

REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)
PUBLIC REPORT

on
CLUB VIEW GARDENS II
Hui Iwa Street and Kahekili Highway
Kaneohe, Hawaii

REGISTRATION NO. 425

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: May 18, 1973
Expires: June 18, 1974

SPECIAL ATTENTION

A comprehensive reading of this report is urged in order that personal requirements and expectations to be derived from the property can be ascertained. The attention of the purchaser or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 2, 1971, AND ADDITIONAL INFORMATION SUBSEQUENTLY SUBMITTED AS OF MAY 17, 1973. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report of January 31, 1972, and Supplementary Public Report of March 30, 1972, on CLUB VIEW GARDENS II, Registration No. 425, the Developer has submitted additional

information to that filed with its Notice of Intention of December 2, 1971. This Final Public Report is made a part of the registration on CLUB VIEW GARDENS II. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers receiving the Preliminary Public Report (yellow paper stock) and Supplementary Public Report (pink paper stock), and for obtaining from such purchasers and prospective purchasers the required receipts therefor.

2. Amended site plans filed with the Commission on May 17, 1973 show that CLUB VIEW GARDENS II consists of 125 townhouse apartments contained in 18 townhouse buildings, and 278 parking stalls of which 28 are for guest parking.

Although the Developer proposes to develop other condominium projects adjoining or in the vicinity of the project, pursuant to its development agreement with the owner of certain lands of which the project is a part, the Developer does not thereby represent to any purchaser of an apartment in the project that it will so develop any such other condominium project. The specimen Sales Contract provides for a representation by purchasers of apartments in the project that they do not rely upon any other condominium project being so developed.

3. All documents deemed necessary for the registration of a condominium project and issuance of this Final Public Report have been submitted by the Developer to the Commission for examination.

An updated Title Report, dated May 2, 1973, prepared by Security Title Corporation, shows that Waikiki Development Co., Inc. and Rotag Development, Inc. (formerly Centex Development Company) general partners of Ahuimanu Investment Company, are the owners in fee simple of Lot 170-A and Lot 170-C, the project lots, and Lot 170-D, the roadway lot, as shown on Map 51, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1805.

4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the approved amended site plans and floor plans) have been filed in the office of the recording officer.

The Declaration of Horizontal Property Regime executed April 19, 1973, with By-Laws attached, was filed in said Office of the Assistant Registrar as Land Court Document No. 628471. Copies of the approved amended site plans and floor plans were also filed in said Office of the Assistant Registrar and have been designated as Condominium Map No. 165.

The Declaration of Covenants, Conditions and Restrictions executed June 23, 1972, with Charter of Incorporation of Club View Gardens Home Owners Association and By-Laws attached, was filed in said Office of the Assistant Registrar as Land Court Document No. 585821. The Declaration was amended by Amendment to the Declaration executed August 4, 1972, filed in said Office of the Assistant Registrar as Land Court Document No. 600327.

5. Promotional and advertising materials have been submitted pursuant to the rules and regulations promulgated by the Commission.

6. The developer advises that it substantially completed construction of the recreational center in January, 1972. The developer also advises that it has commenced construction of all 18 townhouse buildings in the project. Buildings 1 and 2 were substantially completed in March, 1973. The remaining buildings are being substantially completed at the rate of three per month and the developer estimates that the project will be substantially completed by September, 1973.

7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the condominium rules and regulations promulgated thereunder which relate to horizontal property regimes.

8. This Final Public Report automatically expires thirteen (13) months after the date of issuance, May 18, 1973, unless a supplementary public report issues or the Commission, upon review of the registration, issues an order extending the effective period of this report.

Only certain information appearing on the first page of the Supplementary Public Report dated March 30, 1972, and under the topical headings LOCATION, TAX KEY, DEVELOPER, ATTORNEY REPRESENTING DEVELOPER, DESCRIPTION, LIMITED COMMON ELEMENTS, COMMON INTEREST TO BE CONVEYED TO PURCHASER, OWNERSHIP OF AND ENCUMBRANCES AGAINST TITLE, SEPARATE HOME OWNERS ASSOCIATION, MANAGEMENT AND OPERATION, and STATUS OF PROJECT has been amended since the issuance of the Supplementary Public Report dated March 30, 1972, and then only to the extent indicated below. Otherwise, the information recited in the Preliminary Public Report of January 31, 1972, as amended by the Supplementary Public Report of March 30, 1972 applies.

Paragraph 1 on the first page of the Preliminary Public Report dated January 31, 1972 has been amended to read as follows:

1. CLUB VIEW GARDENS II is a proposed fee simple condominium project consisting of

125 townhouse apartments arranged throughout 18 townhouse buildings, with the obligation of each apartment owner to become a member of an existing nonprofit corporation known as the Club View Gardens Home Owners Association, which is separate from the Association of Apartment Owners of Club View Gardens II, by which membership such apartment owner will be entitled to use and be obligated to pay a 1/449th share of the costs of maintaining and operating a recreation center, including swimming pool, located on 4.545 acres of land adjoining or in the vicinity of but not a part of the project. The Developer proposes to sell under sales contracts, and to cause to be conveyed by apartment deeds from the fee owners, various apartments in the project to prospective purchasers.

LOCATION: The project is located at or in the vicinity of the northwest corner of the intersection of Hui Iwa Street and Kahekili Highway, Kaneohe, City and County of Honolulu, and presently consists of two lots containing areas of 15.901 and 5.200 acres, respectively, or a total of approximately 21.101 acres separated by a roadway lot containing an area of 1.145 acres to which said two lots will have a perpetual non-exclusive easement for ingress, egress, and drainage, utility, and sewer purposes, which easement shall automatically terminate upon said roadway lot's conveyance to or acquisition by the State of Hawaii, the City and County of Honolulu, or any other governmental authority as a public right-of-way. The Developer has obtained the approval of both the Planning Department of the City and County of Honolulu and the Land Court of the State of Hawaii for the subdivision of the two project lots and the roadway lot. The areas of the two project lots and the roadway lot are shown on Map 51, filed with Land Court Application No. 1805. A copy of said Map has been filed with the Real Estate Commission.

TAX KEY: The developer advises that the correct TAX KEY for the project lots is: FIRST DIVISION, 4-7-4: Portion of Parcel 16.

DEVELOPER: Dan Ostrow Construction Co., Inc., whose principal place of business and post office address is Suite 1415, Amfac Building, 700 Bishop Street, Honolulu, Hawaii, 96813.

DAN OSTROW	President
JAMES H. WODEHOUSE, JR.	Executive Vice President
JOEL OSTROW	Vice President
ARDIE OSTROW	Secretary, Assistant Treasurer
PHILLIP WONG	Treasurer

ATTORNEY REPRESENTING DEVELOPER: The developer advises that the attorneys presently representing developer are Padgett,

Greeley, Marumoto & Steiner (Wendell H. Marumoto), Suite
 1400 Hawaii Building, 745 Fort Street, Honolulu, Hawaii 96813.
 Telephone 537-5976.

DESCRIPTION: The developer advises that, subsequent to issuance of the Supplementary Public Report of March 30, 1972, it was informed by the architect that the approximate areas for the fenced yard areas of the townhouse apartment units vary somewhat from the area figures earlier supplied to the developer. In the case of the Type E, E-R, G, and G-R units, there is also a variation in the lanai area; and in the case of the Type D and D-R units, there is also a variation in the balcony area. The area figures as stated in the Preliminary Public Report of January 31, 1972, and the corrected figures are stated below.

<u>Fenced Yards</u>		
<u>Apartment Type</u>	<u>Area as Stated</u>	<u>Corrected Area</u>
A, A-R, A-1, A-1-R	425 sq. ft.	460 sq. ft.
B, B-R	368 sq. ft.	384 sq. ft.
B-1, B-1-R	432 sq. ft.	448 sq. ft.
D, D-R	270 sq. ft.	287 sq. ft.
E, E-R	336 sq. ft.	220 sq. ft.
G, G-R	352 sq. ft.	336 sq. ft.
<u>Lanai</u>		
E, E-R	336 sq. ft.	320 sq. ft.
G, G-R	180 sq. ft.	192 sq. ft.
<u>Balcony</u>		
D, D-R	104 sq. ft.	114 sq. ft.

The developer also advises that while the project still consists of 125 townhouse apartments arranged throughout 18 townhouse buildings, there have been additional changes since the issuance of the Supplementary Public Report dated March 31, 1972. The number of parking stalls has been increased from 277 to 278 of which 28 rather than 27 shall be for guest parking. Certain apartments have been converted from one apartment type to another; and, the number of apartments in 2 of the 18 townhouse buildings has been altered being decreased in the case of Building 3 and increased in the case of Building 5. The townhouse buildings and apartments, their present types, number of rooms and approximate areas are set forth as follows:

<u>Apartment</u>	<u>Type</u>
101	D-R
102	D

<u>Apartment</u>	<u>Type</u>
103	D-R
104	D
105	D-R
106	D
201	D-R
202	D
203	D-R
204	D
205	D-R
206	D
207	D-R
208	D
301	D-R
302	D
303	D-R
304	D
305	D-R
306	D
307	D-R
308	D
401	E
402	E-R
403	G
404	G-R
405	G
406	G-R
501	E
502	E
503	E-R
504	G
505	G-R
506	G
507	G-R
508	G
509	G-R
601	B-1
602	B-R
603	B
604	B-R
605	B
606	B-1-R
701	B-1
702	B-R
703	B
704	B-R
705	B
706	B-1-R

<u>Apartment</u>	<u>Type</u>
801	C-R
802	C
803	C-R
804	C-R
805	C
901	A-R
902	A-1
903	A-1-R
904	A
905	A-1-R
906	A-1
1001	D-R
1002	D
1003	D-R
1004	D
1005	D-R
1006	D
1101	E
1102	E
1103	E-R
1104	G
1105	G-R
1106	G
1107	G-R
1108	G
1109	G-R
1201	D-R
1202	D
1203	D-R
1204	D
1205	D-R
1206	D
1301	E
1302	E-R
1303	G
1304	G-R
1305	G
1306	G-R
1401	D-R
1402	D
1403	D-R
1404	D
1405	D-R
1406	D
1407	D-R
1408	D

<u>Apartment</u>	<u>Type</u>
1501	D-R
1502	D
1503	D-R
1504	D
1505	D-R
1506	D
1601	E
1602	E
1603	E-R
1604	G
1605	G-R
1606	G
1607	G-R
1608	G
1609	G-R
1701	B-1
1702	B-R
1703	B
1704	B-R
1705	B
1706	B-1-R
1801	E
1802	E
1803	E-R
1804	G
1805	G-R
1806	G
1807	G-R
1808	G
1809	G-R

The number of rooms and approximate area of each type of apartment are as follows:

Type A: A one-story unit consisting of five rooms (two bedrooms, a bathroom, kitchen, and living-dining room) with an approximate area of 922 square feet; and a fenced yard, including a patio, exterior storage closet, and fenced garbage can enclosure, with an approximate area of 460 square feet. (One unit)

Type A-R: The reverse of Type A. (One unit)

Type A-1: The same as Type A except for an additional half-bath in lieu of a walk-in closet. (Two units)

Type A-1-R: The reverse of Type A-1. (Two units)

Type B: A two-story unit consisting of eight rooms (three bedrooms, two bathrooms, a powder room, kitchen, and living-dining room) with an approximate area of 1,300 square feet; a balcony with an approximate area of 56 square feet; and a fenced yard, including a patio, exterior storage closet, and fenced garbage can enclosure, with an approximate area of 384 square feet. (Six units)

Type B-R: The reverse of Type B. (Six units)

Type B-1: The same as Type B except for an additional linen closet in the stair hall which increases the approximate area to 1,316 square feet. The approximate area of the fenced yard is also increased to 448 square feet. (Three units)

Type B-1-R: The reverse of Type B-1. (Three units)

Type C: A two-story unit consisting of eight rooms (four bedrooms, two bathrooms, a kitchen, and living room with dining area) with an approximate area of 1,555 square feet; two balconies with a total approximate area of 117 square feet; and a fenced yard, including a patio and fenced garbage can enclosure, with an approximate area of 325 square feet. (Two units)

Type C-R: The reverse of Type C. (Three units)

Type D: A two-story unit consisting of seven rooms (three bedrooms, two bathrooms, kitchen, and living room with dining area) with an approximate area of 1,321 square feet; a balcony with an approximate area of 114 square feet; and a fenced yard, including fenced garbage can enclosure, with an approximate area of 287 square feet. (Twenty-four units)

Type D-R: The reverse of Type D. (Twenty-four units)

Type E: A one-story unit consisting of seven rooms (three bedrooms, two bathrooms, kitchen, and living room with dining area) with an approximate area of 1,200 square feet; a fenced yard, including a fenced garbage can enclosure, with an approximate area of 220 square feet; an entry deck, including an exterior storage closet, with an approximate area of 72 square feet; and a lanai with an approximate area of 320 square feet. (Ten units)

Type E-R: The reverse of Type E. (Six units)

Type G: A two-story unit consisting of seven rooms (three bedrooms, two bathrooms, kitchen, and living-dining room) with an approximate area of 1,489 square feet;

a fenced yard, including a fenced garbage can enclosure, with an approximate area of 336 square feet; and a lanai with an approximate area of 192 square feet. (Sixteen units)

Type G-R: The reverse of Type G. (Sixteen units)

Each apartment will have immediate access to a walkway on the grounds of the project.

The apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls, or of the interior load-bearing walls, the floors and perimeter ceilings surrounding such apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, all of which are common elements as hereinafter provided. Each apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and frames; windows and window frames; the inner decorated or finished surfaces of all walls, floors, and ceilings; any balcony or lanai adjoining and connected thereto; and all fixtures originally installed therein.

LIMITED COMMON ELEMENTS: The developer advises that the executed Declaration states that each of the 250 of the 278 parking stalls in the project shall be a limited common element reserved for the use of a certain apartment. Each apartment shall have an exclusive easement to use two parking stalls, such stalls being designated on the condominium plans with the number of such apartment. Each fenced yard and fenced garbage can enclosure shall be a limited common element reserved for the use of the apartment to which it is attached or immediately adjacent and as shown on the condominium plans.

COMMON INTEREST TO BE CONVEYED TO PURCHASER: The developer advises that the changes in the number of units of the various types of apartments in the project requires a change in the undivided percentage interest, or common interest, applicable to each type of apartment.

The executed Declaration discloses that each apartment shall have appurtenant thereto an undivided percentage interest, or common interest, in the common elements, in all profits and expenses of the project and for all other purposes, including voting, according to the type of such apartment, as follows:

<u>Type of Apartment</u>	<u>Percentage Common Interest</u>
A, A-R, A-1, A-1-R	0.55191
B, B-R	0.77818
B-1, B-1-R	0.78777
C, C-R	0.93080

<u>Type of Apartment</u>	<u>Percentage Common Interest</u>
C-1, C-1-R	(Deleted)
D, D-R	0.79073
E, E-R	0.71830
G, G-R	0.89131

OWNERSHIP OF AND ENCUMBRANCES AGAINST TITLE: The Developer has filed with the Commission an updated Title Report dated the 2nd day of May, 1973, prepared by Security Title Corporation, covering Lots 170-A and 170-C, area 15.901 and 5.200 acres, respectively, as shown on Map 51 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 1805, which shows that the fee title to said Lots 170-A and 170-C is vested in Waikiki Development Co., Inc., a Hawaii corporation, and Rotag Development, Inc. (formerly Centex Development Company), a Delaware corporation authorized to do business in the State of Hawaii, general partners of Ahuimanu Investment Company, a California limited partnership authorized to do business in the State of Hawaii. Said Lots 170-A and 170-C, as shown on said Map 51, Certificate of Title No. 156,492, are subdivided portions of Lot 170, as shown on Map 45 filed in said Office of the Assistant Registrar with Land Court Application No. 1805, Certificate of Title No. 148,967; and are the lots upon which the project is being constructed.

The updated Title Report also shows that Lots 170-A and 170-C shall have a perpetual non-exclusive easement for ingress, egress, and drainage, utility, and sewer purposes over, under, and across Lot 170-D as shown on said Map, Lot 167 as shown on Map 45, and Lot 47 as shown on Map 26 and noted on Certificate of Title No. 156,492, to be used in common with others entitled thereto, for access to and from a public highway; provided, however, that at such time or times as said Lot 170-D, said Lot 167 or said Lot 47, or any portion or portions of any of said lots, be conveyed to or acquired by the State of Hawaii, the City and County of Honolulu, or any other governmental authority as a public right-of-way all private easements in said lot or any portion or portions thereof so conveyed or acquired shall automatically terminate.

The updated Title Report further shows that Lots 170-A and 170-C shall have a perpetual non-exclusive easement for sewer purposes over, under, and across Easement 88 and Easement 91, as shown on Map 48, to be used in common with others entitled thereto.

The updated Title Report further indicates that the only encumbrances against said Lots 170-A and 170-C are as follows:

Against Lot 170-A:

Restriction of access rights affecting Lot 170, as shown on Maps 11, 23, 26, 27, and 32, as set forth by Land Court Order No. 21323, filed June 5, 1963.

An 80-foot building setback abutting Kahekili Highway as indicated on said Map.

Designation of the following Easements affecting Lot 170-A as follows:

Easement 93 for water purposes;

Easement 94 for water purposes;

Easement 95 for water purposes;

Easement 99 for sewer purposes;

Easement 100 for drainage purposes; and

Easement 101 for drainage purposes.

Against Lot 170-C:

Designation of the following Easements affecting Lot 170-C as follows:

Easement 96 for water purposes;

Easement 97 for water purposes; and

Easement 98 for sewer purposes.

Against both Lots 170-A and 170-C:

Reservation in favor of the State of Hawaii of all minerals and metallic mines of every description as reserved under Royal Patents 1423, 1554, 1555, 1664, 2012, and 6589.

Development Agreement dated December 13, 1971, effective as of August 27, 1971, made by and between Waikiki Development Co., Inc., a Hawaii corporation, and Centex Development Company (now Rotag Development, Inc.), a Delaware corporation authorized to do business in the State of Hawaii, general partners of Ahuimanu Investment Company, a California limited partnership authorized to do business in the State of Hawaii, "Owner", and Dan Ostrow Construction

Co., Inc., a Hawaii corporation, "Developer", a short form of which was filed in said Office of the Assistant Registrar as Document No. 563559.

Said Development Agreement has been amended by Amendment to Development Agreement dated March 27, 1973, a short form of which was filed in said Office of the Assistant Registrar as Document No. 294951;

Said Development Agreement, as amended, is encumbered by the following:

(a) Real Estate Mortgage dated December 13, 1971, filed in said Office of the Assistant Registrar as Document No. 563560, made by said Dan Ostrow Construction Co., Inc., as Mortgagor, to Bank of Hawaii, a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of \$1,400,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note to said mortgagor therein referred to. Consent thereto filed as Document No. 563561.

(b) Undated Financing Statement recorded on December 22, 1971, in the Bureau of Conveyances of the State of Hawaii in Book 8019, at Page 170.

(c) Additional Charge Mortgage dated September 20, 1972, filed in said Office of the Assistant Registrar as Document No. 601994, made by said Dan Ostrow Construction Co., Inc., as Mortgagor, to said Bank of Hawaii, as Mortgagee, to secure the repayment of the additional loan of \$750,000.00 together with interest thereon in accordance with the terms of the promissory note therein referred to. Consent thereto filed as Document No. 601995. This is an additional charge mortgage to the foregoing mortgage.

(d) Undated Financing Statement recorded on October 12, 1972, in said Bureau of Conveyances in Book 8660, at Page 223.

The Developer advises that said Development Agreement will shortly be encumbered by a Second Additional Charge Mortgage and Financing Statement made by said Dan Ostrow Construction Co., Inc., as Mortgagor, to said Bank of Hawaii, as Mortgagee, to secure the repayment of an additional loan of \$1,000,000.00 together with interest thereon.

Real Estate Mortgage dated October 3, 1972, filed in said Office of the Assistant Registrar as Document No. 601804, made by said Waikiki Development Co., Inc. and said Rotag Development, Inc. (formerly Centex Development Company), general partners of said Ahuimanu Investment Company, as Mortgagors, to said Bank of Hawaii, as Mortgagee, to secure the repayment of the sum

of \$2,000,000.00, together with interest thereon, all according to the terms of the promissory note of said mortgagors of even date. Said mortgagors also assign to said mortgagee as additional security to said mortgage, all rents, issues, payments, income and profits now or hereafter arising or in any manner accruing from or out of all and every part of the mortgaged property.

(a) Undated Financing Statement recorded on October 11, 1972, in said Bureau of Conveyances, in Book 8657, at Page 169.

Grant dated August 19, 1969, filed in said Office of the Assistant Registrar as Document No. 488748, in favor of the Hawaiian Electric Company, Inc., and Hawaiian Telephone Company, both Hawaii corporations, granting an easement for electrical and other purposes. Consent thereto filed as Document No. 488749.

Grant dated June 9, 1970, filed in said Office of the Assistant Registrar as Document No. 512551, in favor of said Hawaiian Electric Company, Inc. and said Hawaiian Telephone Company, granting an easement for utilities. Consent thereto filed as Document No. 512552.

Grant dated July 27, 1972, filed in said Office of the Assistant Registrar as Document No. 591601, in favor of said Hawaiian Electric Company, Inc., granting a perpetual right and easement for utility purposes with authority to build, etc. underground lines, pullboxes and transformer vaults, etc., over, under, and within said lots. Consents thereto filed as Documents Nos. 591602 and 591603.

Declaration of Horizontal Property Regime dated April 19, 1973, filed in said Office of the Assistant Registrar as Document No. 628471, made by said Waikiki Development Co., Inc., and said Rotag Development, Inc., general partners of said Ahuimanu Investment Company, as Owner, and said Dan Ostrow Construction Co., Inc., as Developer. The Office of Assistant Registrar has assigned to the project Condominium Map No. 165.

Declaration of Covenants, Conditions and Restrictions dated June 23, 1972, filed as Document No. 585821.

Real Property Taxes that may be due and owing on the land, reference is hereby made to the office of the Tax Assessor of the First Taxation Division.

NOTE: The interest conveyed to each individual purchaser by an apartment deed will also be subject to: (1) such easements for sewers, drainage and water as Grantor may grant to the City and County of Honolulu or other govern-

mental authority or agency through, under, and across said easements designated hereinbefore; and, (2) such easements for electricity and telephones as may be appropriate to service the property and as shall be designated by Grantor on or before December 31, 1975. By acceptance of his apartment deed, the Grantee will covenant and agree to join in such designation of said easements and to grant easements to the City and County of Honolulu or other governmental authority or agency, Hawaiian Electric Company, Inc. and Hawaiian Telephone Company for the purposes of building, constructing, rebuilding, reconstructing, repairing, maintaining and operating sewer and/or storm drain and/or water pipeline, electrical and telephone facilities to service the property as set forth in Exhibit A to the standard apartment deed.

SEPARATE HOME OWNERS ASSOCIATION: As previously mentioned, the project is a part of Planned Development-Housing District No. 4, which provides for the development of 449 townhouse and highrise apartments in several phases, of which the project is the second, with common recreational facilities centrally located to serve all phases. In January, 1972, the Developer substantially completed a clubhouse, swimming pool, and other recreational facilities on a recreational lot, which recreational lot will not be a part of the project but will serve all such phases, including the project. The recreational lot adjoins the project and is designated as Lot 169 on Map 45 filed with Land Court Application 1805 which map shows the recreational lot to contain an area of 4.545 acres. In order to help assure that no phase, including the project, should be burdened with any greater proportion of the maintenance of the recreational lot and its facilities than would be the case if all phases were completed, the Developer has utilized a legal framework whereby the recreational lot and its facilities has not only been subdivided out of the rest of the planned unit development district but according to which it will be administered by a separate home owners association. Under the legal framework being utilized, each apartment in the project would have a percentage undivided interest in the common elements thereof as previously set forth and would also be responsible for the same percentage of the common expenses of the project. Each apartment would eventually bear an equal 1/449th share with every other one of the 449 units described for the entire planned unit development district, of the maintenance of the recreational lot and its facilities. In order to provide for the maintenance of the recreational lot and its facilities, separate and apart from the condominium framework of the project or from the framework of any other phase, the Developer has created the Club View Gardens Home Owners Association by causing to be executed and filed with the Department of Regulatory Agencies of the State of Hawaii a Petition for Charter of Incorporation and proposed By-Laws of the Club View Gardens Home Owners Association. The Charter of Incorporation for the Association was issued by the Director of Regulatory Agencies on May 18, 1972. On

June 23, 1972, said Waikiki Development Co., Inc. and said Centex Development Company (now Rotag Development, Inc.), general partners of said Ahuimanu Investment Company, and the Developer, as Declarants, filed a Declaration of Covenants, Conditions and Restrictions dated June 23, 1972, in said Office of the Assistant Registrar as Document No. 585821, as amended by Amendment to the Declaration, dated August 4, 1972, subjecting said Lot 169 to easements, restrictions, covenants, and conditions in favor of those lots upon which Club View Gardens, including the project, will be constructed. The Amendment to the Declaration states the initial fee per apartment unit per month for maintenance of the recreational lot as more fully discussed below. The recreational lot which will constitute common property governed by the aforesaid Declaration of Covenants, Conditions, and Restrictions, will be owned by the Club View Gardens Home Owners Association which has been organized as a non-profit corporation separate and apart from the Association of Apartment Owners of the project. As phases of Club View Gardens are completed and individual apartments are conveyed to purchasers, the purchasers will become members of the Club View Gardens Home Owners Association as well as members of the Association of Apartment Owners of their condominium and will be entitled to the use of the recreational lot and its facilities as provided for in the Declaration of Covenants, Conditions and Restrictions. The Developer has reserved the right over a five-year period to add all or any of the 449 units of the planned unit development district. Each owner of the apartment in the project would be required to be a member of the Home Owners Association and to pay an equal share toward the expenses of maintaining the recreational lot and its facilities.

In order to assure the maintenance of the recreational lot and its facilities, notwithstanding that completion of the various phases of the planned unit development district may take up to five years, the Developer has entered into a Property Maintenance Agreement, dated June 23, 1972, amended August 4, 1972, with the Home Owners Association, for a term of five (5) years, commencing June 23, 1972, to do all maintenance for a fee of \$3.00 per unit per month. Notwithstanding the fact that the monthly cost to Developer of performing its duties under the Property Maintenance Agreement exceed the total amount due from the Home Owners Association based upon the per unit fee, no additional charge shall be levied upon the Association and the Developer shall bear the difference between the cost of performing its duties and the amounts payable by the Association for the term of the Property Maintenance Agreement. Thus, each apartment owner in the phases of the planned unit development district, including the project, during the period from June 23, 1972, through June 23, 1977, will pay only \$3.00 per month as his share of the maintenance fees for the recreational center. Thereafter, he will pay an equal percentage share of the total maintenance fees for the recreational center which, if all phases of the planned unit development district are completed, will be an equal 1/449th share. The Developer has submitted to the Commission copies of the executed Declaration of Covenants, Conditions and Restrictions, Charter of Incorporation and By-Laws of the Club View

Gardens Home Owners Association, the Property Maintenance Agreement and Amendment.

The Developer advises that while it is possible that the Home Owners Association, if the Developer does not complete and add to the Home Owners Association all of the 449 units prescribed for the planned unit development district, may be faced, upon the expiration of the Property Maintenance Agreement, as amended, with maintenance costs in excess of the total maintenance fees then receivable by it from purchasers of apartments in the project and from purchasers or other owners of other completed units in the planned unit development district, the Developer believes as a practical matter that the purchasers or other owners of the completed units in the planned unit development district, including purchasers of apartments in the project, will not be unduly prejudiced, if at all, by the increased proportionate shares of the maintenance costs which they would have to bear for the reason that they would be the only members of the Home Owners Association, owning in fee simple the recreational lot and its facilities.

The foregoing information updates and supersedes the information recited under the heading SEPARATE HOME OWNERS ASSOCIATION in the Preliminary Public Report of January 31, 1972.

MANAGEMENT AND OPERATION: The Developer advises that on behalf of the Association of Apartment Owners of Club View Gardens II it has retained Hawaiiana Management Company as the initial managing agent for the project, and has submitted to the Commission an executed copy of the Property Maintenance Agreement dated February 8, 1973. The Developer also advises that it has entered into a five-year contract with the Club View Gardens Home Owners Association under which the Developer will undertake the maintenance of the recreational center. As previously mentioned, the Developer has undertaken the maintenance of the recreational center, which is separate from the project, for a five-year period, under a Property Maintenance Agreement dated June 23, 1972, amended August 4, 1972, with the Club View Gardens Home Owners Association, a non-profit corporation. Copies of the executed Property Maintenance Agreement and Amendment thereto have been submitted to the Commission.

STATUS OF PROJECT: The developer advises that in January, 1972, it substantially completed the recreational center, consisting of clubhouse, including swimming pool. Construction of the remaining buildings in the project has commenced. Construction of Buildings 1 and 2 was substantially completed in March, 1973. Thereafter, the remaining buildings will be substantially completed at the rate of three per month and the developer estimates that the project will be substantially completed by September, 1973.

The purchaser or prospective purchaser should

recognize that this published report represents information disclosed by the Developer in the required Notice of Intention submitted on December 2, 1971, and information subsequently filed as of May 17, 1973. The information disclosed in the Commission's Preliminary Public Report of January 31, 1972, and Supplementary Public Report of March 30, 1972, should be carefully reviewed by the purchaser and prospective purchaser.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 425 filed with the Commission on December 2, 1971.

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DOUGLAS R. SODEHANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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May 18, 1973