

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
MARPESSA
Honolulu, Hawaii

REGISTRATION NO. 502

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 but may only take reservations therefore after

- (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: July 2, 1973
Expires: August 2, 1974

SPECIAL ATTENTION

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

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 30, 1972, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JUNE 27, 1973. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES.

1. Marpessa is a proposed leasehold condominium project to be located at 87 Keokea Loop Road, Hilo, Hawaii. It will consist of two (2) commercial apartments located on the lobby level and sixty-five (65) residential apartments contained in a single multi-story building. Eighty-three parking stalls are available.

The project is being developed by a limited partnership known as Park Avenue of the Pacific, of which The Coral Strand, Ltd., a Hawaii corporation, is the sole general partner. The land will be owned by the Developer who will give to each apartment purchaser a Deed to the apartment and a Ground Lease on an undivided interest in the land on which the apartment building is situated.

2. The Developer has submitted to the Commission for examination a filing of documents and exhibits which is complete except for some particular requirement, or requirements, which can be expected to be completed as part of this registration.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the proposed Condominium Map) have not yet been filed in the Office of the recording officer, but preliminary drafts thereof have been submitted to the Real Estate Commission.
4. A brochure for Marpessa containing sample floor plans has been submitted to the Commission.
5. The prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, and with the rules and regulations promulgated pursuant thereto.
6. This Preliminary Report automatically expires thirteen (13) months after its date of issuance, July 2, 1973, unless a Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of the report.
7. If the Final Public Report covering Marpessa is not issued within one (1) year from the date of this Preliminary Public Report, purchasers shall be entitled to refund of all moneys paid by them without interest and less their loan fees and escrow charges, and shall be relieved of any further obligation.

NAME OF PROJECT: MARPESSA

LOCATION: The project is located at 87 Keokea Loop Road, Hilo, Hawaii, and extends from Keokea Loop Road to the ocean. The land comprises approximately 73,892 square feet.

TAX KEY: 2-1-14-16 and 62

ZONING: Resort-Hotel Zoning.

DEVELOPER: Park Avenue of the Pacific, a Hawaii Limited Partnership, whose principal place of business and post office address

is Room 401, Dean Witter Building, 119 Merchant Street, Honolulu, Hawaii 96813.

The General Partner is The Coral Strand, Ltd. The officers of the corporation are:

Selwyn P. Jenkins - President, Manager and Director
William P. Jenkins - Vice President, Secretary/Treasurer and Director
John P. Jenkins - Vice President, Assistant Secretary and Director
William E. Neunzig - Director

ATTORNEY REPRESENTING DEVELOPER: GOODSILL ANDERSON & QUINN (Attention: Walter E. Bliss), 16th Floor, Castle & Cooke Building, Financial Plaza of the Pacific, Honolulu, Hawaii - Phone 531-5066.

DESCRIPTION: The development consists of a building with nine (9) levels situated on a parcel of land having approximately 73,892 square feet which extends from Keokea Loop Road to the ocean at Hilo, Hawaii. The building will be constructed primarily of reinforced concrete and is described as follows:

1. Lower Garage Level: This level contains only forty-four (44) parking stalls and tenant storage.
2. Lobby Level: This level is 2' 6" above the lower garage level. It contains a meeting room, a manager's office, two apartments for commercial use, a lobby, toilets and porte-cochere.
3. Upper Garage Level: This level contains a pool lanai, thirty-nine (39) parking stalls, tenant storage and toilets.
4. First Floor through Fourth Floor: Each floor contains twelve (12) apartments.
5. Fifth Floor: This floor contains ten (10) apartments.
6. Sixth Floor, or Penthouse Floor: This floor contains seven (7) apartments.

NOTE: Purchasers are advised to study with care the building elevation plans to determine the actual floor the residential apartments are situated at inasmuch as, the residential apartments are not situated on the first and second floors.

The apartment numbers, the approximate area of each apartment, including lanais, and the number of rooms contained in each apartment and the interest in the common elements allocable to such apartment are as follows:

| <u>APARTMENT NUMBER</u> | <u>APARTMENT AREA</u> | <u>NUMBER OF ROOMS</u> | <u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u> |
|-------------------------|-----------------------|----------------------------------|---|
| L-1 | 165 sq. ft. | Manager's apt. Common Element | |

| <u>APARTMENT NUMBER</u> | <u>APARTMENT AREA</u> | <u>NUMBER OF ROOMS</u> | <u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u> |
|-----------------------------|---------------------------|----------------------------|---|
| L-2 | 997 sq. ft. | 1 | .010789 |
| L-3 | 1,285 " " | 1 | .013906 |
| 101 | 1,840 " " | 7 | .016622 |
| 102 | 1,512 " " | 7 | .016362 |
| 103 | 1,306 " " | 6 | .012358 |
| 104 | 1,220 " " | 6 | .011428 |
| 105 | 927 " " | 4 | .008257 |
| 106 | 1,489 " " | 6 | .014339 |
| 107 | 1,220 " " | 5 | .011428 |
| 108 | 977 " " | 4 | .008798 |
| 109 | 1,444 " " | 6 | .015627 |
| 110 | 1,359 " " | 6 | .013711 |
| 111 | 947 " " | 4 | .008917 |
| 112 | 1,496 " " | 7 | .014371 |
| 201 | 1,536 " " | 7 | .016622 |
| 202 | 1,512 " " | 7 | .016362 |
| 203 | 1,142 " " | 6 | .012358 |
| 204 | 1,056 " " | 6 | .011428 |
| 205 | 763 " " | 4 | .008257 |
| 206 | 1,325 " " | 6 | .014339 |
| 207 | 1,056 " " | 5 | .011428 |
| 208 | 813 " " | 4 | .008798 |
| 209 | 1,557 " " | 6 | .016849 |
| 210 | 1,267 " " | 6 | .013711 |
| 211 | 824 " " | 4 | .008917 |
| 212 | 1,328 " " | 7 | .014371 |

| <u>APARTMENT NUMBER</u> | <u>APARTMENT AREA</u> | <u>NUMBER OF ROOMS</u> | <u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u> |
|-----------------------------|---------------------------|----------------------------|---|
| 301 | 1,536 sq. ft. | 7 | .016622 |
| 302 | 1,512 " " | 7 | .016362 |
| 303 | 1,142 " " | 6 | .012358 |
| 304 | 1,056 " " | 6 | .011428 |
| 305 | 763 " " | 4 | .008257 |
| 306 | 1,325 " " | 6 | .014339 |
| 307 | 1,056 " " | 5 | .011428 |
| 308 | 813 " " | 4 | .008798 |
| 309 | 1,557 " " | 6 | .016849 |
| 310 | 1,267 " " | 6 | .013711 |
| 311 | 824 " " | 4 | .008917 |
| 312 | 1,328 " " | 7 | .014371 |
| 401 | 1,536 " " | 7 | .016622 |
| 402 | 1,512 " " | 7 | .016362 |
| 403 | 1,142 " " | 6 | .012358 |
| 404 | 1,056 " " | 6 | .011428 |
| 405 | 763 " " | 4 | .008257 |
| 406 | 1,325 " " | 6 | .014339 |
| 407 | 1,056 " " | 5 | .011428 |
| 408 | 813 " " | 4 | .008798 |
| 409 | 1,557 " " | 6 | .016849 |
| 410 | 1,267 " " | 6 | .013711 |
| 411 | 824 " " | 4 | .008917 |
| 412 | 1,328 " " | 7 | .014371 |
| 501 | 1,536 " " | 7 | .016622 |
| 502 | 1,712 " " | 7 | .018527 |
| 503 | 2,477 " " | 9 | .026806 |

| <u>APARTMENT NUMBER</u> | <u>APARTMENT AREA</u> | <u>NUMBER OF ROOMS</u> | <u>PERCENTAGE INTEREST IN COMMON ELEMENTS</u> |
|-----------------------------|---------------------------|----------------------------|---|
| 504 | 1,042 sq. ft. | 5 | .011276 |
| 505 | 1,605 " " | 6 | .017369 |
| 506 | 2,274 " " | 8 | .024609 |
| 507 | 1,557 " " | 7 | .016849 |
| 508 | 1,435 " " | 6 | .015529 |
| 509 | 988 " " | 4 | .010692 |
| 510 | 1,328 " " | 7 | .014371 |
| P-1 | 2,389 " " | 8 | .025853 |
| P-2 | 2,578 " " | 8 | .027899 |
| P-3 | 1,336 " " | 7 | .014458 |
| P-4 | 2,820 " " | 9 | .030518 |
| P-5 | 2,638 " " | 9 | .028548 |
| P-6 | 3,018 " " | 9 | .032660 |
| P-7 | 2,786 " " | 9 | .030150 |

The apartments, each being an apartment within the meaning of that term as used in the Horizontal Property Act, consist of all the space within the perimeter walls, floors and ceilings of each of the apartments shown on said Condominium Map, together with the adjacent lanais, if any, which are shown on said Condominium Map. The following are not included within the apartment:

- (a) The foundation, exterior walls (including doors and windows), roofs, floors and load-bearing walls, beams and columns of the building and all perimeter or party walls separating two apartments.
- (b) All pipes, wires, conduits and other utility or service lines which are utilized for or serve another or more than one apartment.

Each apartment shall be deemed to include all interior nonload-bearing walls and all inner decorated or finished surfaces of all floors and ceilings and all perimeter or party walls and finished surfaces of interior load-bearing walls and all fixtures originally installed in the apartment space.

COMMON ELEMENTS: The common elements within the meaning of that term as used in the Horizontal Property Act include the land

together with all improvements and vegetation thereon, but excluding therefrom the apartments as described above.

LIMITED COMMON ELEMENTS: All automobile parking spaces as shown on the Condominium Map, except the one set aside for use with the Manager's Office, are limited common elements. Each apartment is entitled to the exclusive use of one or more of said parking spaces. The parking space set aside for use with the Manager's Office and the parking space or spaces to which each apartment has exclusive use is set forth below.

INTEREST TO BE CONVEYED TO PURCHASER: The interest in the common elements to be allocated to each apartment is set forth above. The Developer has stated that it proposes to give to each purchaser of an apartment a Deed to the apartment and a Lease on an undivided interest in the land on which the apartment building is situated. The documents will specifically recite that the Deed does not convey any interest in the land. The lease rent for each apartment until December 31, 2005 and the parking stall or stalls to be allocated to such apartment are as follows:

| <u>APARTMENT NUMBER</u> | <u>PARKING STALL</u> | <u>RENT TO 12/31/80</u> | <u>RENT NEXT 5 YEARS</u> | <u>RENT NEXT 10 YEARS</u> | <u>RENT NEXT 10 YEARS</u> |
|-------------------------|----------------------|-------------------------|--------------------------|---------------------------|---------------------------|
| 101 | 52 | \$ 58.00 | \$ 71.00 | \$ 82.00 | \$ 93.50 |
| 102 | 55 | 57.50 | 70.00 | 80.50 | 92.00 |
| 103 | 75 | 43.50 | 53.00 | 61.00 | 70.00 |
| 104 | 31 | 40.00 | 49.00 | 56.00 | 64.50 |
| 105 | 19 | 29.00 | 35.00 | 41.00 | 46.50 |
| 106 | 39 | 50.00 | 61.00 | 71.00 | 81.00 |
| 107 | 14 | 40.00 | 49.00 | 56.00 | 64.50 |
| 108 | 23 | 31.00 | 37.50 | 43.50 | 49.50 |
| 109 | 41 | 55.00 | 66.50 | 77.00 | 88.00 |
| 110 | 16 | 48.00 | 58.50 | 67.50 | 77.00 |
| 111 | 4 | 31.00 | 38.00 | 44.00 | 50.00 |
| 112 | 8 | 50.50 | 61.00 | 71.00 | 81.00 |
| 201 | 73 | 58.00 | 71.00 | 82.00 | 93.50 |
| 202 | 56 | 57.50 | 70.00 | 80.50 | 92.00 |
| 203 | 74 | 43.50 | 53.00 | 61.00 | 70.00 |
| 204 | 30 | 40.00 | 49.00 | 56.00 | 64.50 |

| <u>APARTMENT NUMBER</u> | <u>PARKING STALL</u> | <u>RENT TO 12/31/80</u> | <u>RENT NEXT 5 YEARS</u> | <u>RENT NEXT 10 YEARS</u> | <u>RENT NEXT 10 YEARS</u> |
|-----------------------------|--------------------------|-----------------------------|------------------------------|-------------------------------|-------------------------------|
| 205 | 18 | \$ 29.00 | \$ 35.00 | \$ 41.00 | \$ 46.50 |
| 206 | 40 | 50.00 | 61.00 | 71.00 | 81.00 |
| 207 | 13 | 40.00 | 49.00 | 56.00 | 64.50 |
| 208 | 22 | 31.00 | 37.50 | 43.50 | 49.50 |
| 209 | 42 | 59.00 | 72.00 | 83.00 | 95.00 |
| 210 | 15 | 48.00 | 58.50 | 67.50 | 77.00 |
| 211 | 5 | 31.00 | 38.00 | 44.00 | 50.00 |
| 212 | 9 | 50.50 | 61.00 | 71.00 | 81.00 |
| 301 | 53 | 58.00 | 71.00 | 82.00 | 93.50 |
| 302 | 59 | 57.50 | 70.00 | 80.50 | 92.00 |
| 303 | 50 | 43.50 | 53.00 | 61.00 | 70.00 |
| 304 | 29 | 40.00 | 49.00 | 56.00 | 64.50 |
| 305 | 17 | 29.00 | 35.00 | 41.00 | 46.50 |
| 306 | 43 | 50.00 | 61.00 | 71.00 | 81.00 |
| 307 | 12 | 40.00 | 49.00 | 56.00 | 64.50 |
| 308 | 21 | 31.00 | 37.50 | 43.50 | 49.50 |
| 309 | 82 | 59.00 | 72.00 | 83.00 | 95.00 |
| 310 | 8 | 48.00 | 58.50 | 67.50 | 77.00 |
| 311 | 6 | 31.00 | 38.00 | 44.00 | 50.00 |
| 312 | 35 | 50.50 | 61.00 | 71.00 | 81.00 |
| 401 | 54 | 58.00 | 71.00 | 82.00 | 93.50 |
| 402 | 57 | 57.50 | 70.00 | 80.50 | 92.00 |
| 403 | 51 | 43.50 | 53.00 | 61.00 | 70.00 |
| 404 | 49 | 40.00 | 49.00 | 56.00 | 64.50 |
| 405 | 32 | 29.00 | 35.00 | 41.00 | 46.50 |
| 406 | 44 | 50.00 | 61.00 | 71.00 | 81.00 |
| 407 | 33 | 40.00 | 49.00 | 56.00 | 64.50 |
| 408 | 20 | 31.00 | 37.50 | 43.50 | 49.50 |

| <u>APARTMENT NUMBER</u> | <u>PARKING STALL</u> | <u>RENT TO 12/31/80</u> | <u>RENT NEXT 5 YEARS</u> | <u>RENT NEXT 10 YEARS</u> | <u>RENT NEXT 10 YEARS</u> |
|-----------------------------|--------------------------|-----------------------------|------------------------------|-------------------------------|-------------------------------|
| 409 | 81 | \$ 59.00 | \$ 72.00 | \$ 83.00 | \$ 95.00 |
| 410 | 7 | 48.00 | 58.50 | 67.50 | 77.00 |
| 411 | 11 | 31.00 | 38.00 | 44.00 | 50.00 |
| 412 | 36 | 50.50 | 61.00 | 71.00 | 81.00 |
| 501 | 66 | 58.00 | 71.00 | 82.00 | 93.50 |
| 502 | 58 | 65.00 | 79.00 | 91.00 | 104.00 |
| 503 | 71-72 | 94.00 | 114.00 | 132.00 | 151.00 |
| 504 | 28 | 39.50 | 48.00 | 55.50 | 63.50 |
| 505 | 80 | 61.00 | 74.00 | 85.50 | 98.00 |
| 506 | 45-46 | 86.00 | 105.00 | 121.00 | 138.50 |
| 507 | 83 | 59.00 | 72.00 | 83.00 | 95.00 |
| 508 | 38 | 54.50 | 66.00 | 76.50 | 87.50 |
| 509 | 34 | 37.50 | 45.50 | 53.00 | 60.00 |
| 510 | 37 | 50.00 | 61.00 | 71.00 | 81.00 |
| PH-1 | 60-61 | 90.50 | 110.00 | 127.00 | 145.50 |
| PH-2 | 67-68 | 98.00 | 119.00 | 137.00 | 157.00 |
| PH-3 | 64-65 | 51.00 | 61.50 | 71.00 | 81.50 |
| PH-4 | 69-70 | 107.00 | 130.00 | 150.00 | 172.00 |
| PH-5 | 76-77 | 100.00 | 121.50 | 140.50 | 161.00 |
| PH-6 | 47-48 | 114.50 | 139.00 | 161.00 | 184.00 |
| PH-7 | 78-79 | 106.00 | 128.00 | 148.00 | 170.00 |
| L-2 | 2, 3, 62-S, 63-S | 38.00 | 46.00 | 53.00 | 61.00 |
| L-3 | 1, 24, 26-S, 27-S | 49.00 | 59.00 | 68.50 | 78.00 |
| Manager | 25 | | | | |

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The two commercial apartments located on the ground level as shown on the Condominium

Map may be used for any use permitted by applicable law or governmental regulations. Each of the other apartments will be used only for a private dwelling for the owner, his family, tenants or social guests.

DESCRIPTION OF THE LAND: The land is described as follows:

- PARCEL FIRST: Lot 1, area 24,460 square feet, Map 2, Land Court Application 1138, being all of the land covered by Transfer Certificate of Title No. 92,432.
- PARCEL THIRD: Lot 1, area 1,234.0 square feet, and Lot 2, area 1,121.0 square feet, Map 1, Land Court Application 1607, being all of the land covered by Transfer Certificate of Title No. 151,262.
- PARCEL SECOND: Lot 1, area 27,542 square feet, and Lot 2, area 11,073.0 square feet, Map 1, Land Court Application 1301, being all of the land covered by Transfer Certificate of Title No. 151,261.
- PARCEL FOURTH: Lot 2, area 8,462.0 square feet, Map 2, Land Court Application 1132, being all of the land covered by Transfer Certificate of Title No. 151,263.

OWNERSHIP OF TITLE: The Notice of Intention states that Lot 1, area 24,460 square feet, Map 2, Land Court Application 1138, Transfer Certificate of Title No. 92,432, is owned by Eileen B. Hodgins, subject to an Agreement of Sale held by The Coral Strand, Ltd., the general partner of Park Avenue of the Pacific. The Coral Strand, Ltd. has advised that it holds said Agreement of Sale for the benefit of the partnership. The Notice of Intention states that title to the remainder of the land is vested in The Coral Strand, Ltd., a Hawaii corporation, as general partner of Park Avenue of the Pacific.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated February 23, 1973 prepared by Security Title Corporation reveals the following encumbrances against the land:

1. Real property taxes that may be due and owing - Reference is hereby made to the Office of the Tax Assessor of the Third Taxation Division.
2. Mortgage dated March 7, 1963, filed in the Office of the Assistant Registrar of the Land Court of Hawaii as Land Court Document No. 304558, made by Robert Pemberton Brown and Eileen Bell Brown, husband and wife, Mrs. Eileen Bell Brown now being known as Eileen B. Hodgins, as Mortgagors, to First National Bank of

Hawaii, as Mortgagee, to secure \$19,800, which encumbers the aforesaid land standing in the name of Eileen B. Hodgins.

3. Mortgage dated August 11, 1970 filed in the Office of said Assistant Registrar as Document No. 593344, made by The Coral Strand, Ltd., as general partner of Park Avenue of the Pacific, as Mortgagor, to Pan Pacific Lands, Inc., a Hawaii corporation, as Mortgagee, to secure the sum of \$160,000, which encumbers all of the aforesaid lands standing in the name of The Coral Strand, Ltd., as general partner of Park Avenue of the Pacific.

NOTE: The Developer has advised that prior to the commencement of construction of the improvements, the Developer will pay off the balance of the purchase price to be paid under said Agreement of Sale and will cause title under said Agreement of Sale to be transferred to Developer.

4. Agreement of Sale dated March 1, 1971, made by and between Eileen B. Hodgins and C S Land Company, Ltd., as Purchaser recorded in Liber 7777 at page 273 and filed as Document No. 610340 (affects Parcel First only).

Assignment of Agreement of Sale dated April 28, 1972, filed as Document No. 610341 and recorded in Liber 8305 at page 308, in favor of The Coral Strand, Ltd.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated November 27, 1972, identifies Security Title Corporation as the escrow agent. On examination, the specimen Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Section 514-14. The Escrow Agreement provides that if the purchaser purchases prior to the issuance of a Final Public Report he can cancel the contract and obtain a refund of his money if (a) (i) the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report, or (ii) there is any change in the condominium building plans subsequent to the execution of the sales contract and prior to the issuance of said Final Public Report and seller fails to obtain purchaser's written approval or acceptance of the specific change, or (iii) the Final Public Report differs in any material respect from the Preliminary Public Report, and (b) purchaser delivers notice in writing to seller and escrow agent prior to the expiration of ten (10) days after receipt by purchaser, or any one of them if purchaser is more than one person, of a copy of said Final Public Report.

The specimen Sales Contract provides that Seller may at its option cancel the contract if less than 80% of the apartments in the project are not sold prior to December 31, 1973.

It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow

Agreement. The latter document, the Escrow Agreement, establishes how the proceeds from the sale of the apartments and all sums received from any source are placed in trust as well as the retention and disbursement of said trust fund.

MANAGEMENT AND OPERATION: The Developer advised that the administration of the project shall be vested in the Association of Apartment Owners. The proposed By-Laws empower the Board of Directors to employ a managing agent to manage and control the project, subject to control by the Board. First Hawaiian Bank is identified as the initial managing agent.

STATUS OF PROJECT: In the Notice of Intention the Developer advised the Commission that it estimated construction will start in the Fall of 1973 and it estimated that the project will be completed eighteen (18) months thereafter.

CONSTRUCTION OF BUILDING: The Developer, in the Notice of Intention, stated that a contract has not been negotiated for construction of the building and that it does not propose to negotiate a contract for the construction of the building until substantial sales have been made. The Developer has stated that it will post a Payment and Performance Bond which runs to the institutional lender providing construction funds.

FINANCING: Developer has not yet arranged construction financing.

PURCHASE BY LIMITED PARTNERS OF DEVELOPER: Developer has stated that it contemplates that a substantial number of apartments within the building will be purchased by limited partners of Park Avenue of the Pacific. The Articles of Partnership specifically provide that the purchase price to be paid by limited partners who purchase apartments shall be the cost of such apartments as defined in the Partnership Agreement and that under certain circumstances the partnership will provide financing to its qualified limited partners to assist them in purchasing the apartments.

TAX TREATMENT: The Developer/partnership has advised that it has received a ruling from the Internal Revenue Service to the effect that the contemplated sales of apartments will in fact be treated as sales for Federal income tax purposes.

The purchaser or prospective purchaser should be cognizant of the fact that this public report represents information disclosed by the Developer in the required Notice of Intention submitted November 30, 1972.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 502 filed with the Commission on November 30, 1972.

The report, when reproduced, shall be a true copy of the Commission's

Public Report. In making facsimiles the paper stock shall be yellow in color.



(for) DOUGLAS R. SODEVANI, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING COMMISSION, COUNTY OF HAWAII
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 502
July 2, 1973