

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

KAUMALUMALU KAI
North Kona, Island and State of Hawaii

REGISTRATION NO. 676

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: June 14, 1974
Expires: July 14, 1975

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION FILED APRIL 18, 1974, AND ADDITIONAL INFORMATION SUBSEQUENTLY SUBMITTED AS OF JUNE 13, 1974. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514, HAWAII REVISED STATUTES.

1. KAUMALUMALU KAI is a proposed leasehold condominium project consisting of seven (7) buildings without basements; Building No. 1 contains three (3) stories and twenty-five (25) apartments; Building Nos. 2, 6 and 8 each contains three (3) stories and fifteen (15) apartments; Building Nos. 5 and 7 each contains three (3) stories and sixteen (16) apartments; and the Tennis and Recreation Building contains three (3) stories and one (1) apartment. There are a total of one hundred

three (103) apartments and one hundred seventeen (117) parking spaces.

2. Materials. The principal materials used in the construction of the building are wood and concrete.

3. The Developer of the project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of this Preliminary Public Report.

4. The basic documents (Declaration of Horizontal Property Regime, By-Laws of the Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been filed in the Bureau of Conveyances of the State of Hawaii.

5. No advertising or promotional matter has been filed pursuant to the rules and regulations promulgated by the Commission.

6. Kaumalumu Kai is a leasehold condominium project and the purchaser will secure an apartment lease demising an apartment together with the appurtenant common interest.

7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514 of the Hawaii Revised Statutes and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.

8. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, June 14, 1974, unless a Final Public Report issues or the Commission, upon review of the registration, issues an order extending the period of this report.

9. This Preliminary Public Report is made a part of registration on Kaumalumu Kai condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers. Securing a signed copy of the Receipt for the Preliminary Horizontal Property Regime Public Report from each purchaser is also the responsibility of the Developer.

NAME OF PROJECT: KAUMALUMALU KAI

LOCATION: The 6.354 acres of land submitted to the regime as located in North Kona, County, Island and State of Hawaii

TAX MAP KEY: Third Division: 7-7-04:10 & 3

ZONING: V (Resort-Hotel)

DEVELOPER: KAUMALUMALU, LTD., the principal place of business and post office address of which is Suite 1906, 130 Merchant Street, Honolulu, Hawaii 96813. The officers are: Leo S. Wou, President; Dennis Bruner, Vice President; Roland Libby, Vice President; and Mary F. Wou, Secretary/Treasurer.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime and plans submitted by the Developer indicate a leasehold condominium project consisting of seven (7) buildings without basements; Building No. 1 contains three (3) stories and twenty-five (25) apartments; Building Nos. 2, 6 and 8 each contain three (3) stories and fifteen (15) apartments; Building Nos. 5 and 7 each contain three (3) stories and sixteen (16) apartments; and the Tennis and Recreation Building contains three (3) stories and one (1) apartment, which spaces, together with appurtenant lanais, if any, are referred to herein as "apartments", are designated on said plans described as follows:

1. Building No. 1

(a) There are ten (10) apartments on the Ground Floor of Building No. 1, being Nos. 11A, 11B, 11C, 11D, 11E, 11F, 11G, 11H, 11J and 11K.

(b) There are five (5) apartments located on the Second Floor of Building No. 1, being Nos. 12B, 12C, 12F, 12H and 12J.

(c) There are ten (10) apartments located on the Third Floor of Building No. 1, being Nos. 13A, 13B, 13C, 13D, 13E, 13F, 13G, 13H, 13J and 13K.

2. Building No. 2

(a) There are six (6) apartments located on the Ground Floor of Building No. 2, being Nos. 21A, 21B, 21C, 21D, 21E and 21F.

(b) There are three (3) apartments located on the Second Floor of Building No. 2, being Nos. 22B, 22C and 22E.

(c) There are six (6) apartments located on the Third Floor of Building No. 2, being Nos. 23A, 23B, 23C, 23D, 23E and 23F.

3. Building No. 5

(a) There are six (6) apartments located on the Ground Floor of Building No. 5, being Nos. 51A, 51B, 51C, 51D, 51E and 51F.

(b) There are four (4) apartments located on the Second Floor of Building No. 5, being Nos. 52A, 52B, 52C and 52D.

(c) There are six (6) apartments located on the Third Floor of Building No. 5, being Nos. 53A, 53B, 53C, 53D, 53E and 53F.

4. Building No. 6

(a) There are six (6) apartments located on the Ground Floor of Building No. 6, being Nos. 61A, 61B, 61C, 61D, 61E and 61F.

(b) There are three (3) apartments located on the Second Floor of Building No. 6, being Nos. 62B, 62D and 62E.

(c) There are six (6) apartments located on the Third Floor of Building No. 6, being Nos. 63A, 63B, 63C, 63D, 63E and 63F.

5. Building No. 7

(a) There are six (6) apartments located on the Ground Floor of Building No. 7, being Nos. 71A, 71B, 71C, 71D, 71E and 71F.

(b) There are four (4) apartments located on the Second Floor of Building No. 7, being Nos. 72A, 72B, 72C and 72D.

(c) There are six (6) apartments located on the Third Floor of Building No. 7, being Nos. 73A, 73B, 73C, 73D, 73E and 73F.

6. Building No. 8

(a) There are six (6) apartments located on the Ground Floor of Building No. 8, being Nos. 81A, 81B, 81C, 81D, 81E and 81F.

(b) There are three (3) apartments located on the Second Floor of Building No. 8, being Nos. 82B, 82C and 82E.

(c) There are six (6) apartments located on the Third Floor of Building No. 8, being Nos. 83A, 83B, 83C, 83D, 83E and 83F.

7. Tennis and Recreation Building

(a) There is one (1) apartment located on the Ground, Second and Third Floors of the Tennis and Recreation Building being collectively identified as the Commercial Apartment.

8. A description of each of the apartments designating the layout, numbers of rooms and approximate area thereof is as follows:

(a) TYPE "A" - Six (6) apartments being Nos. 51B, 51C, 51D, 71B, 71C and 71D each consist of four (4) rooms, including a bedroom, a bathroom, a living room, a kitchen and a lanai; each of these apartments contains a floor area of approximately 796 square feet, including the lanai of approximately 85 square feet.

(b) TYPE "A-1" - One (1) apartment being No. 51A consists of four (4) rooms, including a bedroom, a bathroom, a living room, a kitchen and a lanai; this apartment contains a floor area of approximately 809 square feet, including the lanai of approximately 88 square feet.

(c) TYPE "A-9" - One (1) apartment being No. 71A

consists of four (4) rooms, including a bedroom, a bathroom, a living room, a kitchen and a lanai; this apartment contains a floor area of approximately 837 square feet, including the lanai of approximately 88 square feet.

(d) TYPE "B" - Twenty (20) apartments, being Nos. 12B, 12C, 12F, 12H, 12J, 22B, 22C, 22E, 52B, 52C, 52D, 62B, 62D, 62E, 72B, 72C, 72D, 82B, 82C and 82E, each consists of four (4) rooms including a bedroom, a bathroom, a living room, a kitchen and a lanai; each of these apartments contains a floor area of approximately 728 square feet, including the lanai of approximately 85 square feet.

(e) TYPE "B-1" - One (1) apartment, being No. 52A consists of four (4) rooms, including a bedroom, a bathroom, a living room, a kitchen and a lanai. This apartment contains a floor area of approximately 745 square feet, including the lanai of approximately 85 square feet.

(f) TYPE "B-9" - One (1) apartment, being No. 72A consists of four (4) rooms, including a bedroom, a bathroom, a living room, a kitchen and a lanai. This apartment contains a floor area of approximately 773 square feet, including the lanai of approximately 85 square feet.

(g) TYPE "C" - Two (2) apartments, being Nos. 51E and 71E, each consists of seven (7) rooms, including three (3) bedrooms, two (2) bathrooms, a living room, a kitchen and a lanai. Each of these apartments contains a floor area of approximately 1373 square feet, including the lanai of approximately 85 square feet.

(h) TYPE "C-7 & 8" - Two (2) apartments, being Nos. 51F and 71F, each consists of seven (7) rooms, including three (3) bedrooms, two (2) bathrooms, a living room, a kitchen and a lanai. Each of these apartments contains a floor area of approximately 1459 square feet, including the lanai of approximately 88 square feet.

(i) TYPE "D" - Fourteen (14) apartments, being Nos. 11B, 11C, 11F, 11H, 11J, 21B, 21C, 21E, 61B, 61D, 61E, 81B, 81C and 81E, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and a lanai; each of these apartments contains a floor area of approximately 1041 square feet, including the lanai of approximately 85 square feet.

(j) TYPE "E" - Six (6) apartments, being Nos. 11D, 11E, 11G, 21D, 61C and 81D, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and a lanai; each of these apartments contains a floor area of approximately 1121 square feet, including the lanai of approximately 85 square feet.

(k) TYPE "E-1" - Two (2) apartments, being Nos. 61F and 81A, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and a lanai; each of these apartments contains a floor area of

approximately 1151 square feet, including the lanai of approximately 88 square feet.

(l) TYPE "E-4 & 5" - One (1) apartment, being No. 21A consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and a lanai; each of these apartments contains a floor area of approximately 1202 square feet, including the lanai of approximately 78 square feet.

(m) TYPE "E-7 & 8" - Three (3) apartments, being Nos. 11K, 21F and 81F, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and a lanai; each of these apartments contains a floor area of approximately 1207 square feet, including the lanai of approximately 88 square feet.

(n) TYPE "E-9 & 10" - Two (2) apartments, being Nos. 11A and 61A, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen and a lanai; each of these apartments contains a floor area of approximately 1207 square feet, including the lanai of approximately 88 square feet.

(o) TYPE "F" - Twenty-eight (28) apartments being 13B, 13C, 13D, 13E, 13F, 13G, 13H, 13J, 23B, 23C, 23D, 23E, 53B, 53C, 53D, 53E, 63B, 63C, 63D, 63E, 73B, 73C, 73D, 73E, 83B, 83C, 83D and 83E, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen, a lanai, and a roof court; each of these apartments has a floor area of approximately 1096 square feet, including the lanai and the roof court of approximately 186 square feet combined.

(p) TYPE "F-1" - Three (3) apartments being Nos. 53A, 63F and 83A, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen, a lanai and a roof court; each of these apartments has a floor area of approximately 1123 square feet, including the lanai and the roof court of approximately 191 square feet combined.

(q) TYPE "F-6" - One (1) apartment being No. 23A, consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen, a lanai and a roof court; each of these apartments has a floor area of approximately 1098 square feet, including the lanai and the roof court of approximately 140 square feet combined.

(r) TYPE "F-8" - Five (5) apartments being Nos. 13K, 23F, 53F, 73F and 83F, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen, a lanai and a roof court; each of these apartments has a floor area of approximately 1151 square feet, including the lanai and the roof court of approximately 191 square feet combined.

(s) TYPE "F-10" - Three (3) apartments being Nos. 13A, 63A and 73A, each consists of six (6) rooms, including two (2) bedrooms, two (2) bathrooms, a living room, a kitchen, a lanai and a roof court; each of these apartments has a floor

area of approximately 1151 square feet, including the lanai and the roof court of approximately 191 square feet combined.

(t) "Commercial Apartment" - One apartment being said Commercial Apartment consists of eight (8) rooms, including men's and women's dressing rooms, men's and women's rest rooms, sauna, snack bar, wet bar and office; this apartment contains a floor area of approximately 2,540 square feet.

9. In each building, each apartment on the Ground Floor has immediate access to the grounds of the Project. Each apartment on the second and third floors thereof has immediate access to a stairway or to a corridor which leads to multiple stairways; each stairway leading to the grounds of the project.

10. Except for said Commercial Apartment, 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 apartment or any pipes, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve any other apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings and all fixtures originally installed therein. The Commercial Apartment shall be deemed to include the space enclosed by and within the outside surfaces of the slabs, footings and foundations of said Commercial Apartment.

COMMON ELEMENTS: The Declaration states that one freehold estate is designated in all remaining portions of the project, herein called the "common elements", including specifically but not limited to:

- (1) Said land in fee simple;
- (2) All foundations, columns, beams, supports, load-bearing walls, roofs, chases, entry halls, stairs, walkways, entrances and exits of said buildings;
- (3) All yards, grounds, landscaping and trash areas and storage areas;
- (4) All parking areas;
- (5) The Sewage Treatment plant, lift station and appurtenant facilities;
- (6) Swimming pool No. 2 and its appurtenant deck area;
- (7) All pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, light, gas, water, sewer, telephone and television signal

distribution, if any;

(8) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The Declaration states that certain parts of the common elements, therein called the "limited common elements", are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

(1) One (1) parking stall designated on said plans by a number which is set forth opposite the number of each of the respective apartments in Exhibit "D" of the Declaration; and

(2) The two (2) elevated tennis courts and swimming pool with adjacent deck area of approximately 26,685 square feet, as designated on said condominium file plan within the red-lined limits of the Tennis Club, shall be appurtenant to and for the exclusive use of said Commercial Apartment.

INTEREST TO BE CONVEYED TO PURCHASERS: The Declaration states that each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project (herein called the "common interest"), and the same proportionate share in all common profits and expenses of the project and for all other purposes including voting, as follows:

Type "A"	--	0.70%
Type "A-1"	--	0.71%
Type "A-9"	--	0.74%
Type "B"	--	0.64%
Type "B-1"	--	0.66%
Type "B-10"	--	0.68%
Type "C"	--	1.21%
Type "C-7 & 8"	--	1.29%
Type "D"	--	0.92%
Type "E"	--	0.99%
Type "E-1"	--	1.02%
Types "E-4 & 5"; "E-7 & 8; and "E-9 & 10"	--	1.06%
Type "F"; "F-6"	--	0.91%
Type "F-1"	--	0.99%
Type "F-8"; "F-10"	--	1.02%
Commercial Apartment	--	8.73%

NOTE: The said Declaration provides that the Tenant-Developer shall have the right at its sole option to amend the Project, by way of an Amendment to said Declaration, at any time up to, but not later than December 31, 1981, by the construction and addition to the project of up to seventy-nine (79) apartments, together with such supporting and servicing common elements

which the Tenant-Developer determines in its sole discretion are beneficial to the project, including, without limiting the generality of the foregoing a community building as a common element, on the common elements of the Project, as shown on said condominium file plan as Increment II.

Incorporation of the Second Increment into the Project shall take effect upon the happening of all of the following conditions with respect thereto:

(a) Recordation in the Bureau of Conveyances of the State of Hawaii by the Tenant-Developer of an Amendment to the Declaration of Horizontal Property Regime properly describing the additional increment and including without limiting the generality of the foregoing:

(i) A revised Condominium File Plan which depicts the plot and floor plans of the Second Increment;

(ii) The location, layout and dimensions of any new apartments, and any common or limited common elements within the Second Increment;

(iii) The common interest of each apartment following incorporation of the additional apartments into the Project; and

(iv) A revised plot plan showing the location of the buildings after completion of the Second Increment.

(b) The approximate common interest of each apartment after the addition of the Second Increment shall be as follows:

<u>Apartment Type</u>	<u>Common Interest</u>
1. TYPE "A" and "A-1"	0.42%
2. TYPE "A-9"	0.44%
3. TYPE "B"	0.38%
4. TYPE "B-1"	0.39%
5. TYPE "B-10"	0.40%
6. TYPE "C"	0.72%
7. TYPE "C-7 & 8" and "C-9 & 10"	0.76%
8. TYPE "D"	0.54%
9. TYPE "E"	0.59%
10. TYPE "E-1"; "F-8"; and "F-10"	0.60%

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|--|-------|
| 11. TYPE "E-4 & 5"; "E-7 & 8"; and
"E-9 & 10" | 0.63% |
| 12. TYPE "F"; "F-1"; and "F-6" | 0.57% |
| 13. Commercial Apartment | 5.46% |

(c) The Completed Project shall be treated as if it were a single project developed as a whole from the beginning, and there shall and can be only one Association of Apartment Owners and one Board, to be governed by the provisions of the original Declaration of Horizontal Property Regime and the By-Laws attached thereto. The Developer shall for all purposes be deemed the "apartment owner" as to such additional apartments. In connection with, and only to the extent necessary for the creation of such additional apartments and common elements, as aforesaid, the Tenant-Developer shall have the right to remove, amend or add common elements; to remove, amend or add parking spaces; to enter upon the Project premises with employees, agents and contractors for all purposes reasonably necessary for or useful to constructing and completing said additional apartments and common elements; to connect said additional apartments and common elements to utilities of the Project, to file amendments to the Declaration for purposes or certifying condominium file plans filed as reflecting the improvements shown therein to be "as built"; and to sell or designate lessees of the said additional apartments.

NOTE: The purchaser and the prospective purchaser should be aware that the construction and placement of the apartments in the Second Increment might interfere with or impair any presently existing views. The purchaser and prospective purchaser is cautioned to carefully review the available maps showing the proposed placement of the apartments in said Second Increment.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that, except for said Commercial Apartment, the apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and personal guests. The apartments may also be used for hotel or transient purposes. The apartments may not be used for any other purpose unless consent of the Board of Directors is secured. Said Commercial Apartment may be occupied and used for any purposes not inconsistent with any statutes, ordinances, or regulations applicable thereto, and as amended from time to time. The owners of the respective apartments shall have the absolute right to lease the same subject to the limitations, restrictions, covenants and conditions of the Declaration.

OWNERSHIP OF TITLE: The Developer in its Notice of Intention represents that Kahualani Corporation, a Hawaii corporation is the owner of the fee simple title to the property committed to the project. Kahualani Corporation and Kaumalumalu, Ltd. will issue individual apartment leases directly to the buyers.

ENCUMBRANCES AGAINST TITLE: A Preliminary Report dated March 26, 1974 issued by Security Title Corporation, and other documents,

as submitted to the Commission, provide that the following are encumbrances against title to the property:

1. As to that portion of the land herein described bordering on the Ocean:

The effect of Sections 205-31 to 205-37, inclusive, Hawaii Revised Statutes, as now or hereafter amended, pertaining to shoreline setbacks.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 3817, (AS TO PARCEL SECOND).

3. Rights of Native Tenants as contained in Land Commission Award 9971:28, (AS TO PARCEL FIRST).

4. Excepting and reserving to the Hawaiian Government all mineral and metallic mines of every description, as mentioned in Transfer Certificate of Title No. 100,355, to which reference is hereby made, (AS TO PARCEL THIRD).

5. The sufficiency of the proceedings had in the matter entitled "FRANCIS J. AYLETT and ELEANOR KAUKANI, Plaintiffs, v. OLNRY K. ROY, et al., Defendants.", filed in the Circuit Court of the Third Circuit, State of Hawaii, under C. A. No. 631, to support the Decree therein rendered on July 31, 1963, a certified copy of which said Decree was recorded on August 5, 1963 in the Bureau of Conveyances of the State of Hawaii in Book 4567, Page 310.

Security Title Corporation recommends that a modern metes and bounds survey be made of the land under search in order that its boundaries may be definitely established and its area accurately computed.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated May 10, 1974, between Security Title Corporation, as Escrow, and Developer has been filed with the Commission. On examination, the executed Escrow Agreement filed with the Commission is found to be in compliance with Chapter 514, Hawaii Revised Statutes, and particularly Sections 514-36 through 514-40, H.R.S. Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest, and less Escrow's cancellation fee, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

1. Escrow receives a written request from Developer to return to purchaser the funds of such purchaser then held under the Escrow Agreement by Escrow; or

2. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the condominium building plans, subsequent to the execution of purchaser's sales contract, requiring the approval of a County

officer having jurisdiction over the issuance of permits for construction of building, unless the purchaser has given written approval or acceptance of the specific change; or

3. If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

4. If the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval or acceptance of the difference; or

5. If the Final Public Report is not issued within one year of the date of issuance of the Preliminary Public Report.

The specimen reservation agreement states that in the event less than sixty-seven (67) apartment units are sold prior to June 15, 1975, Seller may at its option cancel this contract and refund all moneys to Buyers, without interest.

It is incumbent of the purchaser and prospective purchaser to read and understand the Escrow Agreement before signing the reservation agreement since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's funds. The specimen reservation agreement specifically provides that the purchaser approve said Escrow Agreement and assume the benefits and obligations therein provided. Purchasers and prospective purchaser are advised to read with care the provisions of the reservation agreement.

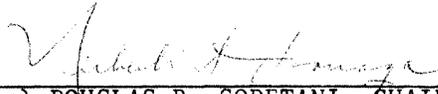
MANAGEMENT OF THE PROJECT: The By-Laws which are incorporated in the Declaration provide that the operation of the project shall be conducted for the Association of Apartment Owners under the direction of the Board of Directors by a responsible Managing Agent. The Developer in its Notice of Intention indicates that it has not yet selected its initial managing agent; the reservation agreement to be signed by purchasers provides that Developer may appoint the initial managing agent for the project.

NOTE: The Developer advises that it is not offering to provide services relating to the sale or rental of apartments of the project and that no representation or reference to that effect has been made or will be made by or on behalf of the Developer. Rental of the apartments with the provision of management services in connection therewith is and shall be the sole responsibility of the purchaser.

STATUS OF PROJECT: The Developer advises that it has not as yet determined an estimated date for the start of or completion of construction on the project.

The purchaser and prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted April 18, 1974.

This is a PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT which is made a part of REGISTRATION NO. 676 filed with the Commission April 18, 1974. This report when reproduced shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be yellow.


(for) DOUGLAS R. SODETANI, 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. 676

JUNE 14, 1974