

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer CLARENCE GUNICHI ISHIBASHI and SUE SHIZUE ISHIBASHI
Address 241 Kihapai Street, Kailua, Hawaii 96734

Project Name(*): 241/241-A Kihapai Street
Address: 241 Kihapai Street, Kailua, Hawaii 96734

Registration No. 4015
(Conversion)

Effective date: October 12, 1998
Expiration date: November 12, 1999

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.
FINAL: (white) The developer has legally created a condominium and has filed complete information with the Commission.
SUPPLEMENTARY: (pink) This report updates information contained in the:
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

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report
as Exhibit "H"

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:

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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: CLARENCE GUNICHI ISHIBASHI & SUE SHIZUE ISHIBASHI
Name: 241 Kihapai Street
Business Address: Kailua, Hawaii 96734
Phone: 261-0996 (Business)

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

Four horizontal lines for listing names of officers or general partners.

Real Estate Broker: None (See Page 20)
Name:
Business Address:
Phone: (Business)

Escrow: Old Republic Title & Escrow
Name: 116 Hekili Street, Suite 7
Business Address: Kailua, Hawaii 96734
Phone: 266-0150 (Business)

General Contractor:
Name:
Business Address:
Phone: (Business)

Condominium Managing Agent: Project is to be self-managed
Name:
Business Address:
Phone: (Business)

Attorney for Developer: Michael T. Indie
Name: 228 Kuulei Road
Business Address: Kailua, Hawaii 96734
Phone: 261-7979 (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
 Recorded -Bureau of Conveyances: Document No. 98-124513
Book _____ Page _____
 Filed - Land Court: Document No. 2479961

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, Bylaws of the Association of Condominium Owners and Condominium Map dated 9/18/98, recorded in the Bureau of Conveyances as Document No. 98-141467 and filed as Land Court Document No. 2486516.

- 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. 2784
 Filed - Land Court Condo Map No. 1254

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]: Amendment of Declaration of Condominium Property Regime, Bylaws of the Association of Condominium Owners and Condominium Map dated 9/18/98, recorded in the Bureau of Conveyances as Document No. 98-141467 and filed as Land Court Document No. 2486516.

- 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. 98-124514
Book _____ Page _____
 Filed - Land Court: Document No. 2479962

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

Amendment of Declaration of Condominium Property Regime, Bylaws of the Association of Condominium Owners and Condominium Map dated 9/18/98, recorded in the Bureau of Conveyances as Document No. 98-141467 and filed as Land Court Document No. 2486516.

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>65%</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: 241 and 241-A Kihapai Street Tax Map Key (TMK): 4-3-60-91(1)
Kailua, Hawaii 96734

[X] Address [X] TMK is expected to change because a new land unit will be created
as a result of the Project.

Land Area: 10,162 [X] square feet [] acre(s) Zoning: R-5

Fee Owner: CLARENCE GUNICHI ISHIBASHI and SUE SHIZUE ISHIBASHI
 Name
241 Kihapai Street
 Address
Kailua, Hawaii 96734

Lessor: N/A
 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: 2 Floors Per Building 1
 Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood
 Other Masonry Brick

4. Uses Permitted by Zoning:

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

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

5. Special Use Restrictions:

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

- Pets: Sections 5.5(g) 45.12 of By-Laws
- Number of Occupants: _____
- Other: _____
- There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: none Stairways: none Trash Chutes: none

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>241</u>	<u>1</u>	<u>3/2</u>	<u>1,574.73</u>	<u>304.50</u>	<u>garage</u>
<u>241-A</u>	<u>1</u>	<u>3/2</u>	<u>1,378.52</u>	<u>n/a</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>
<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</u>	<u>_____</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: See Exhibit "A"

Permitted Alterations to Apartments: Individual unit owners may, at their sole discretion, and at their own expense, remodel, expand or otherwise alter their unit, provided said alterations are done in complete accordance with all applicable ordinance codes, rules, regulations and other requirements in force at the time of said construction. All alterations shall be completed expeditiously and in the manner set forth in Section XVI of the Declaration.

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>		
Structures	<u>X</u>	<u>X</u>	<u>X</u>
Lot	<u>X</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 B.

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 C.

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 unit and it's Owner(s) shall have appurtenant thereto a one-half (1/2) fractional interest (50.0 percentage interest) in the common elements of the Project, for all purposes, including voting, said interest being referred to as the "common interest".

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 D describes the encumbrances against the title contained in the title report dated 7/22/98

and issued by Old Republic Title and Escrow of Hawaii.

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.

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

[] 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>
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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:**

Project is a conversion of existing dwellings:
Unit 241 Kihapai Street constructed in 1949
Unit 241-A Kihapai Street constructed in 1964

H. **Project Phases:**

The developer has 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 the 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 E 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 A standard D.R.O.A. contract is being used Exhibit F contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated August 19, 1998 Exhibit F contains a summary of the pertinent provisions of the escrow agreement.
Exhibit G - Verified Statement from County Official Re:
- Other Conversion Units; Exhibit H - Disclosure Abstract

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.

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

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Contingent Final Public Report **OR** the Supplementary Public Report which has superseded the Contingent 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.

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.

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.
 - 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. 4015 filed with the Real Estate Commission on August 25, 1998.

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

1. Disclosure re: Selection of Real Estate Broker

This public report shall not bind a purchaser to the sale of any apartment until (1) Developer first submits to the Real Estate Commission a duly executed disclosure abstract identifying the designated sales agent, and a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, and (2) gives a copy of said disclosure abstract to the purchaser together with a copy of the Public Report.

If the Developer, as the owner, chooses to represent themselves in the sale of an apartment, said abstract need not be given to the purchaser, as all necessary disclosures are covered in this report. Developers are not licensed real estate brokers or sales persons.

2. Notice to Tenants There are no tenants occupying the units. In the event Developer decides to sell any of the units, he is aware of the effect of Hawaii Revised Statutes 514A-105 and will first offer a unit to any individual occupying the unit who submits an owner/occupant affidavit approved by the Real Estate Commission and makes an earnest money deposit in a reasonable amount.

3. Disclosure of Possible Illegal Canopy/Awning

Prospective Purchasers of a unit are notified that the canopy/awning attached to the carport of the unit adjacent to Kihapai Street may be illegal as non-permitted and may have to be removed if so required by the Building Department of the State of Hawaii.

INDIVIDUAL UNIT DESCRIPTION

The Declaration of CPR and plans submitted by the Developer indicate that 241/241-A Kihapai Street is a fee simple condominium conversion project consisting of a total of two condominium units, each comprising of a separate single-family structure. The units are described as follows:

- (a) "241 Kihapai Street" consists of a separate single story brick and wood frame structure, without basement, containing three bedroom two baths, family room, living room, dining room, kitchen and laundry rooms - all containing a net interior living area of approximately 1,574.73 square feet. Said unit also contains an attached garage of approximately 304.50 square feet.
- (b) "241-A Kihapai Street" consists of a separate single story hollow tile and wood frame structure, without basement, containing two bedrooms, two baths, den, living/dining room and kitchen - all containing a net living area of approximately 1,378.52 square feet. Said unit also has three open parking stalls.

COMMON ELEMENTS

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

- (a) The land in fee simple;
- (b) All ducts, electrical equipment, building and other central and appurtenant installations for common services, if any, including power, light, water, sewage, irrigation and telephone;
- (c) Any and all other elements and facilities rationally in common use or necessary to the existence, upkeep and safety of the Project.

EXHIBIT "B"

LIMITED COMMON ELEMENTS

Certain parts of the common elements, herein referred to as the "limited common elements", are designated and set aside for the exclusive use of one or more apartments, and such apartment(s) shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

- (a) That certain land area upon and around which "241 Kihapai Street" is located, shown and designated on the Condominium Map, is deemed a limited common element appurtenant to and for the exclusive use of said 241 Kihapai Street;
- (b) That certain land are upon and around which "241-A Kihapai Street" is located, shown and designated on the Condominium Map, is deemed a limited common element appurtenant to and for the exclusive use of said "241-A Kihapai Street";

All costs of every kind pertaining to the aforesaid limited common elements, including, but not limited to, costs of landscaping, maintenance, repair, replacement and improvements, shall be borne solely by the owner of the unit to which said limited common elements are appurtenance.

NOTE: The land area appurtenant to each apartment does not represent a legally subdivided lot.

EXHIBIT "C"

EXHIBIT "D"

ENCUMBRANCES AGAINST TITLE

1. For real property taxes County of Honolulu that may be due and owing reference is made to Director of Finance, Real Property Assessment Division

TAX MAP KEY (1) 4-3-60-91

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

----- Informational Notes-----

1. If this transaction involves a Construction Loan, we must inspect the subject property immediately prior to recordation of the mortgage on said loan in order to determine our priority over potential mechanic's lien. In the event of a loss of priority due to construction work having commence on the site prior to the recordation of the construction loan mortgage, signed Indemnity Agreements and financial statements from all the owners, developer and general contractor, must be submitted to the title department at least 3 working days prior to the close of escrow.

2. The last recorded instrument(s) conveying record title to the premises is/are:

(A) DEED

Dated : April 7th, 1964
Recorded : April 10th, 1964 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 329033
Grantor : DONALD SATOSHI HINA and IRENE MIEKO HINA, husband and wife
Grantee : CLARENCE GUNICHI ISHIBASHI and SUE SHIZUE ISHIBASHI, husband and wife, as Tenants by the Entirety

Being all of the property described in and covered by Transfer Certificate of Title No. 96,611.

(B) DEED

Recorded : April 10th, 1964 in the Bureau of Conveyances, State of Hawaii, in Book 4727, Page 27
Grantor : HENRY L. L. WONG, husband of Blossom C. Wong
Grantee : CLARENCE GUNICHI ISHIBASHI and SUE SHIZUE ISHIBASHI, husband and wife, as Tenants by the Entirety

EXHIBIT "D"

3. Declaration of Condominium Property Regime of 241/241-A Kihapai Street Condominium Project dated April 16, 1998, recorded as Document No. 98-124513, further amended by Declaration of Condominium Property Regime dated September 18, 1998, recorded as Document No. 98-14167. Condominium Map 2784.

4. By-Laws of the Association of Condominium Owners of 241/241-A Kihapai Street Condominium Project dated April 16, 1998, recorded as Document No. 98-124514.

The land referred to in this Report is situated in the State of Hawaii, and is described as follows:

FIRST:

All that certain parcel of land situate at Kailua, District of Koolaupoko, City and County of Honolulu, State of Hawaii, described as follows:

Lot 777, area 7,912.0 square feet, more or less, as shown on Map 192, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 495 of Arthur Hyde Rice.

TOGETHER WITH a perpetual easement or right of way for any and all purposes to be used and enjoyed in common with all others legally entitled thereto, over, across, along, upon and under Lots 445, 487, 572, 573, 574 and 575, as shown on Map 108 of said Application No. 495.

SECOND:

That certain parcel of land situated along the Southerly boundary of Kailua Coconut Grove Tract, Land Court Application 495, at Kailua, Koolaupoko, Oahu, Hawaii, and being LOT NO. 37 of Kihapai Parcels, containing an area of 2,249 square feet, more or less, as shown on File Plan 784 in the Hawaiian Registry of Conveyances.

Being all of the property described in the following:

(A) DEED

Dated : April 7th, 1964
Recorded : April 10th, 1964 in the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 329033
Grantor : DONALD SATOSHI HINA and IRENE MIEKO HINA, husband and wife
Grantee : CLARENCE GUNICHI ISHIBASHI and SUE SHIZUE ISHIBASHI, husband and wife, as Tenants by the Entirety

EXHIBIT "D"

Being all of the property described in and covered by Transfer Certificate of Title No. 96,611.

(B) DEED

Recorded : April 10th, 1964 in the Bureau of Conveyances, State of Hawaii, in
Book 4727, Page 27

Grantor : HENRY L. L. WONG, husband of Blossom C. Wong

Grantee : CLARENCE GUNICHI ISHIBASHI and SUE SHIZUE ISHIBASHI,
husband and wife, as Tenants by the Entirety

ESTIMATED MAINTENANCE FEES/COSTS

MAINTENANCE FEES:*

Since there are no common elements requiring regular maintenance or repair, Developer anticipates that it will not be necessary to assess maintenance fees. The regular maintenance and repair of each condominium unit, including utility charges, is the sole responsibility of each respective unit owner.

INDIVIDUAL INSURANCE:

Section 514-86, Hawaii Revised Statutes requires that fire insurance be purchased to cover the improvements portion of the Project. Developer anticipates that the Association will elect to obtain separate policies for each individual apartment pursuant to Section XIC(c) of the Declaration. As such, the premiums on said policies will be the individual responsibility of each unit owner rather than the common expenses of the Project.

* Note: Developer has not conducted a reserve study in accordance with Section 514A-83.6, Hawaii Revised Statutes, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

EXHIBIT "E"

SUMMARY OF SALES CONTRACT AND ESCROW ARRANGEMENTS

SALES CONTRACT: Developer is using the standard Hawaii Board of Realtors' Deposit Receipt, Offer and Acceptance (DROA) form as the intended sales contract for the Project. Reference is hereby made thereto.

ESCROW ARRANGEMENTS: The Escrow Agreement, dated August 19, 1998 identifies Old Republic Title & Escrow as Escrow for the Project. The Escrow Agreement establishes how proceeds from the sale of condominium units and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a Purchaser shall be entitled to a refund of this funds, and Escrow shall pay said funds to Purchaser, without interest and less cancellation fees and costs, if Purchaser shall in writing request refund of his funds and Escrow receives a written request from Developer to return to Purchaser the funds of said Purchaser. Said cancellation fees shall be in the minimum of \$25.00, but in no event shall exceed the agreed upon escrow fee provided for in said Escrow Agreement, the exact amount to be commensurate with the amount of work completed at the time of cancellation.

SUMMARY OF PERTINENT PROVISIONS FROM THE SALES CONTRACT:

- a. Any funds deposited with escrow in accordance with a contract shall not earn interest.
- b. Time is of the essence, meaning Seller and Buyer must perform their obligations in a timely manner.
- c. If a Buyer fails to meet his obligations under the contract such may be a default. If a Buyer is in default, the Seller may (i) sue for breach of contract or (ii) retain any deposits made by Buyer as damages.
- d. The property is being sole "AS IS". No warranties as to the condition or use of the property are given by Seller. Buyers are advised to conduct their own inspection of the property.

BUILDING DEPARTMENT
CITY AND COUNTY OF HONOLULU

HONOLULU MUNICIPAL BUILDING
650 SOUTH KING STREET, 2ND FLOOR • HONOLULU, HAWAII 96813
PHONE: (808) 523-4564 • FAX: (808) 523-4567



JEREMY HARRIS
MAYOR

RANDALL K. FUJIKI
DIRECTOR AND BUILDING SUPERINTENDENT

ISIDRO M. BAQUILAR
DEPUTY DIRECTOR AND BUILDING SUPERINTENDENT

Ex98-23

May 27, 1998

Mr. Michael T. Indie
Attorney at Law
228 Kuulei Road
Kailua, Hawaii 96734

Dear Mr. Indie:

Subject: Condominium Conversion Project
241 and 241-A Kihapai Street
Tax Map Key: 4-3-60: 91

This is in response to your letter dated March 25, 1998 requesting verification that the condominium project located at 241 and 241-A Kihapai Street met all code requirements at the time of construction.

Investigation revealed the two one-story structures with at least four all-weather off-street parking spaces met all code requirements when they were constructed in 1949 and 1964. The carport is considered to be a nonconforming structure. However, there is no record of a building permit for the canopy connected to the left side of the carport.

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

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

Mr. Michael T. Indie
May 27, 1998
Page 2

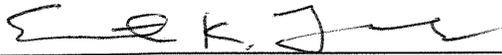
If you have any questions regarding this matter, please
contact Mr. Ivan Matsumoto at 527-6341.

Very truly yours,



RANDALL K. FUJIKI
Director and
Building Superintendent

Subscribed and sworn to
before me this 2nd day of
June, 1998.



Notary Public, First Judicial Circuit

State of Hawaii
My commission expires: June 21, 1999

DISCLOSURE ABSTRACT

241/241-A Kihapai Street
Condominium Project
Dated April 16, 1998

Pursuant to Section 514A-61, Hawaii Revised Statutes, Condominium Property Act

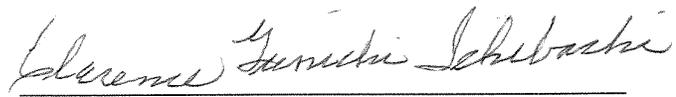
- DEVELOPER** CLARENCE GUNICHI ISHIBASHI and SUE SHIZUE ISHIBASHI
241 Kihapai Street, Kailua, Hawaii 96734
Telephone: 261-0996
- PROJECT
MANAGER** Self managed by Association of Condominium Owners
- USE OF
CONDOMINIUM
UNITS** Both units comprising the Project are for residential purposes only.
There is no non-residential development in the Project.
- WARRANTIES** Purchaser should be aware that the "condominium units" of the Project are both existing single-family homes. Said homes have unavoidably undergone a certain amount of "wear and tear" commensurate with their age. Accordingly, purchasers should not expect the home they desire to buy to be in "like-new" condition. No warranties for fitness of use or merchantability or any other kind are made as to the individual condominium units or the common elements of the project. Purchasers are advised to conduct their own inspection of the unit they desire to buy. The units are sold "as is".
- STRUCTURAL
COMPONENTS AND
MECHANICAL AND
ELECTRIAL
INSTALLATIONS** Based on a report prepared by an independent registered architect, it is the Developer's opinion that all structural and mechanical and electrical installations material to the use and enjoyment of the individual condominium units appear to be sound and in satisfactory working condition. However, no representations of any kind are made as to the expected useful life, if any, of the structural components and mechanical and electrical installations material to the use and enjoyment of the condominium unit(s).

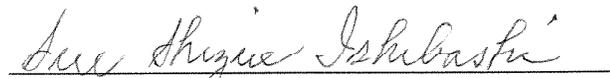
EXHIBIT "H"

Page 1

CODE
VIOLATIONS

To the best of the knowledge, information and belief of the undersigned, there are no outstanding notices of tenured violations of the building code or other municipal regulations of the City and County of Honolulu.


CLARENCE GUNICHI ISHIBASHI


SUE SHIZUE ISHIBASHI

Developer(s)