

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
KUKUI PLAZA
Honolulu, City and County of Honolulu
State of Hawaii
REGISTRATION NO. 641

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: April 17, 1974

Expires: May 17, 1975

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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 12, 1973 AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 9, 1974. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. KUKUI PLAZA is a proposed leasehold condominium project consisting of two 33-story tower buildings (from the ground level) containing a total of 908 apartment units, a five level parking garage structure, two levels of which are below grade containing a total of 1,811 parking stalls, a garden deck above the parking structure and 67,278 square feet of commercial space integrated with the parking garage structure.

2. The Developer of the project has submitted to the Commission for examination all the documents deemed necessary for the registration of the condominium project and issuance of this final public report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Owners) were executed on March 13, 1974 and was filed with the Office of the Assistant Registrar of the Land Court, State of Hawaii, as Document No. 673406 and noted on Transfer Certificates of Title Nos. 126,448, 138,184, 136,826 and 144,116 and recorded in the Bureau of Conveyances, State of Hawaii on March 21, 1974 in Book 9789, Page 245. A copy of the floor plans has been filed as Condominium Map No. 199 in said Office of the Assistant Registrar and as Condominium Map No. 342 in said Bureau.
4. Advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The Developer advises the Commission that the construction of the project has commenced on October 3, 1973 and the projected completion date is December 5, 1975.
6. 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 which relate to the Horizontal Property Regimes.
7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, April 17, 1974.

NAME OF PROJECT: KUKUI PLAZA.

LOCATION: The 221,450 square feet of property to be committed to the regime as a leasehold condominium project is situated within a block bounded by Beretania and Fort and Kukui Streets and Nuuanu Avenue in Honolulu, City and County of Honolulu, State of Hawaii.

TAX KEY: FIRST DIVISION 2-1-4-40.

DEVELOPER: Oceanside Properties, Inc., a Hawaii corporation, of 1631 Kapiolani Boulevard, Honolulu, Hawaii. The officers of the corporation are as follows:

Hal J. Hansen	President
Francis K. Lum	Vice President
Joseph Zbin	Vice President
Doris L. Yee	Secretary
J. Blair Menardi	Treasurer

ATTORNEY REPRESENTING DEVELOPER: Hiroshi Sakai, Suite 602, 810 Richards Street, Honolulu, Hawaii 96813. Telephone 531-4171.

DESCRIPTION: The Declaration of Horizontal Property Regime reflects that the project is to consist of 221,450 square feet of land located in the block bounded by Beretania and Fort and Kukui Streets and Nuuanu Avenue in Honolulu, City and County of Honolulu, State of Hawaii, on which will be located two 33-story tower buildings containing a total of 908 apartment units, a five level parking garage structure, two levels of which are below grade, containing a total of 1,811 parking stalls with a garden deck above the parking structure and 67,278 square feet of commercial space in two levels integrated with the parking garage structure to be constructed in accordance with plans and specifications certified to by Daniel, Mann, Johnson & Mendenhall, Architects, and Donald Wolbrink & Associates, Inc., Planners and Landscape Architects. There is a swimming pool located in the garden deck. The two towers and parking garage structure are constructed of reinforced concrete construction with the Ewa Tower containing 448 apartment units and the Diamond Head Tower containing 460 apartment units.

THE DIVISION OF PROJECT: The project is divided into "units" which consists of apartments, parking stalls and commercial spaces which may be separately sold, leased, transferred, encumbered or otherwise disposed of.

DESCRIPTION OF ONE-BEDROOM APARTMENTS: There are 666 one bedroom apartments. Each type "A" and "A-1" one-bedroom apartment has a living-dining room, one bedroom, dressing area with closets, one bathroom and a kitchen area. The type "A" apartments are numbered with the last two digits ending from "03" through "11" inclusive with each having 614 square feet of floor area. The type "A-1" apartments are numbered with the last two digits ending with "12" and "13" with each having 610 square feet of floor area.

DESCRIPTION OF TWO-BEDROOM APARTMENTS: There are 181 two-bedroom apartments. Each type "C" two-bedroom apartment has 887 square feet of floor area and a living-dining room, two bedrooms, dressing area, walk-in closet, one bathroom, and a kitchen. Each type "B" two-bedroom apartment is the same except that it has 979 square feet of floor area and in addition a lanai of 159 square feet. The type "C" apartments are numbered with the last two digits ending with "14" and "15". The type "B" apartments are numbered with the last two digits ending with "01".

DESCRIPTION OF THREE-BEDROOM APARTMENTS: There are 61 three-bedroom apartments. Each type "D" three-bedroom apartment has 1,201 square feet of floor area and a living-dining room, three bedrooms, dressing area, two bathrooms, kitchen, and in addition a lanai of 172 square feet. Each type "D-1" apartment together with the lanai is the same except that it has 1,310 square feet of floor area. The type "D" and "D-1" are both numbered with the last two digits ending with "02" with the "D-1" units from floor 25 through 33 inclusive and all others below the 25th floor being "D" apartments.

DESCRIPTION OF PARKING STALLS: There are 1,811 parking stalls in the five level parking structure. There are 1,657 regular size parking stalls of the minimum size of 8 feet 6 inches by 19 feet and 154 compact stalls with the capital letter "C" designating

it to be a compact stall of the minimum size of 7 feet 6 inches by 16 feet on the Condominium Map. On the first level there are 378 regular and 78 compact for a total of 456 stalls. On the second level (basement) there are 371 regular and 73 compact for a total of 444 stalls. On the third level there are 434 regular and 1 compact for a total of 435 stalls. On the fourth level there are 255 regular and 1 compact for a total of 256 stalls. On the fifth level (second floor) there are 219 regular and 1 compact for a total of 220 stalls.

DESCRIPTION OF COMMERCIAL SPACES: The first level commercial spaces are numbered C-101 through C-134 inclusive and are at elevations 24 feet, 28.5 feet and 32.5 feet about sea level and located in both towers and in the plaza level commercial area. The second level commercial spaces numbered C-201 through C-218 inclusive are at elevation 42.5 feet and 41 feet above sea level in both towers and in the plaza second level commercial area. The Commission is advised by the developer that adjacent commercial spaces may be consolidated to enlarge the floor space of units.

NUMBER AND LOCATION OF UNIT: The unit consisting of apartments, parking stalls and commercial areas are as numbered on the Condominium Map. Purchasers or prospective purchasers should be aware that not all HRA apartments have assigned parking.

Each of the parking stalls located on the various levels will have immediate access to the driveways which lead to the entry way and exits of the parking structure which leads into the public streets.

Each of the commercial areas in two levels lead either to the walkways which lead to the public streets or stairs leading to the first and second levels of the parking structure. Each of the commercial areas on the second level leads either to walkways which in turn lead to stairways leading to the street levels or stairs leading to the parking structure.

Each of the apartments in the Ewa Tower has access to elevators which in turn lead to the lounge and walkways which lead to Nuuanu Avenue, third, fourth and fifth levels in the parking structure and commercial areas. Each of the apartments in the Diamond Head Tower has access to elevators which in turn lead to the lounge and walkways which lead to Fort and Kukui Streets, third, fourth and fifth levels in the parking structure and commercial areas.

LIMITS OF APARTMENTS: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls. The floors and ceilings surrounding each of them or any pipes, wires, conduits or other utility line running through them which are utilized for or serve more than one apartment are deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions, floors and ceilings which are not load bearing within its perimeter walls including paint, wallpaper, or the like, carpeting, floor covering and built-in fixtures. Additionally, an apartment which has a lanai includes the sliding doors, windows, and glass walls and the frames thereof which are between the lanai and the apartment. The configuration

within the apartment as well as the interior walls and partitions cannot be altered in any manner.

LIMITS OF PARKING STALLS: Each parking stall shall be as indicated on the Condominium Map and shall include the right of the owner to utilize the parking stall including the air space above it sufficient to park a motor vehicle.

LIMITS OF COMMERCIAL SPACES: The respective commercial spaces shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls. The floors and ceilings surrounding each of them or any pipes, wires, conduits, or other utility lines running through them which are utilized for or serve more than one unit are deemed common elements as hereinafter provided. Each commercial area shall be deemed to include all the walls and partitions, floors and the air space up to 10 feet and 3 inches as shown on the Condominium Map, which are not load bearing within its perimeter walls. Additionally, the boundary lines of each commercial area are the exterior of doors, windows and glass walls and the frames thereof.

COMMON ELEMENTS: The common elements for the project include:

- a. The land bounded by Beretania, Fort and Kukui Streets and Nuuanu Avenue, Honolulu, Hawaii.
- b. The foundation, columns, girders, beams, supports, main walls and roofs in the two towers, parking structure and commercial area.
- c. The vent shafts, electrical and mechanical rooms.
- d. The loading platform.
- e. The central and appurtenant installations for services such as power, light, gas, hot and cold water and like utilities.
- f. The air space between 10 feet and 3 inches and the ceiling of each commercial area ceiling.
- g. All other parts of the project existing for the common use if necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS FOR THE APARTMENT OWNERS: The limited common elements for the apartment owners include:

- a. The stairs, stairways, lobby area, manager's office, director's office, recreation room, trash rooms, rest rooms, and elevators in the Ewa Tower and Diamond Head Tower.
- b. The garden deck located on the 6th level above the parking structure.
- c. The parking stalls assigned to certain apartment owners.
- d. Each floor having apartments only the lobby, laundry room and hallways are limited common elements for unit owners

located on that floor.

LIMITED COMMON ELEMENTS FOR COMMERCIAL AREA:

- a. The walkways, stairs, stairways adjoining the commercial areas as noted in the Condominium Map.
- b. The freight elevator, rest rooms and trash rooms.

LIMITED COMMON ELEMENTS FOR PARKING AREA:

- a. The stairways, public elevators and walkways.

INTEREST TO BE CONVEYED TO PURCHASER: The percentage of undivided interest in the common elements appertaining to each unit including apartments and parking stalls are as follows:

<u>APARTMENT TYPE</u>	<u>PERCENTAGE INTEREST (EACH)</u>
A	.073329
A-1	.072872
B	.136085
C	.105962
D	.164112
D-1	.177149

<u>PARKING STALL TYPE</u>	<u>PERCENTAGE INTEREST (EACH)</u>
Standard	.007170
Compact	.007170

NOTE: The Declaration of Horizontal Property Regime reflects that the City and County of Honolulu has been allocated 900 parking stalls, thus having 6.453 percent of undivided interest in the common elements.

The following are the percentages of undivided interest in the common elements for commercial areas:

<u>LEVEL</u>	<u>UNIT DESIGNATION</u>	<u>AREA (SQ. FT.)</u>	<u>PERCENTAGE INTEREST</u>
First	C-101	1,003.491	.105270
"	C-102	627.120	.065788
"	C-103	627.120	.065788
"	C-104	618.317	.064863
"	C-105	811.624	.085148
"	C-106	144.998	.015210
"	C-107	168.750	.017701
"	C-108	168.750	.017701
"	C-109	119.975	.012584
"	C-110	317.746	.033335
"	C-111	317.746	.033335
"	C-112	308.942	.032410
"	C-113	464.335	.048714
"	C-114	234.979	.024675
"	C-115	226.871	.023800
"	C-116	432.534	.045376
"	C-117	626.863	.065759

"	C-118	626.863	.065759
"	C-119	620.402	.065082
"	C-120	724.367	.075993
"	C-121	667.210	.069994
"	C-122	705.750	.074038
"	C-123	705.750	.074038
"	C-124	778.250	.081647
"	C-125	903.650	.094796
"	C-126	903.650	.094796
"	C-127	1,533.600	.160887
"	C-128	5,013.500	.525948
"	C-129	2,641.900	.277153
"	C-130	8,845.375	.927936
"	C-131	234.979	.024654
"	C-132	234.979	.024654
"	C-133	226.871	.023800
"	C-134	432.534	.045376
Second	C-201	1,113.586	.116824
"	C-202	919.050	.096412
"	C-203	912.130	.095685
"	C-204	912.130	.095685
"	C-205	912.130	.095685
"	C-206	1,292.130	.135556
"	C-207	1,370.790	.143807
"	C-208	6,834.000	.716930
"	C-209	2,639.000	.276850
"	C-210	7,130.000	.747985
"	C-211	8,436.000	.884988
"	C-212	188.847	.019812
"	C-213	234.979	.024654
"	C-214	234.979	.024654
"	C-215	234.979	.024654
"	C-216	234.979	.024654
"	C-217	226.871	.023800
"	C-218	432.534	.045376

Recap of percentage of undivided interest in the common elements

Apartments	79.957%
Parking Stalls	12.985
Commercial Spaces	<u>7.058</u>
TOTAL PROJECT	100.000%

Any interest in the common elements are also referred to as the "common interest" and each unit shall have the percentage interest in the common elements in voting on all matters requiring action by the owners and the percentages as provided above shall govern.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE:

a. Apartments. The apartments are intended primarily for residential uses. However, the rental of apartments shall be

allowed subject to such limitation as may be contained herein or in the By Laws of the Association and House Rules which may be adopted from time to time governing the use of apartments.

b. Parking Stalls. The parking stalls are intended and shall be used primarily for parking purposes subject to such limitations as may be contained herein or in the By Laws and House Rules which may be adopted from time to time governing the use of the parking stalls.

c. Commercial Areas. The commercial areas are intended primarily for commercial uses. The commercial areas may be restricted as to a certain type of commercial use as contrasted to other commercial uses that may be designated from time to time through the sales and/or lease that may be made from time to time for the commercial space. The commercial space shall be subject to such limitations as may be contained herein or in the By Laws of the Association, and Commercial and House Rules which may be adopted from time to time.

SALE, LEASING OR OTHER ALIENATION OF HRA UNITS:

There are 227 apartments to be sold, leased or otherwise alienated under such rules and regulations that may be applicable to said apartments for such period of years as is established by the HRA, the valuation for the purpose of said apartments to be established by the HRA or its successors annually on January 2 of each year. The following provisions in this paragraph are to govern the HRA units disposition:

Sale or Lease. Any unit owner other than the Developer who wishes to sell, agree to sell, lease, sublease or assign his apartment or any interest therein to any person shall give the HRA not less than thirty (30) days prior written notice of any such sale, agreement to sell, lease, sublease or assignment in accordance with the rules and regulations promulgated by the HRA, which notice shall specify the name and address of the proposed purchaser, assignee, lessee or sublessee and such other information as the HRA shall reasonably require. The HRA or successor or their designee shall have the first right and option to purchase, agree to purchase, lease or sublease such unit or interest therein upon the same terms which option shall be exercised for or to purchase the apartment on the basis as established in the rules and regulations for a period of 30 days after receipt of such notice. If said option is not exercised by the HRA within said 30 days, the unit owner, purchaser, lessee or sublessee may at the expiration of said 30 day period sell, agree to sell, lease or sublease or assign such unit or interest therein to the proposed purchaser, assignee, lessee or sublessee named in such notice upon the terms specified therein.

Gift of Apartment. Any apartment owner other than the Developer who wishes to make a gift of his apartment or any interest therein or wishes to transfer his apartment or any interest therein for a consideration other than cash or notes (secured or unsecured) of such transferee or the assumption of an existing indebtedness to any person or persons who would not be heirs at law of the unit owner under the rules of descent of the State of Hawaii were he or she to die within 60 days prior to the contemplated date of

such gift or other transfer shall give to the HRA not less than 60 days written notice of his or her intent to make such gift or other transfer prior to the contemplated date hereof. Said notice shall state the contemplated date of said gift or other transfer, the intended donee or transferee and the terms in detail of such proposed other transfer and such other information as the HRA shall reasonably require. The HRA shall have the first right and option to purchase said apartment or interest therein for cash at the value which has been set by rules and regulations of the HRA which valuation shall govern the price of the unit, the proceeds of which shall be disbursed as directed by the donor. In the event that the HRA does not exercise such right then the gift shall be completed.

Devise of a Unit. In the event that any unit owner leaves a will devising his or her apartment or any interest therein to any person or persons not heirs at law of the deceased unit owner under the rules of descent of the State of Hawaii and said will is admitted to probate the HRA shall have an option to purchase said apartment or any interest therein from the date of the deceased unit owner or from the devisee or devisee's name in such will if no power of sale is conformed by said will upon the personal representative made therein for the value as set forth in the HRA's rules and regulations. The HRA's right to purchase the unit or interest therein at the foregoing price shall expire 60 days after the date.

Judicial Sale. In the event any unit or interest therein is contemplated to be sold at a judicial or execution sale other than a mortgage foreclosure the person attempting to make such judicial or execution sale shall first give 30 days written notice to the HRA of his intention so to do whereupon the HRA shall have an irrevocable option to purchase such unit or interest therein at the price or term as set forth in the four paragraphs above. If said option is not exercised by the HRA within said 30 days after receipt of such notice, then the person pursuing the judicial or execution sale may then set the judicial or execution sale which shall be opened to any person so desiring to purchase. The person acquiring the unit at such judicial or execution sale shall not be then subject to any further rights of first refusal, however, any further sale, agreement to sell, lease, sublease, assignment or other transfer shall be subject to the same procedure as set forth herein for the right of first refusal in the HRA.

OWNERSHIP OF TITLE: The City and County of Honolulu, a Municipal corporation, is the fee owner of the subject property and entered into a lease dated June 21, 1972 with the Honolulu Redevelopment Agency, herein referred to as "HRA", said lease being filed as Document No. 624479 in the Office of the Assistant Registrar of the Land Court, State of Hawaii and noted on Transfer Certificates of Title Nos. 126,448, 138,184, 136,826 and 144,116 and recorded in the Bureau of Conveyances, State of Hawaii in Book 9040, Page 297. The HRA in turn as the Lessor entered into the Master Sublease dated March 28, 1973 with Oceanside Properties, Inc., as Lessee, filed in said Office of the Assistant Registrar as Document No. 624480 and recorded in said Bureau in Book 9040, Page 339, which Master Sublease was first amended on September 21, 1973 filed as Document No. 652266 and recorded in said Bureau in

Book 9522, Page 313, and further amended on March 13, 1974, filed as Document No. 673405 and also recorded in Book 9789, Page 245.

A copy of the title search as of April 8, 1974 issued by Title Guaranty of Hawaii, Inc. certifies that the fee simple title to the land is vested as aforesaid.

ENCUMBRANCES AGAINST TITLE: The Title Guaranty of Hawaii, Inc.'s search notes that the following are encumbrances against the property:

1. Real Property Taxes for the fiscal year - July 1, 1973 through June 30, 1974 not yet due and payable.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
3. Sanitary sewer and storm drain easement 15.00 feet wide. The center line of said easement being more particularly described as follows:

Beginning at the Northwest end of this centerline, the azimuth and distance from the end of course 15 of the parcel described above being 226° 34' 35" 129.94 feet, thence running by azimuths measured clockwise from true South:
 1. 325° 50' 00" 184.80 feet to the Southeast end of this centerline and containing an area of 2,274 square feet.
4. The covenants in Deed dated August 27, 1968, filed as Land Court Document No. 471629 and also recorded in Liber 6500 on Page 224.
5. Declaration of Covenants affecting redevelopment sites in the Kukui Project designated for public uses, dated August 7, 1964, filed as Land Court Document No. 351089, also recorded in Liber 4981 on Page 382, the Declaration of Covenants affecting redevelopment sites in the Kukui project designated for business use, dated March 16, 1962, filed as Land Court Document No. 298728, also recorded in Liber 4238 on Page 320 and the Revised Urban Renewal Plan for the Kukui Project dated July 27, 1965, filed as Land Court Document No. 384245, also recorded in Liber 5275 on Page 561.
6. Disposition--Redevelopment Agency dated August 27, 1968, filed as Land Court Document No. 471628 and also recorded in Liber 6500 on Page 197, entered into by and between Honolulu Redevelopment Agency and the City and County of Honolulu.
7. Declaration of Covenants affecting redevelopment sites in the Kukui Project, designated for planned development use dated July 9, 1968, filed as Land Court Document No. 470704 and also recorded in Liber 6483 on Page 147.

8. The terms and conditions of that certain HRA Lease dated June 21, 1972, filed as Land Court Document No. 624470 and also recorded in Liber 9040 on Page 297, entered into by and between the City and County of Honolulu, as Lessor, and Honolulu Redevelopment Agency, a County Agency and Public Body, Corporate and Politic of the City and County of Honolulu, as Lessee; demising and leasing the premises under search for the term of 80 years commencing July 1, 1972. Said Lease was amended by instrument dated March 13, 1974, filed as Document No. 673405 and also recorded in Liber 9789 at Page 245.
9. The terms and conditions contained in that certain Development Agreement dated August 8, 1974, filed as Document No. 646656 and also recorded in Liber 9449 on Page 283, made by and between Honolulu Redevelopment Agency and Oceanside Properties, Inc.
10. The terms and conditions contained in that certain Building Loan Agreement dated September 27, 1973, filed as Document No. 652267 and also recorded in Liber 9522 on Page 346, made by and between Bankers Trust Company, a New York banking corporation, and Oceanside Properties, Inc., a Hawaii corporation.
11. Terms, agreements, reservations, covenants, conditions and provisions contained in Master Sublease dated March 28, 1973, filed as Document No. 624480 and also recorded in Liber 9040 at Page 339, as amended.
12. Mortgage

Mortgagor: Oceanside Properties, Inc., a Hawaii corporation

Mortgagee: Bankers Trust Company, a New York banking corporation

Dated: September 27, 1973

Filed: Land Court Document No. 652268 and also recorded in Liber 9522 at Page 377

Amount: \$36,000,000.00
13. Covenants, conditions, restrictions, easements, reservations and all other provisions set forth in Declaration of Horizontal Property Regime dated March 13, 1974 filed in the Office of the Assistant Registrar of the Land Court as Land Court Document No. 673406 and also recorded in the Bureau of Conveyances in Liber 9789, Page 245 and by the By-Laws attached thereto as the same are or may hereafter be amended in accordance with law, said Declaration or By-Laws. (Project covered by Condominium Maps Nos. 199 and 342, respectively.) Said Declaration was amended by instrument dated April 5, 1974, filed as Document No. 675433 and also recorded in Liber 9825 at Page 549.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated March 18, 1974 identified Title Guaranty Escrow Services, Inc., as Escrow. On examination the specimen Condominium

Reservation Agreement, Deposit, Receipt and Sales Contract and executed Escrow Agreement are found to be in compliance with Chapter 514, Hawaii Revised Statutes. The provisions of the executed Escrow Agreement as filed with the Commission provides that disbursements from the escrow fund will be made by Escrow Agent upon the written request of the Developer for the following purposes:

- (a) To pay for construction of the buildings and other improvements and fixtures in such amounts and at such times and in proportion to the valuation of the work completed by the contractor as certified by a registered architect or professional engineer in accordance with the Sales Contract and upon bills approved or certified for payment by Seller's mortgagee;
- (b) To other persons as required for architectural, engineering, finance, advertising, printing, accounting, escrow fees, selling expenses, taxes, assessments and legal fees, and for other incidental expenses of the project, to the extent approved by Seller's mortgagee;
- (c) For the total or partial release of any master mortgage or other lien covering the project and for the removal of any other encumbrances required to be removed in order to place title of the apartments in the required state;
- (d) For such title reports and costs of recordation as may be necessary or proper in connection with recordation of deeds, mortgages and other documents required to effect transfer of title under the Sales Contracts;
- (e) To Seller, or order, forty-six (46) days after the filing of the Affidavit of Publication of Notice of Completion as provided for under Chapter 507, Part II, Hawaii Revised Statutes, provided, however, if a notice of mechanics' or materialmen's lien has been filed against any of the property included in the project, or suit thereon is filed, Escrow shall withhold one hundred and fifty per cent (150%) of the amount claimed thereunder until any lien existing or possible thereunder has been removed.

The executed Escrow Agreement illustrates compliance with the requirements of Section 514-36 through 514-39, Hawaii Revised Statutes. The Sales Contract provides that in the event of any increase of cost due to any cost overrun and due to delay in completion which is scheduled for December 5, 1975 which results in interim construction loan interest payments after January 4, 1976, then for such increase in cost due to either or both costs the buyer agrees to pay the amount equal to buyer's unit appurtenant common interest set forth in the Sales

Contract multiplied by the increase in cost which shall be an additional payment payable by the buyer as a part of the increased sales price at such time as is specified in writing by the Seller but no later than 30 days after the date of occupancy as specified in the Sales Contract. If the Sales Price is subject to increase as provided herein, exceeds 3% of the Sales Price then and in such event the buyer at his option may terminate the Sales Contract by written notice within 10 days after notification by the Seller on the increase in the Sales Price.

The Sales Contract further provides that in the event the development and construction of the project is delayed due to strikes, extensions, time granted by the architect or the contractor, governmental restrictions or regulations enacted after the date of the Sales Contract or by occurrence of a contingency a nonoccurrence of which was a basic assumption upon which the Sales Contract was made and Seller determines that increases in developing the construction cost because of such delay require increases in unit sales price over and above 5% of the sales price to maintain financial feasibility of the project then and in any such event seller may at its option terminate the Sales Contract and cause Escrow to refund to buyer all monies paid without interest and Seller shall be released from all liability under the Sales Contract provided, however, that Seller shall offer to Buyer the first right to execute a new agreement in a form similar to the original contract at the increased unit price. The termination of offer by seller to buyer shall be in writing and buyer shall have 15 days to notify Seller in writing of his acceptance of such offer. If no response from buyer is received within said 15 day period, the seller may offer said unit to another buyer at said increased sales price.

The Sales Contract further provides that the buyer agrees that all the rights of the buyer under the Sales Contract are and shall be subject and subordinate to the lien of any mortgage, assignments, security agreement and financing statements securing the repayment under the interim loan to Banker's Trust Company made to finance the cost of construction and other costs during construction and to any and all advances made thereon and to any and all sums which may become a lien pursuant to the terms of such interim loan or any other agreement relating thereto. Buyer hereby irrevocably appoints seller the attorney-in-fact of buyer to subordination which the interim lender, its successors in interest may require.

The Sales Contract further provides that as an inducement for the Seller to enter into the Sales Contract, the Buyer represents that it is purchasing the unit with the intention that the unit shall be used as Buyer's primary residence.

It is incumbent upon the purchaser and the prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of condominium units are placed in trust as well as the retention and disbursement of said funds.

MANAGEMENT AND OPERATIONS: The Developer has reserved the right to secure the management agent and entered into a five year

agreement on behalf of the Association of Owners of Kukui Plaza. The proposed Declaration reflects that the initial managing agent will be Oceanside Properties, Inc.

STATUS OF PROJECT: The Developer advises the Real Estate Commission that the construction of the project has commenced on October 3, 1973 and is scheduled for completion on December 5, 1975.

The purchaser or prospective purchaser shall be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted December 12, 1973 and information subsequently filed as of April 9, 1974.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 641 filed with the Commission on December 12, 1973.

This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock must be white in color.


(FOR) DOUGLAS R. SODEVANI, CHAIRMAN
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:
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April 17, 1974

Registration No. 641