

CONDOMINIUM PUBLIC REPORT

Prepared &

Issued by: Developer (see attached)
Address 3619 Betshan Road, Honolulu, Hawaii 96816

Project Name(*): 3619 BETHSHAN CPR
Address: 3619 Bethshan Road, Honolulu, HI, 96816

Registration No. 4051
(Conversion)

Effective date: February 2, 1999
Expiration date: March 2, 2000

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: 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.
(yellow)

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

SUPPLEMENTARY: This report updates information contained in the:
(pink)
[] 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

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by
Developer:

ISAO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **ISAO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-038381, an Undivided One-Half (1/2) Interest; and

MASUKO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **MASUKO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-038382, an Undivided One-Half (1/2) Interest, as Tenants in Common

3619 Bethshan Road
Honolulu, HI. 96816

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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: Developer ISAO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by ISAO OKADA, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38381, an Undivided One-Half (1/2) Interest, and MASUKO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by MASUKO OKADA, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38382, an Undivided One-Half (1/2) Interest, as Tenants in Common

3619 Bethshan Road
Honolulu, HI. 96816

PHONE: (808) 734-2954

Real Estate
Broker:

None selected. See Page 20

Name

Business Address

Phone: _____
(Business)

Escrow:

DEVELOPERS ESCROW SERVICES

Name

2024 No. King Street

Business Address

Honolulu, HI. 96819

Phone: (808) 848-2216
(Business)

General

Contractor:

(none at present)

Name

Business Address

Phone: _____
(Business)

Condominium

Managing

Agent:

Self-managed by AOA

Name

3619 Bethshan Road

Business Address

Honolulu, HI. 96816

Phone: _____
(Business)

Attorney for

Developer:

KERRY M. KOMATSUBARA

Name Furutani, Sato & Komatsubara

Suite 600, 220 So. King St.

Business Address

Honolulu, HI. 96813

Phone: (808) 528-1000
(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. 98-133042
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

- 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. 2794
 Filed - Land Court Condo Map No. _____

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

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

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. 98-133043
Book _____ Page _____
 Filed - Land Court: Document No. _____

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

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

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents**

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

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

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>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:

See attached Exhibit "A"

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: 3619 Bethshan Road
Honolulu, HI. 96816

Tax Map Key (TMK): (1) 3-2-33-10

Address TMK is expected to change because _____

Land Area: 9,863

square feet

acre(s)

Zoning: residential

Fee Owner: ISAO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by ISAO OKADA, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38381, an Undivided One-Half (1/2) Interest, and

MASUKO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by MASUKO OKADA, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38382, an Undivided One-Half (1/2) Interest, as Tenants in Common

3619 Bethshan Road
Honolulu, HI. 96816
Phone: 734-2954

1. New Building(s) Conversion of Existing Building(s) Both New Building(s) and Conversion
Unit A - 2 story
2. Number of Buildings: 2 Floors Per Building Unit B - 1 story with loft
 Exhibit _____ contains further explanations.

3. Principal Construction Material:

- Concrete Hollow Tile Wood Unit A - hollow tile/wood
 Other _____ Unit B - hollow tile

4. Uses Permitted by Zoning:

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

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

Yes No

The Project consists of two (2) separate buildings. Unit A is constructed principally of hollow tile on the first floor and wood on the second floor with foundation of reinforced concrete. The roof of Unit A is covered with asphalt shingles. The present existing Unit B will be demolished and reconstructed to existing code.

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 Section 2 of the By-Laws

Number of Occupants: _____

Other: _____

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: -- Stairways: 2 Trash Chutes: --

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Net Other Area (sf)	(Identify)
<u>UNIT A</u>	<u>1</u>	<u>3/3</u>	<u>3,107 sq.ft.</u>	_____	_____
<u>UNIT B</u>	<u>1</u>	<u>2/1 1/2</u>	<u>3,193 sq.ft.</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 apartment is a free standing building and the perimeter of each of the apartments into which the Project is so divided shall be established by the exterior face of the free standing building's walls; the exterior face of any glass windows, doors, panels or railings along the perimeter of each free standing building; and the inner decorated or finished surface of the floors and ceilings. Each of the apartments shall include all walls, partitions, floors, ceilings and other improvements within said perimeter.

Permitted Alterations to Apartments:

See attached Exhibit "B"

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	
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):
The overall condition of Unit A is good considering the age of the building. Assuming the owner performs scheduled maintenance such as termite treatment, painting, etc., life expectancy of Unit A is estimated to be 20-30 years. Present Unit B will be demolished and a new Unit B will be built in its place.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

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

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

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

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

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

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

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

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

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

described in Exhibit C .

as follows:

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

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

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

[X] described in Exhibit "D"*.

[] as follows:

*Note: Land areas referenced herein are not legally subdivided lots.

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

[] described in Exhibit _____.

[X] as follows:

Each Unit shall have appurtenant thereto an Undivided 50% Interest in all common elements of the Project (herein called the "Common Interest"), and the same proportionate share in all common profits and expenses of the Project and for all other purposes.

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 "E" describes the encumbrances against the title contained in the title report dated Sept. 23, 1998

and issued by ISLAND TITLE CORPORATION

Blanket Liens:

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

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

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: none

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:

2. Appliances:

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

Both Unit A and Unit B were built in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of their construction and relocated to the present site. Unit B will be demolished and a new Unit B will be constructed in its place.

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
- self-managed by the Association of Apartment Owners
- the Developer or the Developer's affiliate.
- Other: _____

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

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, 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 _____ contains a schedule of estimated initial maintenance fees and maintenance fee disbursements (subject to change).

See attached Disclosure Abstract (Exhibit H) *

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
- Gas
- Water
- Other _____
- Electricity (_____ Common Elements only _____ Common Elements & Apartments)
- Sewer
- Television Cable

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

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 F contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated October 9, 1998
Exhibit G 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.
- 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. 4051 filed with the Real Estate Commission on October 23, 1998.

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

[] YELLOW paper stock [x] WHITE paper stock [] PINK paper stock

C. Additional Information Not Covered Above

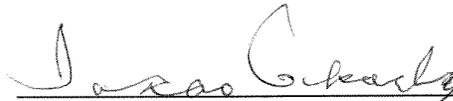
Each apartment is freestanding and each has direct access to Bethshan Road. Each apartment has its own water meter for water hook-up and services and its own electrical meter and electrical lines. The utilities and water services will be billed separately.

Disclosure regarding selection of Real Estate Broker

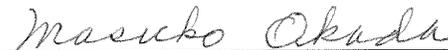
The Developer does not presently intend to use a real estate broker for the sale of apartments in the project.

In the event the Developer chooses to use a real estate broker for the sale of an apartment, prior to entering into a binding contract for such sale the Developer shall (1) submit to the Real Estate Commission a duly executed copy of a broker listing agreement with a Hawaii-licensed real estate broker, together with a duly executed disclosure abstract identifying the designated broker, and (2) provide a copy of the disclosure abstract to the purchaser together with a copy of this public report.

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



ISAO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **ISAO OKADA**, as Settlor, a short form of which is recorded in the Bureau of conveyances, State of Hawaii, as Document No. 93-38381, an Undivided One-half (1/2) Interest; and



MASUKO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **MASUKO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38382, an Undivided One-Half (1/2) Interest, as Tenants in Common

"Developer"

Date: AUGUST 31, 1998

Distribution:

Department of Finance: _____ City and County of Honolulu

Planning Department: _____ City and County of Honolulu

EXHIBIT "A"

DEVELOPER'S RESERVED RIGHTS

The Developer (Declarant) has reserved the following rights to change the Declaration, Condominium Map, By-Laws or House Rules:

1. Paragraph 22 of the Declaration provides:

(1) at any time prior to the first filing in the Recording Office of a conveyance of a Unit, the Declarant may amend this Declaration (including all exhibits) and the By-Laws in any manner, without the consent of any Unit purchaser; and (2) at any time thereafter, the Declarant may amend this Declaration (and when applicable, the Condominium Map) to file the "As Built" verified statement required by Section 514A-12 of the Act (i) so long as such statement is merely a verified statement of a registered architect or professional engineer certifying that the final plan thereto filed fully and accurately depicts layout, location, unit numbers, and the dimensions of an improvement or change in a unit as built; or (ii) so long as the plans filed therewith involve only immaterial changes to the layout, location, or dimensions of the units as built or any change in any apartment number.

2. Paragraph 23 of the Declaration provides:

The Declarant has reserved the right for itself and its agents to do the following:

23.1 Declarant shall have the right to have the present Unit B demolished and a new Unit B will be built in its place. The new Unit B will be similar, but not identical, in total ground area, except that the new Unit B will also include a new double carport/outdoor patio area that will be located on that certain area between Unit A and Unit B (which is noted on the Condominium Map as "future carport/patio"). The Association shall have the right to inspect and reasonably approve the plans and specifications for the new Unit B and upon its approval, the common area of the Project shall be amended to reflect that the new double carport/outdoor patio area of Unit B will not be a common area of the Project.

23.2 The Declarant shall have the right to enter upon the Land and the Project and carry on such construction and demolition activities as may be necessary in connection with such alterations, modifications and restorations, including, but not limited to, parking and storage of construction equipment and materials, provided that the Declarant shall not interfere with the rights of any unit owner to the use of, or access to, his unit or any of the common elements appurtenant thereto.

EXHIBIT "B"

PERMITTED ALTERATIONS TO APARTMENTS. Paragraph 21.1 of the Declaration states:

"Except as contemplated in Section 23 herein (i.e., the demolition of the present Unit B and the building of a new Unit B in its place) changes to the Project or any buildings thereof or construction of any additional building or structural alteration or addition to any building, different in any material respect from the Condominium Map of the Project, shall be undertaken by the Association of Unit Owners only pursuant to an amendment of the Declaration, duly executed by or pursuant to vote of all the Unit Owners and accompanied by the written consent of the holders of all liens affecting any of the units, and in accordance with complete plans and specifications therefor first approved in writing by the Board, and promptly upon completion of such restoration, replacement or construction, the Association shall duly file such amendment in said Office, together with a complete set of the floor plans of the Project as so altered, certified as built by a registered architect or professional engineer."

Paragraph 21.3 of the Declaration states:

"In the event any Unit owner seeks to rebuild, modify and/or add to their respective unit, the Association shall cooperate with the Unit owner and reasonably amend this Declaration to allow such rebuilding, modification and/or addition; provided, however, that all improvements of the Unit owner shall be (i) located on the areas designated as a limited common element for the said unit owner, (ii) set back at least five (5) feet from the perimeter of the said Unit owner's limited common area as shown on the Condominium Map, and (iii) in compliance with all building code requirements of the City and County of Honolulu and the State of Hawaii. In addition, all Unit owners shall consent to such improvements and shall use their best faith efforts to obtain the written consent of holders of all liens affecting the project, if any."

EXHIBIT "C"

COMMON ELEMENTS. Paragraph 5 of the Declaration designates certain portions of the Project as "common elements", including specifically but not limited to:

1. The Land in fee simple;
2. All yards, grounds, landscaping, trash storage area, building walkways, building sidewalks, pathways and driveways within the Project, except for those certain yards and grounds designated as Limited Common Elements.
3. All ducts, electrical equipment, wiring and other central and appurtenant installations, including power, light, water, sewer, gas and telephone; all pipes, plumbing, wires, conduits or other utility service lines, which run through a Unit; and air conditioning and like utilities, if installed.
4. All other portions of the Land and improvements not specifically heretofore designated as "Units" but which are intended for common use and all other devices and installations existing for or rationally of common use or necessary to the existence, upkeep and safety of the Condominium Property Regime.

EXHIBIT "D"

LIMITED COMMON ELEMENTS. Paragraph 6 of the Declaration designates:

6.1 Certain parts of the common elements, herein called the "Limited Common Elements", are hereby designated and set aside for the exclusive use of each Unit, and each Unit shall have appurtenant thereto exclusive easements for the use of such limited common elements.

6.2 The site of each Unit, called on the Condominium Map a "Unit", consisting of the land beneath the Unit and adjacent thereto, as shown and delineated as a "Unit" on said Condominium Map. Unit A (which includes the double carport fronting Bethshan Road) is for the exclusive use of Unit A. Unit B (which includes the double carport) is for the exclusive use of Unit B.

6.3 The parties understand and agree that a portion of area of Unit B's limited common elements will in the future be used for a double carport or outdoor patio area for Unit B's exclusive use. It is the intention of the Declarant that this double carport/outdoor patio area will become a part of Unit B and that the area encumbered by said use will at that point in time no longer be a common area of the Project; provided, however, that the use and maintenance of the double carport/outdoor patio area will be subject to regulations and restrictions reasonably set by the Association.

6.4 The parcel designated on the Condominium Map as "asphalt driveway" is for the exclusive use of Unit B; RESERVING, HOWEVER onto the owner of Unit A the limited right to access over and across said asphalt driveway for purposes of maintenance, painting, repair, replacement and improvement, etc.

6.5 The mailbox affixed to concrete wall of Unit A and noted on the Condominium Map as "Unit B Mailbox" is for the exclusive use of Unit B.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Title to all minerals and metallic mines reserved to the State of Hawaii.
2. Condominium Map No. 2794, filed in the Bureau of Conveyances, State of Hawaii.
3. Covenants, conditions, restrictions, reservations, agreements, obligations, easements and other provisions set forth in the Declaration of Condominium Property Regime dated -- recorded on September 8, 1998 as Document No. 98-133042.
4. Terms and provisions contained in the By-Laws of the Association of Apartment Owners of 3619 Bethshan CPR dated August 31, 1998 recorded on September 8, 1998 as Document No. 98-133043.
5. Any and all covenants, conditions, restrictions and easements encumbering the apartment herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, and/or as delineated on said Condominium Map.

EXHIBIT "F"

SUMMARY OF THE PROVISIONS OF THE SALES CONTRACT

The apartments are not presently for sale. However, should the Developer decide to offer the apartments for sale, a brief summary of the Sales Contract that will be used follows:

The Sales Contract contains the price and other terms and conditions under which a purchaser will agree to buy an apartment in the Project. Among other things, the Sales Contract says:

(a) A buyer must obtain his own financing. Buyer acknowledges that this Sales Contract is contingent on any financing after the issuance of the final public report.

(b) That a purchaser's money will be held in escrow, under the terms of the Escrow Agreement.

(c) That interest on deposits shall belong to the Buyer so long as said funds are held in escrow.

(d) That the unit will be subject to various other legal documents which the buyer certifies that he has examined.

(e) That the buyer must close the purchase at a certain date and pay closing costs, in addition to the purchase price.

The Sales Contract contains various other provisions with which the purchaser should become acquainted.

It is expressly understood and agreed: First, in the event Buyer fails to pay the balance of the purchase price or complete the purchase as herein provided, Seller may (a) bring an action for damages for breach of contract; (b) retain the initial deposit and all additional deposits provided for herein, as liquidated damages; and (c) Buyer shall be responsible for any cost incurred in accordance with this contract. Second: In the event Seller fails to perform his obligations as herein provided, Buyer not being in default, Buyer may (a) bring an action against Seller for damages for breach of contract; (b) file and maintain an action against Seller for specific performance of this contract; and (c) Seller shall be responsible for any cost incurred in accordance with this contract. The foregoing shall not exclude any other remedies available to either Seller or Buyer. In the event of default and/or a lawsuit arising out of this contract (including a suit by a REALTOR for commission), the prevailing party shall be entitled to recover all costs incurred including reasonable attorney's fees. All expenses incurred by escrow shall be deducted from deposited funds prior to any disbursement to the prevailing party.

EXHIBIT "G"

SUMMARY OF ESCROW AGREEMENT

The apartments are not presently for sale. However, should the Developer decide to offer the apartments for sale, a brief summary of the terms of the Escrow Agreement between the Developer and **DEVELOPERS ESCROW SERVICES, INC.**, dated October 9, 1998 follows:

The Escrow Agreement sets up an arrangement under which the deposits 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) Developer will let purchasers know when payments are due.

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

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

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

The Escrow Agreement contains various other provisions and establishes certain charges with which the purchaser should become acquainted.

EXHIBIT "H"

"3619 BETHSHAN CPR"

REGISTRATION NO. 4051

DISCLOSURE STATEMENT as of August 31, 1998

1. (A) PROJECT: **"3619 BETHSHAN CPR"**
3619 Bethshan Road
Honolulu, HI. 96816
- (B) DEVELOPER: **ISAO OKADA**, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **ISAO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38381, an Undivided One-Half (1/2) Interest; and **MASUKO OKADA**, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **MASUKO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38382, an Undivided One-Half (1/2) Interest, as Tenants in Common

3619 Bethshan Road
Honolulu, HI. 96816

Telephone No. 734-2954 (res.)
- (C) MANAGING AGENT: self managed by AOA
2. Maintenance Fees: None at present. In the future as the need and necessity arises, the maintenance fees shall be based upon generally accepted accounting principles.
3. Commencement of Maintenance fees: At such time that the Association decides to assess maintenance fees.
4. Warranties: The Project is a fee simple condominium project and there are no warranties.
5. The **"3619 BETHSHAN CPR"** Condominium Project consists of two (2) units which will be used for residential purposes by the owners thereof, their tenants, families and domestic servants and social guests, and for no other purpose. UNIT B is anticipated to be sold to Declarants' daughter and son-in-law after the completion of the condominium property regime.

DATED at Honolulu, Hawaii, AUGUST 31, 1998.

Isao Okada

ISAO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **ISAO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38381, an Undivided One-half (1/2) Interest; and

Masuko Okada

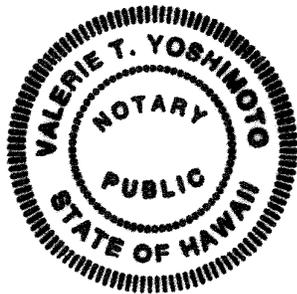
MASUKO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **MASUKO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38382, an Undivided One-Half (1/2) Interest, as Tenants in Common

Subscribed and sworn to before me this 31st day of August, 1998.

Valerie J. Yoshimoto

(Name) Valerie T. Yoshimoto
Notary Public, First Judicial Circuit, State of Hawaii.

My comm. expires: 7/21/2001



ESTIMATED OPERATING EXPENSES

"3619 BETHSHAN CPR"

For Period January to December
As Prepared by Developer

Estimated Annual Expenses

*Water/Sewer and Electricity:	\$2,297.00
**Liability Insurance:	\$ -0-
***Fire Insurance	\$ -0-
Management Fee:	\$ -0-
Miscellaneous:	\$ -0-
Homeowners Insurance	\$ 724.00
TOTAL ANNUAL EXPENSES	\$3,021.00

Estimated Monthly Expenses

\$ -0- - 12 months \$ -0-

Estimated Monthly Maintenance Fee for Each Apartment:

Estimated Monthly Expenses: \$ -0-

TOTAL MONTHLY MAINTENANCE
FEE FOR EACH APARTMENT: \$ -0-

- Note: *
- * All utilities will be separately metered or otherwise charged, and the common elements will incur no separate utility charges.
 - ** It is contemplated that each apartment owner will purchase and maintain his own homeowner's insurance policy which will include general liability coverage, and naming the Association of Apartment Owners as an additional insured.
 - *** Each dwelling owner shall purchase and maintain his own fire insurance covering the contents within each dwelling. However, the Association shall purchase and maintain fire insurance covering all buildings within the Project.

The Developer certifies that the costs as estimated by the Developer is based on generally accepted accounting principles.

Isao Okada

ISAO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **ISAO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38381, an Undivided One-half (1/2) Interest; and

Masuko Okada

MASUKO OKADA, as Trustee under that certain Trust Agreement dated November 21, 1992 made by **MASUKO OKADA**, as Settlor, a short form of which is recorded in the Bureau of Conveyances, State of Hawaii, as Document No. 93-38382, an Undivided One-Half (1/2) Interest, as Tenants in Common

"Developer"