CONDOMINIUM PUBLIC REPORT

Prepared & Issued by: Developer HENRY HIROSHI ONISHI, JR. and GLORIA MATSUE ONISHI

Address 98-872 Ainanui Loop, Aiea, Hawaii 96701

Project Name(*): 94-1202 KANIAU PLACE

Address: 94-1202 Kaniau Place, Waipahu, Hawaii 96797

Registration No. 4326 (Conversion)

Effective date: February 28, 2000

Expiration date: March 28, 2001

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 advise 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 date for the report.

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

Type of Report:

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

_X_ **FINAL** (white) The developer has legally created a condominium and has filed complete information with the Commission.

[X] No prior reports have been issued
[ ] This report supersedes all prior public reports
[ ] This report must be read together with _____

___ **SUPPLEMENTARY** (pink) This report updates information contained in the:

[ ] Preliminary Public Report dated: _____
[ ] Final Public Report dated: _____
[ ] Supplementary Public Report dated: _____

And

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

(*) Exactly as named in the Declaration

FORM: RECO-30 286/986/189/1190/892/0197/1098

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2644 to submit your request.

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

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

Summary of Changes from Earlier Public Reports:

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

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

[ ] Changes made are as follows:

SPECIAL ATTENTION

This is a **CONDOMINIUM PROJECT**, not a subdivision. It does not involve the sale of individual subdivided lots. The land area beneath and immediately appurtenant to each unit is designated a **LIMITED COMMON ELEMENT** and not a legally subdivided lot. The dotted lines on the Condominium Map bounding the designated number of square feet in each limited common element land area are for illustrative purposes only and should not be construed to be the property lines of legally subdivided lots.

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

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

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

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EXHIBIT A: Boundaries of Apartments
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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 a 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 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: HENRY HIROSHI ONISHI, JR. and GLORIA MATSUE ONISHI
Name
Phone: (808) 454-0071 (Business)

98-872 Ainanui Loop Aiea, Hawaii 96701
Business Address

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

n/a

Real Estate Broker: n/a Developer does not intend to offer homes for sale.
Name See p. 20
Phone: (Business)

Business Address

Escrow: Title Guaranty Escrow Services, Inc.
Name
Phone: (808) 521-0211 (Business)

235 Queen Street
Business Address

Honolulu, Hawaii 96813

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

Business Address

Condominium Managing Agent: Self-managed by Association of Apartment Owners
Name
Phone: (Business)

Business Address

Attorney for Developer: Reid A. Nakamura, Esq.
Name
Phone: (808) 533-3999 (Business)

Oliver, Lau, Lawhn, Ogawa & Nakamura
Company Name

707 Richards Street, Suite 600
Business Address

Honolulu, Hawaii 96813

II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS

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

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

The Declaration for this condominium is:

[ ] Proposed
[ ] Recorded - Bureau of Conveyances Document No. _____
Book _____ page _____
[X] Filed - Land Court Document No. 2571051

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. _____
[X] Filed - Land Court Condo Map No. 1307

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. _____
Book _____ page _____
[X] Filed - Land Court Document No. 2571052

The Bylaws referred to above have been amended by the following instrument [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 [X] Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

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

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

	Minimum Set by Law	This Condominium
Declaration (and Condo Map)	75%*	100%
Bylaws	65%	65%
House Rules	---	N/A

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

2. Developer:

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

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

III. THE CONDOMINIUM PROJECT

A. **Interest to be Conveyed to Buyer**:

[X] Fee Simple: Individual apartments and the common elements, which include the underlying land, will be in fee simple.

[ ] Leasehold or Subleasehold: Individual apartments and the common elements, which include the underlying land, will be leasehold.

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

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

Lease Term Expires: _____

Rent Renegotiation Date(s): _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit ____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year.

For Subleaseholds:

[ ] Buyer's sublease may be canceled if the master lease between the sublessor and fee owner is:
[ ] Canceled [ ] Foreclosed

[ ] As long as the buyer is not in default, the buyer may continue to occupy the apartment and/or land on the same terms contained in the sublease even if the master lease is canceled or foreclosed.

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

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

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

Lease Term Expires: _____ Rent Renegotiation Date(s) _____

_____

Lease Rent Payable: [ ] Monthly [ ] Quarterly
[ ] Semi-Annually [ ] Annually

Exhibit ____ contains a schedule of the lease rent for each apartment per [ ] Month [ ] Year.

[ ] Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

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

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advise 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: 94-1202 Kaniau Place
Waipahu, Hawaii 96797

Tax Map Key: (1) 9-4-9:25
(TMK)

[ ] Address [ ] TMK is expected to change because The above address is for Unit A. The address for Unit B is 94-1204 Kaniau Place

Land Area: 11,927 [X] square feet [ ] acre(s) Zoning: R-5

Lessor
(Fee Owner): HENRY HIROSHI ONISHI, JR. and GLORIA MATSUE ONISHI

Name

98-872 Ainanui Loop
Address

Aiea, Hawaii 96701

Sublessor: n/a
Name

Address

C. **Buildings and Other Improvements**:

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

2. Number of Buildings: three Floors Per Building Dwelling Unit A: 1 Dwelling Unit B: 2

   [ ] Exhibit ___ contains further explanations.

3. Principal Construction Material:

   [ ] Concrete [ ] Hollow Tile [X] Wood

   [ ] Other _____

4. Permitted Uses by Zoning:

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

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

5. Special Use Restrictions:

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

[X] Pets: Allowed in reasonable number and provided not a nuisance. See By-Laws, Page 17.

[ ] Number of Occupants: _____

[ ] Other: _____

[ ] There are no special restrictions.

6. Interior (fill in appropriate numbers):

Elevators: n/a Stairways: Dwelling Unit A: 2 / Dwelling Unit B: 1 Trash Chutes: n/a

Apt. Type	Quantity	BR/Bath	Net Living Area (sf)*	Lanai/Patio (sf)
Dwelling Unit A	1	2/1	861 **	102
Dwelling Unit B	1	5/2	1,290 **	—

Total Apartments: 2

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

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

** See Inspection Report of Jun Sakauye, architect, dated July 19, 1999, which show the foot print of Unit A as 1,041 sq. ft. and Unit B as 1,107 sq. ft.

Boundaries of Each Apartment:

See Exhibit "A"

Permitted Alterations to Apartments:

See Exhibit "B"

7. Parking Stalls:

Total Parking Stalls: 4

	Regular		Compact		Tandem		
	covered	open	covered	open	covered	open	TOTAL
Assigned Dwelling Unit A		2					2
Assigned Dwelling Unit B	2						2
Guest							
Unassigned							
Extra for Purchase							
Other:							
Total Covered & Open	4		0		0		4

Each apartment will have the exclusive use of at least 1 parking stall(s). Buyers are encouraged to find out which stall(s) will be available for their use.

[ ] Commercial parking garage permitted in condominium project.

[ ] Exhibit ___ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

[X] There are no recreational or common facilities.

[ ] Swimming Pool [ ] Storage Area [ ] Recreation Area

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

[ ] Other: _____

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

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

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

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations
(For conversions of residential apartments in existence for at least five years):
According to said Inspection Report from Jun Sakauye, architect, Dwelling A shows termite damage and dry rot and is in need of repair work and repainting. Dwelling B appears to be in good condition. No statement of expected useful life was given.

11. Conformance to Present Zoning Code

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

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

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

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

	Conforming	Non-Conforming	Illegal
Uses	X		
Structures		X *	
Lot	X		

* According to a November 30, 1999 letter from the City's Department of Planning and Permitting, there is a set back encroachment.

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

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

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

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

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

[X] described in Exhibit "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:

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. 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:

50 % each

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 December 22, 1999 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

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

[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.

Type of Lien		Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance
Mortgage Loan No. Mortgagor: Mortgagee: Dated: Filed:	 6260525 Henry Hiroshi Onishi, Jr. and Gloria Matsue Onishi, husband and wife New America Financial, Inc., A Texas corporation December 1, 1998 Land Court Document No. 2504155	Mortgage and Assignment will be fully released upon sale of each unit, if Developer defaults under the Mortgage or Assignment prior to conveying the units, Buyer's interest may be terminated. If terminated, Buyer's deposits will be returned, Less escrow cancellation fee.

Above Mortgage by Mesne Assignments Assigned

To:	Nationsbanc Mortgage Corporation, A Texas corporation
Dated:	June 8, 1999
Filed:	Land Court Document No. 2559565

Mortgage and Financing Statement

Mortgagor:	Henry Hiroshi Onishi, Jr. and Gloria Matsue Onishi, husband and wife
Mortgagee:	First Hawaiian Bank, a Hawaii corporation
Dated:	April 28, 1999
Filed:	Land Court Document No. 2540992

F. **Construction Warranties**:

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

1. Building and Other Improvements:
   None

2. Appliances:
   None

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

Dwelling Unit A was completed in 1950.

Dwelling Unit B was completed in 1963, according to the City's letter of November 30, 1999. However, architect Jun Sakauye's Inspection Report indicated that the building was only two years old.

Unit B was significantly remodeled within the last two years. Therefore, Mr. Sakauye's report describing the condition of Unit B relates to the condition of the property as renovated.

H. **Project Phases**:

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

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 condominium is:

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

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

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

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

Exhibit "F" * contains a schedule of maintenance fees and maintenance fee disbursements.

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

C. **Utility Charges for Apartments**:

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

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

[ ] Sewer [ ] Television Cable [ ] Other _____

I. MISCELLANEOUS

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

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

[ ] Notice to Owner Occupants

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

[X] Escrow Agreement dated December 17, 1999
Exhibit H 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 sale 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 buyer's should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:

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

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

This Public Report is a part of Registration No. 4326 filed with the Real Estate Commission on December 30, 1999.

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**

Disclosure regarding selection of Real Estate Broker

The Developer does not intend to offer Dwelling Units A and B for sale at this time.

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.

HENRY HIROSHI ONISHI, JR. and GLORIA MATSUE ONISHI
Name of Developer

HENRY HIROSHI ONISHI, JR.

GLORIA MATSUE ONISHI

DATED: December 16, 1999

Distribution:

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

EXHIBIT "A"

DIVISION OF PROPERTY. The Project is hereby divided into the following separate freehold estates:

1. Dwelling Units. Two (2) separate and distinct freehold estates constructed primarily of wood, bounded by and including the decorated or finished surfaces of the exterior of the perimeter walls, by the exterior surfaces of the respective roofs thereof, and inclusive of the floor and ceiling of each of the dwellings in the Project, which dwellings are designated on the Condominium File Plan as "Dwelling Unit A", and "Dwelling Unit B", and are sometimes referred to herein as "Dwelling Units". The term "Dwelling Unit" as used herein shall have the same meaning as the term "Apartment" in the Condominium Property Act, as the same may be amended from time to time.

(a) Dwelling Unit A (located at 94-1202 Kaniau Place) contains 1 floor in which there are 2 bedrooms, 1 bath, a kitchen, a dining room, a living room, a storage room and a covered porch. Dwelling Unit A contains a net living area of approximately 861 square feet.

(b) Dwelling Unit B (located at 94-1204 Kaniau Place) contains 2 floors in which there are 5 bedrooms, 2 baths, a kitchen, a dining room and an entry area. Dwelling Unit B contains a net living area of approximately 1,290 square feet.

Each Dwelling Unit shall also include all pipes, wires, conduits, and other utility and service lines contained wholly within such Dwelling Unit and which are utilized exclusively by and serve only such Dwelling Unit.

EXHIBIT "B"

ALTERATION OF PROJECT. No work shall be done to the Dwelling Units, the limited common elements appurtenant thereto, or any other part of the Project, by any owner of a Dwelling Unit or any other person, which could jeopardize the soundness or safety of the Project, reduce the value thereof, impair any easement or hereditament, detract from the appearance of the Project, interfere with or deprive any nonconsenting owner of the use or enjoyment of any part of the Project, or directly affect any nonconsenting owner in any unreasonable manner, all as determined by the Board, without in every such case first obtaining the consent of the owner of the other Dwelling Unit, which consent shall not be unreasonably withheld. Except as otherwise provided by law, all other additions to or alterations of any Dwelling Unit or its appurtenant limited common elements by the owner of such Dwelling Unit shall be permitted without restriction, provided that the owner or other person making such additions or alterations shall comply strictly with all applicable laws, ordinances, and regulations of any governmental entity, and shall also obtain all necessary permits, at such person's sole expense.

In addition to the foregoing limitations, no owner shall be allowed, without the express written consent of all other owners, to construct any addition or alteration which would cause their unit to exceed their proportionate share of the maximum allowable floor area for the lot. Said proportionate share shall be equal to the maximum floor area multiplied by the percentage of common interest in the condominium project appurtenant to such unit.

EXHIBIT "C"

2. Common Elements. The common elements shall consist of all portions of the Project except the Dwelling Units above described, and shall specifically include, but not be limited to:

(a) The land in fee simple.

(b) All pipes, wires, conduits, and other utility and service lines which are utilized for or serve both Dwelling Units.

(c) All walls and fences surrounding the property and the driveway providing access to Kaniau Place.

EXHIBIT "D"

Limited Common Elements. Certain parts of the common elements are hereby set aside and reserved for the exclusive use of the Dwelling Units and shall constitute limited common elements appurtenant thereto. Each Dwelling Unit shall have an exclusive easement for the use of the limited common elements appurtenant thereto, except as otherwise provided herein. The cost of maintenance, repair, upkeep, and replacement of each limited common element shall be assessed to the owner of the Dwelling Unit to which such limited common element is appurtenant. The limited common elements shall be appurtenant to each of the Dwelling Units as follows:

(a) That certain 3,947 square feet, more or less, of the real property of the Project, as shown on said Condominium Map upon which Dwelling Unit A is situated shall constitute a limited common element appurtenant to and for the exclusive use of Dwelling Unit A.

(b) That certain 4,256 square feet, more or less, of real property of the Project which includes the real property upon which Dwelling Unit B is situated, as is more particularly shown on the Condominium Map shall constitute a limited common element appurtenant to and for the exclusive use of Dwelling Unit B.

(c) Each Dwelling Unit shall have appurtenant thereto parking spaces as designated on the Condominium Map.

(d) One mailbox shall be appurtenant to and for the exclusive use of each Dwelling Unit, as shall be designated on the Condominium Map.

(e) All pipes, wires, conduits, and other utility and service lines not contained within a Dwelling Unit but used by and servicing both Dwelling Units, shall be appurtenant to and for the exclusive use of the Dwelling Units using and serviced by such pipes, wires, conduits, and other utility and service lines.

NOTICE

THE DESIGNATION OF THE LAND BENEATH AND ADJACENT TO EACH HOME AS A LIMITED COMMON ELEMENT DOES NOT REPRESENT A LEGALLY SUBDIVIDED OR SUBDIVIDABLE LOT.

PROSPECTIVE PURCHASERS ARE CAUTIONED TO CAREFULLY REVIEW THE PROJECT DOCUMENTS FOR FURTHER INFORMATION.

EXHIBIT "E"

ENCUMBRANCES AGAINST TITLE

1. Any and all Real Property Taxes that may be due and owing, reference is made to the Department of Finance for further information:

   Tax Key: 9-4-009-025 (1) Area Assessed: 11,927 sq. ft.

2. GRANT

   TO : HAWAIIAN ELECTRIC COMPANY, INC. and GTE HAWAIIAN TELEPHONE COMPANY INCORPORATED

   DATED : April 26, 1956
   FILED : Land Court Document No. 194166
   GRANTING : an easement for utility purposes

3. DESIGNATION OF EASEMENT (area 360 square feet)

   PURPOSE : sanitary sewer
   SHOWN : on Map 332, as set forth by Land Court Order No. 33191, filed May 14, 1971

4. GRANT

   TO : CITY AND COUNTY OF HONOLULU

   DATED : October 3, 1970
   FILED : Land Court Document No. 537038
   GRANTING : an easement for sanitary sewer purposes

5. MORTGAGE

   LOAN NO. : 6260525

   MORTGAGOR : HENRY HIROSHI ONISHI, JR. and GLORIA MATSUE ONISHI, husband and wife

   MORTGAGEE : NEW AMERICA FINANCIAL, INC., a Texas corporation

   DATED : December 1, 1998
   FILED : Land Court Document No. 2504155
   AMOUNT : $241,000.00

ABOVE MORTGAGE BY MESNE ASSIGNMENTS ASSIGNED

TO : NATIONSBANC MORTGAGE CORPORATION, a Texas corporation

DATED : June 8, 1999
FILED : Land Court Document No. 2559565

6. MORTGAGE AND FINANCING STATEMENT

MORTGAGOR : HENRY HIROSHI ONISHI, JR. and GLORIA MATSUE ONISHI, husband and wife

MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation

DATED : April 28, 1999
FILED : Land Court Document No. 2540992
AMOUNT : Equity FirstLine Agreement, sums not to exceed $50,000.00

7. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : DECLARATION OF CONDOMINIUM PROPERTY REGIME FOR 94-1202 KANIAU PLACE CONDOMINIUM PROJECT

DATED : August 18, 1999
FILED : Land Court Document No. 2571051
MAP : 1307 and any amendments thereto

8. The terms and provisions, including the failure to comply with any covenants, conditions and reservations, contained in the following:

INSTRUMENT : BY-LAWS OF THE ASSOCIATION OF APARTMENT OWNERS

DATED : August 18, 1999
FILED : Land Court Document No. 2571052

9. Any lien (or claim of lien) for services, labor or material arising from an improvement or work related to the land described in Schedule C herein.

Page 3 and End of Exhibit "E"

EXHIBIT "F"

ESTIMATE OF INITIAL MAINTENANCE FEES
AND
ESTIMATE OF MAINTENANCE FEE DISBURSEMENTS

Estimate of Initial Maintenance Fees:

Apartment	Monthly Fee x 12 months	=	Yearly Total
Dwelling Unit A	$100.00 x 12	=	$1,200.00
Dwelling Unit B	$100.00 x 12	=	$1,200.00

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency.

Estimate of Maintenance Fee Disbursements:

	Monthly x 12 months = Yearly Total
Utilities and Services	
Air Conditioning	
Electricity	
[ ] common elements only	
[ ] common elements and apartments	
Elevator	
Gas	
Refuse Collection	
Telephone	
Water and Sewer	
maintenance, Repairs and Supplies	
Building	
Grounds	
Management	
Management Fee	
Payroll and Payroll Taxes	
Office Expenses	
Insurance	$200.00 x 12 = $2,400.00
Reserves(*)	
Taxes and Government Assessments	
Audit Fees	
Other	

I, _____, as agent for Henry Hiroshi Onishi, Jr. and Gloria Matsue Onishi, _____, the developer for the condominium project 94-1202 Kaniau Place, hereby certify that the above estimates of initial maintenance fee assessments and maintenance fee disbursements were prepared in accordance with generally accepted accounting principles.

Signature _____ Date: 2/23/2000

(*) Mandatory Reserves in effect _____

Page 2 and End of Exhibit "F"

EXHIBIT "G"

SUMMARY OF SALES CONTRACT: The specimen Sales Contract contains, among other things, the following provisions:

1. Evidence of Title. Seller shall furnish Buyer evidence of title from a licensed abstractor showing Seller's marketable title to the interest which is to be conveyed to Buyer. If Seller fails to deliver title as herein provided, Buyer at this option may terminate this agreement and any deposits shall be returned to Buyer. The foregoing shall not exclude any other remedies available to Buyer.

2. Risk of Loss and Insurance. Risk of loss and responsibility for insurance coverage passes to Buyer upon transfer of title or occupancy whichever comes first.

3. Default. 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 Seller's Broker 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.

4. Time is of the Essence. If either Buyer or Seller for reasons beyond his control cannot perform his obligation to purchase or sell the property by the closing date, then such party by giving escrow written notice prior to the closing date called for in this contract with copies to all parties to this contract, can extend closing for no long than 30 calendar days to allow performance. Thereafter time is of the essence and the default provisions of Paragraph 3 apply. Any further extension must then be agreed to in writing by both parties. There is no automatic right to extend. This provision relates only to the extension of the closing date.

EXHIBIT "H"

SUMMARY OF ESCROW AGREEMENT: An escrow agreement (hereinafter called the "Escrow Agreement") detailing the manner in which purchasers' funds are to be handled, has been executed and a copy thereof has been filed with the Commission. The Escrow Agent is TITLE GUARANTY ESCROW SERVICES, INC., a Hawaii corporation (hereinafter referred to as "Escrow"). The escrow agreement, among other things, contains the following provisions:

Sale Contracts Deposited in Escrow. As of when Developer shall enter into a sales contract for the sale of a unit it shall deliver an executed copy of such sales contract to Escrow. Each sales contract shall require that all payments to be made thereunder shall be made to Escrow and shall be accompanied by the initial deposit required thereunder.

Receipt of funds by Escrow. Developer shall pay over to Escrow all payments made by purchasers under sales contracts. This includes any loan payments from purchaser's lenders. In accordance with Developer's written instructions to Escrow, Escrow shall deposit all funds received in accounts at a federally insured bank, savings and loan association or other financial institution which pays interest on deposits. All interest earned from such accounts shall be credited to the account of seller.

Conditions to be Met Prior to Disbursement. No disbursements of funds held in escrow shall be made unless and until the following conditions have been fulfilled:

a. The Real Estate Commission has issued a final public report (the "Final Report") on the Project; and the purchaser has received a copy of the Final Report and given Developer a receipt for it; and

b. The requirements of Section 514A-40, 514A-62, and 514A-63, Hawaii Revised Statutes, have been met. The Developer or Developer's attorney has delivered a written opinion to Escrow stating that all of the requirements of Sections 514A-40, 514A-62, and 514A-63, Hawaii Revised Statutes, as amended, have been met; and

c. The Developer has given Escrow a written waiver of any option reserved in any sales contract to cancel such sales contract.

Disbursement of Purchaser's Funds. Subject to the provisions of the preceding paragraph, disbursements from the funds held in escrow shall be made not more than once each month on one check by Escrow, without charge, to pay for construction costs in accordance with bills submitted to escrow from time to time from Developer, which said bills shall have been approved or certified for payment by Developer's construction mortgagee or a financially disinterested person. The balance remaining in escrow shall be disbursed in accordance with the directions of the Developer and Developer's mortgagee only upon completion of the buildings of the Project and when Escrow shall have received satisfactory evidence that all mechanics' and materialmen's liens have been cleared or

sufficient funds have been set aside to cover such claims.

Return of Funds and Documents. A purchaser shall be entitled to a return of his funds and Escrow will pay such funds to such purchaser, without interest, minus Escrow's cancellation fee, if one of the following has occurred:

a. Escrow receives a written request from the Developer to return funds to purchaser; or

b. With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, the purchaser has exercised his right to cancel the agreement pursuant to Section 514A-62, Hawaii Revised Statutes, as amended.

Purchaser's Default. Developer will notify Escrow in writing that a purchaser has defaulted and that Developer has cancelled that purchaser's Sales Contract. Escrow will then treat the purchaser's funds, less Escrow's cancellation fees, as belonging to Developer.