	
<u>2</u>	<u>1</u>	<u>6/5</u>	<u>3,367</u>	<u>1,000</u>	<u>GARAGE</u>	<u>2,943</u>
				<u>500</u>	<u>SHED</u>	
						<u>4,867</u>

Total Number of 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:

Each of the apartments are separate buildings. Each is intended for residential use. A storage shed is included with Unit 2. Each of the apartments has a separate land area that is a limited common element appurtenant to the apartment.

Permitted Alterations to Apartments:

See Exhibit "B" (Permitted Alterations to Apartments)

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has not elected to provide the information in a published announcement or advertisement.

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular Covered Open</u>	<u>Compact Covered Open</u>	<u>Tandem Covered Open</u>	TOTAL
Assigned (for each unit)	<u>2</u>	_____	_____	<u>4</u>
Guest	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____
Total Covered & Open:	<u>4</u>	<u>0</u>	<u>0</u>	<u>4</u>

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:

There are no recreational or common facilities.

Swimming pool

Storage Area

Recreation Area

Laundry Area

Tennis Court

Trash Chute/Enclosure(s)

Other: _____

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

There are no violations.

Violations will not be cured.

Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

SEE EXHIBIT "C" (Report of Jun J. Sakauye, Architect)

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 "E".

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 "E".

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:

Each apartment has an undivided fifty percent (50%) appurtenant interest in all of the common elements of the project.

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

Exhibit "F" describes the encumbrances against the title contained in the title report dated JAN. 24, 2001 and issued by TITLE GUARANTY OF HAWAII, INC.

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>
MORTGAGE (See Exhibit "F" for details)	There would be a termination of the Buyer's contract to acquire the apartment and the Escrow Agent would refund Buyer's funds, less Escrow Cancellation Fee.

F. Construction Warranties:

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

1. Building and Other Improvements: NONE

2. Appliances: NONE

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

This condominium project is a conversion of existing dwelling units. Unit 1 was constructed in 1975. Unit 2 was constructed in 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 the Developer or Developer's affiliate
 self-managed by the Association of Apartment Owners Other: _____

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

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

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

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

C. **Utility Charges for Apartments:**

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

- None Electricity (___ Common Elements only ___ Common Elements & Apartments)
 Gas (___ Common Elements only ___ Common Elements & Apartments)
 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
- Specimen Sales Contract
Exhibit "H" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated JAN. 30, 1996
Exhibit "I" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

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

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

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

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final 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 issued an effective date by the Hawaii Real Estate Commission.
- B) Declaration of Condominium Property Regime, as amended.
- C) Bylaws of the Association of Apartment Owners, as amended.
- D) House Rules, if any. (NONE)
- 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. 3509 filed with the Real Estate Commission on February 15, 1996.

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

YELLOW paper stock

WHITE paper stock

PINK paper stock

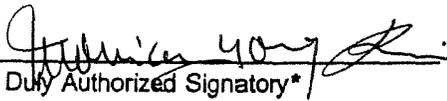
C. Additional Information Not Covered Above

NONE

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

MONICA YONG KIM

Printed Name of Developer

By:  4/10/2001
 Duty Authorized Signatory* Date

MONICA YONG KIM

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, CITY & COUNTY OF HONOLULU

Planning Department, CITY & COUNTY OF HONOLULU

***Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership(LLP) by the general partner; Limited Liability Company(LLC) by the manager or member; and for an individual by the individual.**

EXHIBIT "A"

SPECIAL USE RESTRICTION

The following provisions are set forth in the By-Laws of the Association of Apartment Owners of Okana Hillside Terrace:

Section 4. Use of Project - House Rules. The following shall constitute the initial house rules for the Project, and the Board of Directors, upon giving notice to all apartment owners in the same manner as herein provided for notice of meetings of the Association and opportunity to be heard thereon, may adopt additional rules or amend or repeal any rules and regulations governing details of the operation and use of the common elements not inconsistent with any provision of law, the Declaration or these By-Laws.

(a) All common elements of the project shall be used only for their respective purposes as designed.

(b) No apartment owner or occupant shall place, store or maintain within or upon the driveway any furniture, packages or objects of any kind or otherwise obstruct transit through such common elements.

(c) The road or driveway shall be used for ingress and egress purposes only, and no vehicle shall be left unattended on the driveway within the Project.

(d) Children shall not be permitted to play on the roadway.

(e) Every apartment owner and occupant shall at all times keep his apartment and condo lot neat and clean and in a strictly clean and sanitary condition, and each apartment owner and occupant shall observe and perform all laws, ordinances, rules and regulations now or hereafter made by any governmental authority or the Association for the time being applicable to the use of the Project.

(f) All occupants shall avoid making noises and using musical instruments, radios, televisions, and amplifiers in such manner as may disturb other occupants.

(g) Livestock, poultry, rabbits and other similar animals in reasonable number may be kept by the apartment owners and occupants within their respective condo lots but shall not be kept, bred or used therein for any commercial purpose.

(h) Dogs, cats and other household pets in reasonable number may be kept by the apartment owners and occupants within their respective condo lots but shall not be kept, bred or used therein for any commercial purpose.

END OF EXHIBIT "A"

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS

The following provisions are set forth in the Declaration of Condominium Property Regime of Okana Hillside Terrace:

Alteration of Project. Except as otherwise provided in this paragraph, restoration or replacement of the Project or of any building, or construction of any additional building or structural alteration or addition to any structure, any of which is different in any material respect from said Condominium Map, shall be undertaken by the Association only pursuant to an amendment of this Declaration, and in accordance with complete plans and specifications therefor first approved in writing by the Board and also by the mortgagee of record as shown in the Association's record of ownership, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file of record such amendment together with a complete set of floor plans of the Project as so altered, certified as built by a registered architect or professional engineer.

Notwithstanding any other provision herein contained, new structures and buildings and other improvements, restorations or rebuilding of improvements within an apartment or alterations or additions within or to

an apartment or within a limited common element appurtenant to and for the exclusive use of such apartment, may be done without an amendment to this Declaration or the filing of a set of floor plans of the Project as so altered, but all such work must be in compliance with all statutes, ordinances and governmental rules and regulations and shall not adversely affect use of the driveway or any of the other common elements. Any such construction within Apartment No. 1 or Condo Lot 1 or within Apartment No. 2 or Condo Lot 2 shall require the prior written approval of the Board of Directors.

END OF EXHIBIT "B"

EXHIBIT "C"

July 7, 1995

Jun J. Sakauye
AIA Architect

Mr. Harry Kim
47-024 Okana Rd. Oahu
Tax Map Key 4-739:19

Dear Mr. Kim:

In accordance to you request, I made an inspection of the above noted property on July 7, 1995.

The following is the professional opinion based on my general observation of visible elements at the time of this inspection. The purpose of this inspection was to describe the present condition of visible structural, mechanical, and electrical installation for the use and purpose of the condominium. This opinion shall not be construed to contain a warranty expressed or implied.

Condominium Unit 1

The two story structure generally appears to be in sound condition and the floor plans are accurately drawn. The mechanical and electrical installations appear to be in working conditions consistent with their age.

Condominium Unit 2

The two story structure generally appears to be in sound condition and the floor plans are accurately drawn. The mechanical and electrical installations appear to be in working conditions.

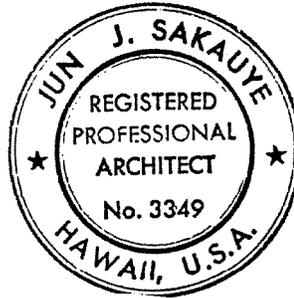
Storage Building

The two story structure generally appears to be in sound condition and the floor plans are accurately drawn. The mechanical and electrical installations appear to be in working conditions.

Yours Truly,



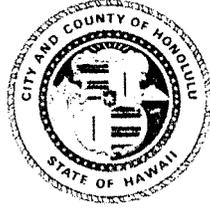
Jun J. Sakauye, Architect



END OF EXHIBIT "C"

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET
HONOLULU, HAWAII 96813



JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI
ACTING DIRECTOR AND BUILDING SUPERINTENDENT

Ex94-123

November 18, 1994

Mr. Rodwin L. Wong
Attorney at Law
5803 Haleola Street
Honolulu, Hawaii 96821

Dear Mr. Wong:

Subject: Condominium Conversion Project
47-022, 47-024 Okana Road
Tax Map Key: 4-7-039: 019

This is in reply to your letter dated October 12, 1994 requesting confirmation that the two dwellings located at 47-024 and 47-022 Okana Road met all applicable code requirements at the time of construction.

Investigation revealed that the one-story single-family dwelling and the two-story single-family dwelling with at least four all weather surface parking spaces met all code requirements when they were constructed in 1976 and in 1992, respectively. The one-story storage shed was constructed in 1992 with Building Permit No. 317537.

For your information, the Building Department cannot determine whether this project contains any legal nonconforming uses or structures as a result of the adoption or amendment of any ordinances or codes.

No variances or special permits were granted to allow deviations from any applicable codes.

EXHIBIT "D"

Mr. Rodwin L. Wong
November 18, 1994
Page 2

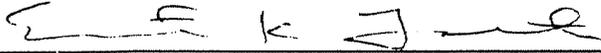
If you have any questions regarding this matter, please contact Mr. Ivan Matsumoto of this office at 527-6341.

Very truly yours,



RANDALL K. FUJIKI
Acting Director and
Building Superintendent

Subscribed and sworn to
before me this 22nd day of
November, 1994.



Notary Public, First Judicial Circuit
State of Hawaii
My commission expires: June 21, 1995

END OF EXHIBIT "D"

EXHIBIT "E"
**DESCRIPTION OF COMMON ELEMENTS AND
LIMITED COMMON ELEMENTS**

COMMON ELEMENTS:

(1) The land described in Exhibit "A" of the Declaration of Condominium Property Regime (the Land) in fee simple and all appurtenant rights;

(2) The road or driveway (driveway) within and across the Land and appurtenant improvements for said road or driveway;

(3) All ducts, electrical equipment, wires, piping and other central and pertinent transmission facilities, installations over, under and across the Land which serves more than one apartment for services such as power, light, water, gas, drainage, sewer, telephone and radio and television signal distribution.

LIMITED COMMON ELEMENTS:

(1) The separate land area designated "Unit 1" as shown on said Condominium Map is a limited common element appurtenant to Apartment 1.

(2) The separate land area designated "Unit 2" as shown on said Condominium Map is a limited common element appurtenant to Apartment 2.

(3) Easement 388 under over and across Unit 1 appurtenant to Apt 2 for utility purposes.

(4) All ducts, electrical equipment, wires, piping and

other central and pertinent transmission facilities, installations over, under and across the land described in Exhibit "A" of the Declaration of Condominium Property Regime which serves one apartment for services such as power, light, water, gas, drainage, sewer, telephone and radio and television signal distribution now existing and which may hereafter be reasonably required by one of the condominium apartments for normal ownership and use of any such apartment.

(5) All income derived from the lease or leases for wireless transmitting equipment located on the limited common element designated as Unit 2 shall be the sole property of the owner or owners of Unit 2. All expenses related to the maintenance or upkeep of the wireless transmitting equipment located on Unit 2 shall be the sole responsibility of the owner or owners of Unit 2.

(6) All other common elements of the Project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

NOTE: The land area denoted as condominium units do not represent legally subdivided lots.

END OF EXHIBIT "E"

EXHIBIT "F"
DESCRIPTION OF ENCUMBRANCES
OKANA HILLSIDE TERRACE

1. Right of Dillingham Brothers, Limited, at any time to relocate easements, roadways and rights of way, subject to the settlement of any dispute caused thereby, by a Judge of the Land Court.

2. Declaration of covenants dated January 21, 1952 and recorded with the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 136425, to wit:

"1. That no hedge, building or structure or any part thereof (except a boundary hedge, fence or wall not more than four (4) feet above the ground line) shall be grown, erected or placed or allowed to remain upon the above described premises within twenty (20) feet from the front street property line, or within six (6) feet from any other street property line.

2. That no "quonset" type of building shall be erected, placed or maintained upon said premises."

3. Rights of water and/or easements for irrigation ditches in favor of Dillingham Brothers, Limited, and/or any of the parties interested in the lands covered by Land Court Certificate of Title No. 47,043.

4. Mortgage dated July 21, 1995 and recorded with the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2251347 with HARRY YOUNG HARK KIM and MONICA YONG KIM as mortgagors.

5. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in Declaration of Condominium Property Regime for "OKANA HILLSIDE TERRACE" Condominium Project dated November 13, 1995, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2277112, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Map No. 1120 and any amendments thereto.)

6. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the By-Laws of the Association of Apartment Owners of "OKANA HILLSIDE TERRACE" Condominium Project dated November 13, 1995, filed in the office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 2277113, as the same may hereafter be amended.

7. Easement 388 as described in Land Court Order No. 135983 filed with the Office of the Assistant Registrar of the Land Court of the State of Hawaii on August 9, 1999.

8. First Amendment to Declaration of Condominium Property Regime of Okana Hillside Terrace filed January 26, 2001 with the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2679732.

9. First Amendment to Condominium Map No. 1120 filed January 26, 2001 with the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 2679731.

10. For real property taxes that may be due and owing, reference is made to the Office of the Tax Assessor, City and County of Honolulu.

END OF EXHIBIT "F"

EXHIBIT "G"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u> x 12 months = <u>Yearly Total</u>
UNIT 1	\$ 172.50 X 12 = \$2,070
UNIT 2	\$ 172.50 X 12 = \$2,070
TOTAL	<hr/> \$4,140

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 Fee x 12 months = Yearly Total

Utilities and Services

Air Conditioning N/A
 Electricity N/A
 [] common elements only
 [] common elements and apartments
 Elevator N/A
 Gas N/A
 [] common elements only
 [] common elements and apartments
 Refuse Collection N/A
 Telephone N/A
 Water and Sewer N/A

Maintenance, Repairs and Supplies

Building N/A
 Grounds \$100 X 12 = \$ 1,200

Management

Management Fee 25 X 12 = 300
 Payroll and Payroll Taxes N/A
 Office Expenses N/A

Insurance 100 X 12 = 1,200

Reserves(*) 50 X 12 = 600

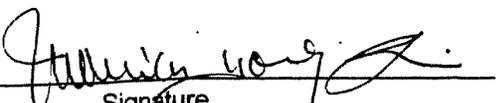
Taxes and Government Assessments 50 X 12 = 600

Audit Fees 20 X 12 = 240

Other

TOTAL 345 X 12 = \$ 4,140

I, MONICA YONG KIM, as agent for/and/or employed by AOAO OKANA HILLSIDE TERRACE condominium managing agent/developer for the OKANA HILLSIDE TERRACE condominium project, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.


 Signature

4/10/2001
 Date

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

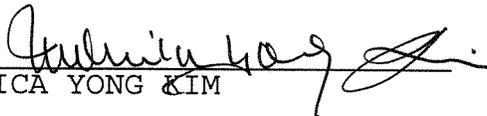
Pursuant to §514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association's first annual meeting.

EXHIBIT "G"

DEVELOPER'S EXPLANATION

In arriving at a figure for "Reserves" in the Estimate of Maintenance Fee Disbursements, the developer has not conducted a reserve study in accordance with Section 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

Date: 4/10/2001



MONICA YONG KIM

Developer

EXHIBIT "H"

SUMMARY OF SALES CONTRACT

The Owner intends to use a standard Deposit Receipt, Offer and Acceptance ("DROA") as the sales contract. The following is a special Addendum to the DROA:

ADDENDUM TO DEPOSIT, RECEIPT, OFFER AND ACCEPTANCE

SPECIAL CONDITIONS:

The following is an addendum to that certain Deposit Receipt, Offer and Acceptance dated , and attached hereto by and between MONICA YONG KIM, as Seller, and _____ as Buyer(s), for the sale and purchase of that certain condominium Apartment No. 1 of the condominium project known as OKANA HILLSIDE TERRACE.

Buyer(s) and Seller hereby agree to the terms and conditions contained in the above designated agreement as well as the following additional special conditions:

1. This is a condominium project established by Declaration of Condominium Property Regime dated November 13, 1995, filed with the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 227711270, as amended by First Amendment filed as Document No. 2679732.

2. Buyer(s) shall be given a copy of all condominium public reports issued by the Real Estate Commission on this project.

3. Any provisions hereof to the contrary; notwithstanding, it is agreed that this contract shall not become binding upon the Seller or Buyer(s) until:

(a) A true copy of the real estate commission's final report on the Project has been delivered to the Buyer, either personally or by registered or certified mail with return receipt requested, together with a true copy of all other public reports thereon, if any, that are still effective and which were issued prior to the date of such delivery and not previously delivered to the buyer.

(b) The Buyer has been given an opportunity to read the reports; and

(c) The Buyer (i) executes the form of the receipt and notice which is set forth in Subsection (d) of Section 514A-62 of the Condominium Property Act; and (ii) waives his right to cancel; provided that if the Buyer does not execute and return the receipt and notice within thirty days from the date of delivery of such reports, or if the Apartment is conveyed to the Buyer prior to the expiration of such thirty-day period, the Buyer shall be deemed to have receipted for the reports and to have waived his right to cancel.

In the event Sellers or Buyer should cancel this contract before it becomes binding upon both the Seller and Buyer, Buyer shall be entitled to the return of all of Buyer's funds; however, the payment of interest to Buyer shall only be in accordance with the provisions of the agreement between the Buyer and Escrow, and if Buyer should terminate, Buyer will have to pay any escrow cancellation fees and other costs charged by Escrow. In the event the contract is cancelled under the provisions of this paragraph, both parties shall be released from all obligations with respect to this contract.

4. NO WARRANTIES. Sellers hereby disclose to Buyer that the improvements of the project are offered "as is" and "where is" without any warranties of any kind as to the physical condition of the improvements. Buyer is advised to engage a contractor, home inspector or other expert to assist Buyer in evaluating the physical condition of the house and other improvements on the Project. Seller specifically disavows and excludes any implied warranties of merchantability, fitness, and/or habitability.

5. NO CONSEQUENTIAL DAMAGES, AND LIMITATION ON RECOVERIES. Buyer(s) waive any claim against Seller for consequential damages, including any claims for emotional distress or loss of use of the apartment or any other improvement(s) on or to the Property, and agree that the warranty excludes consequential damages and is limited solely to the cost of repair or replacement.

6. LIMITED TIME FOR FILING SUIT. Seller and Buyer(s) agree that any suit concerning or relating to this contract or to the building or any other improvement on or to the Property must be filed no later than two (2) years from the date the apartment owner(s) acquires title to his apartment, or be forever barred.

BUYER (S)

SELLER

MONICA YONG KIM

DATE: _____

DATE: _____

END OF EXHIBIT "H"

EXHIBIT "I"

The Escrow Agreement between the Owner and escrow company, Title Guaranty Escrow, sets up an arrangement under which the payments which a purchaser 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 let purchasers know when payments are due.

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

(c) The Escrow Agreement sets forth the conditions that must be met before disbursements of a Buyer's funds.

(d) The Escrow Agreement says under what conditions a refund will be made to a purchaser.

(e) The Escrow Agreement says what will happen to a purchaser's funds upon a default under the Sales Contract.

END OF EXHIBIT "I"