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

CANTERBURY PLACE
1910 Ala Moana Boulevard
Waikiki, Honolulu, Hawaii

REGISTRATION NO. 791

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: August 12, 1975
Expires: September 12, 1976

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 JULY 11, 1975, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF AUGUST 12, 1975. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT SET FORTH IN CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. CANTERBURY PLACE is a proposed leasehold condominium project containing 147 apartments divided into 142 residential units and 5 commercial units located in a single high-rise (40 stories) building. The residential apartments consist of four different types of 2-bedroom apartments, two different types of 1-bedroom apartments and one residential apartment, which occupies the entire

top floor and which may be divided at a later date(s) into as many as five residential apartments. All of the residential units will be sold upon and subject to the terms and provisions of Condominium Conveyance Document. By the terms of this instrument, the Developer will convey to an apartment purchaser all of its interest in the apartment and appurtenant undivided interest in the common elements of the Project (exclusive of land) and Robert W. Pulley, Doris S. Pulley and Stark Leasing, Ltd. (the "Ground Lessors") will lease to an apartment purchaser an undivided interest in the land for a term of approximately 72 years. Purchasers and prospective purchasers are advised to study this document, particularly the SURRENDER clause. The present intention is that the commercial apartments will not be sold but will be retained by the Ground Lessors and operated or subleased by them to provide the following commercial uses, (subject to securing appropriate tenants): restaurant and bar, banking facilities, drug and sundries stores, and other uses. There will be a total of approximately 283 parking stalls. The present plan is that the stalls on the second and third floors, about 126, will be operated by the lessees as a commercial parking garage; however, each apartment will have appurtenant to it at least one parking stall on another parking level. Guest parking will be available in the commercial parking garage on a validation or other basis made available to apartment owners.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Preliminary Public Report.

3. The Developer has submitted to the Commission for examination a proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Owners and preliminary floor plans. A Final Public Report will not be issued until these items have been executed, approved and recorded where applicable. In this Preliminary Public Report, the statements regarding the Declaration refer to the proposed Declaration submitted to the Commission.

4. Advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.

5. 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 Horizontal Property Regimes.

6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, August 12, 1975, unless a Final Public Report issues or the Commission, upon review of the registration, issues an order, extending the effective period of this report.

7. The Preliminary Public Report is made a part of Registration No. 791. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers, and securing a signed copy of the receipt for the Preliminary Public Report from such purchaser.

NAME OF PROJECT: CANTERBURY PLACE.

LOCATION: The project is located at 1910 Ala Moana Boulevard, at the intersection with Ena Road, in Waikiki, Honolulu, Hawaii and consists of approximately 35,365 square feet of land.

TAX MAP KEY: 2-6-7:15.

ZONING: B-5 Resort - Commercial.

DEVELOPER: 1910 Partners, a registered Hawaii limited partnership, whose business address is Suite 1908, Financial Plaza of the Pacific, Honolulu, Hawaii; Telephone 524-3586. The general partner is a joint venture registered as a Hawaii partnership comprised of Robert Pulley, Ltd., and Tops Projects, Ltd., both Hawaii corporations.

ATTORNEY REPRESENTING DEVELOPER: Paul, Margolis, Warner & Johnson, Suite 1300, Pacific Trade Center, Honolulu, Hawaii 96813 (Attention: Robert E. Warner, Esq.); Telephone 524-1212.

DESCRIPTION OF PROJECT: The Project contains a single building of forty (40) stories (numbered 1 through 41, excluding 13), plus a basement floor, having 147 separate condominium apartments (142 residential apartments and 5 commercial units) and constructed of reinforced concrete, steel, glass, aluminium, and allied building materials. The commercial units are located on the basement and first floors. The basement level also contains parking areas, as do levels 2 through 6. The Developer intends to sell by issuing a Condominium Conveyance Document to an apartment purchaser, whereby the Developer conveys all of its interest in each apartment and the appurtenant undivided interest in the common elements of the Project (exclusive of land) and by requiring the joinder to such Document by the Ground Lessors to lease an undivided interest in the land. Purchasers are advised to study this document, particularly the SURRENDER clause.

Residential Apartments

The 142 residential apartments are located on the 7th through 41st floor, 4 on each of the 7th through 31st floors, 5 on each of the 32nd through 40th floors and 1 on the 41st floor. There are 7 types of apartments, broken down into 24 Type I, 9 Type I-Penthouse, 48 Type II, 18 Type II-Penthouse, 33 Type III, and 9 Type IV apartments, and 1 Type V apartment. Types I, I-Penthouse, II and II-Penthouse, are two-bedroom and Types III and IV are one-bedroom apartments, and Type V is loft space. Each residential apartment is designated by a 1 or 2 digit number followed by one of the letters A through E, except that the Type V apartment is designated by the number 41. The first 1 or 2 digits indicate on which floor the apartment is located by a number or numbers corresponding to the number of the floor; the letters

indicate the location of the apartment on the floor, as follows: counting counterclockwise from the west side of the building facing Ena Road, the letter "A" indicates the west side, "B", or "C" indicates the south side facing Ala Moana Boulevard, "D" indicates the east side, and "E" (on the 32nd through 40th floors only) indicates the north side. (Note: The area of each type of apartment, indicated below, is calculated by measuring from the interior face of perimeter walls.)

Type I Apartments: These 24 two-bedroom apartments are located on the west side of the building on the 7th through 31st floors, 1 per floor, and therefore are designated 7-A through 31-A excluding 13-A. Each Type I apartment has the same area of approximately 1242 square feet, plus a lanai of approximately 260 square feet, and has the same 6-room (plus foyer and two hallways) configuration, including a kitchen in the center of the apartment, living/dining room that is adjacent to the lanai, master bedroom, a full (meaning commode and bath with shower) master bathroom with vanity, clothes closet, and washer/dryer closet, and second bedroom with vanity and adjoining full bathroom. Clothes closets are also located in the foyer, in the hallway to the master bedroom, and in the hallway to the second bedroom.

Type I-Penthouse Apartments. These 9 two-bedroom apartments are also located on the west side of the building but above the Type I apartments on the 32nd through 40th floors, 1 per floor, and therefore are designated 32-A through 40-A. Type I-Penthouse apartments are identical to Type I apartments, except each Type I-Penthouse apartment has adjacent to the master and second bedrooms a second lanai of approximately 263 square feet.

Type II Apartments. These 48 two-bedroom apartments are located on the south side of the building on the 7th through 31st floors, 2 per floor, and therefore are designated 7-B through 31-B and 7-C through 31-C, exluding 13-B and 13-C. Each Type II apartment has the same area of approximately 1090 square feet, plus a lanai of approximately 200 square feet, and has the same 6-room (with foyer) configuration, including a kitchen with washer/dryer closet, living/dining room that is adjacent to the lanai, master bedroom with clothes closet and adjoining full master bathroom with vanity and clothes closet, and second bedroom with clothes closet, vanity and adjoining full bathroom, except that Type II apartments designated by the letter "B" are the mirror image of Type II apartments so designated by the letter "C".

Type II-Penthouse Apartment. These 18 two-bedroom apartments are also located on the south side of the building, but above the Type II apartments on the 32nd through 40th floors, 2 per floor, and are therefore designated 32-B through 40-B and 32-C through 40-C. Type II-Penthouse apartments are identical to Type II apartments, except the living rooms and master and second bedrooms in Type II-Penthouse apartments are of greater dimension (and the west or east walls, as the case may be, of the bedrooms are of slightly different configuration), so that Type II-Penthouse apartments have a larger area of approximately 1182 square feet. Type II-Penthouse apartments designated by the letter "B" are the mirror image of Type II-Penthouse apartments designated by the letter "C".

Type III Apartments (Includes Type III-Penthouse). These 33 one-bedroom apartments are located on the east side of the building on the 7th through 40th floors, 1 per floor, and therefore are designated 7-D through 40-D excluding 13-D. Each Type III apartment has the same area

of approximately 811 square feet, measured in said manner, plus 2 lanais totaling approximately 333 square feet. (Note: apartment 7-D has only one lanai of approximately 164 square feet which is on the same floor level as the recreation deck; and the phrase "Penthouse" will be used to designate those Type III apartments on the 32nd through 40th floors which have approximately 8 feet less lanai area.) Each Type III apartment has the same 5-room (with foyer and one hallway) configuration including a kitchen with washer/dryer closet, living/dining room that is adjacent to one lanai, one bedroom with adjoining full bathroom with vanity and clothes closet, and family room that is adjacent to the second lanai. Clothes closets are also located in the foyer.

Type IV-Penthouse Apartments. These 9 one-bedroom apartments are located on the north side of the building on the 32nd through 40th floors, 1 per floor, and therefore are designated 32-E through 40-E. Each Type IV apartment has the same area of approximately 836 square feet, plus a lanai (that is adjacent to the living room and bedroom) of approximately 107 square feet, and has the same 5-room configuration, including a kitchen, living room, dining room with washer/dryer closet, and 1 bedroom with separate vanity and clothes closet area with adjoining full bathroom.

Type V. Apartment 41 comprises the entire 41st floor, except for the common elements situate therein, and is loft space of approximately 6,008 square feet (exclusive of such common elements) plus seven lanais totaling 1,233 square feet.

Each residential apartment other than Apartment 41 has a refrigerator/freezer, range with oven, garbage disposal, dishwasher, stacked washer/dryer and at least one individual self-contained air conditioning unit drawing chilled water from a central line servicing the entire Project, except Type I, I-Penthouse, II and II-Penthouse apartments have 2 such air conditioning units. Electricity and hot and cold water are also centrally furnished to the residential apartments.

Each residential apartment except Apartment 41 has direct access to a "U-shaped" corridor on each of the 7th through 40th floors. Each corridor is completely enclosed, except for the portion opposite the Type II apartments on each of the 7th through 31st floors, which is enclosed by a railing, and off the west side of each corridor is a room with a trash chute, and off the east side an electrical and mechanical equipment room.

From each such corridor there is access to the 1st floor residential lobby area and to the parking areas on the 2nd through 6th floors, via 3 elevators and a stairway, all located on the west side of each corridor. One of these elevators runs to the basement floor. A second stairway runs only to the 7th floor. Also, these stairways pass through Apartment 41 and these three elevators open directly into Apartment 41, to provide access. However, the stairways and stairwells and elevators are common elements within Apartment 41. From the 7th floor corridor there is direct access to the residential recreation deck, containing a swimming pool with jacuzzi, sauna, paddle tennis court, fire pit, and cabana with kitchenette, bar and restrooms. The 1st floor residential lobby area, which also contains a lounge, mailboxes, security office, and security system, has direct access to the circular driveway, rampways and stairways leading to Ena Road. The Project will contain other facilities such as mechanical, electrical rooms and equipment, and other facilities as shown on the condominium map and as may actually be constructed.

Commercial Units

The five commercial units are located on the south side of the building. Units designated as Units 1 and 2, counting from left to right facing the Project from Ala Moana Boulevard, are on the basement level, which is less than a full floor below grade and have areas of approximately 2,480 and 1,552 square feet respectively, measured in said manner. Units designated as Units 3 and 4, counting in like manner, are adjacent and to the right of Units 1 and 2, and are on both the basement level and the first floor level, and have areas of approximately 2,580 and 2,380 square feet, measured in like manner. On the first floor and to the left of Units 3 and 4 is located Unit 5 which has an area of approximately 9,850 square feet, measured in said manner, and which also includes the rampways and stairways from the Unit to the streets and driveway, the service elevator leading to the basement floor, and the two loading zones, designated Loading Zones 2 and 3 on the Condominium Map, adjacent to the service elevator and the elevator machinery room also on the basement floor, the equipment and installations extended below the first floor, and the stairway and stairwell running from the first floor of Unit 5 to the second and third floors of the Project. Two restrooms are located in Unit 5, but otherwise, this Unit like the other four Commercial Units is loft space. Each Unit has direct access to the grounds.

The perimeter of each commercial apartment shall be established in the same manner as the perimeter of each residential apartment, except that included as a part of each commercial apartment are any adjacent improvements described herein as a part of such commercial apartment and all store fronts and facades, and provided that the floor perimeter of Unit 5 shall include all of the floor slab, except where the slab is the ceiling of other Units.

ALTERATIONS OF PROJECT: The Declaration provides that Apartment 41 may at any time or times up to June 30, 1996, be further divided into as many as five apartments, at the election of the owner of Apartment 41 without requiring the consent of any other apartment owner. Any necessary amendments to the Declaration and the Condominium Map may also be made by the owner of Apart-Ment 41 without the joinder of any other apartment owner. The Declaration does provide that any amendment and plan for the division(s) be approved by the Board of Directors, but sets forth a procedure to resolve any disagreement between the Board and the owner of Apartment 41 concerning the giving of approval. In addition the specimen Sales Contract and specimen Apartment Lease constitute such owner the attorney-in-fact for the other apartment owners to make any amendments and obligate the other apartment owners to perform certain acts in furtherance of any further subdivision. The purchaser or prospective purchaser is advised to acquaint himself with these provisions of the Declaration, and specimen Sales Contract and Apartment Lease.

No future subdivision of Apartment 41 will result in any change in the other residential or commercial units.

PARKING: The Developer will assign at least one parking stall on either the basement, fourth, fifth or sixth floors to each residential apartment, so that at least one parking stall shall be and at all times shall remain for the exclusive use of and appurtenant to each residential apartment. The Developer will also assign at least one parking stall on the basement floor to each commercial apartment. The Declaration reflects that apartment owners may thereafter transfer these parking stalls among themselves so long as there is at least one parking stall for the exclusive use of and appurtenant to each apartment at all times immediately after such transfer.

Parking stalls not assigned by the Developer to any apartment, if any, shall be available for use by guests. It is the present intent that all stalls will be assigned and therefore that there will be no facilities for guest parking. The Declaration reflects that the Developer has reserved the right by an amendment to the Declaration to list the particular stall(s) appurtenant to each apartment and to alter, relocate, rearrange, create additions or delete particular parking stalls.

Also, as noted below in the subparagraph entitled "Commercial Elements", under the heading "Limited Common Elements", the parking stalls on the second and third floors are appurtenant to the commercial apartments. The Declaration reflects that these stalls may be used as a commercial parking facility, and it is the present intent that these stalls will be operated in that manner. No residential apartment owner nor the Association of Apartment Owners shall have any right to, or interest in, any income or profits resulting from the operation of the commercial parking business.

COMMON ELEMENTS: The Declaration reflects that the common elements will include the land in fee simple, all the limited common elements described below under the heading "Limited Common Elements", and all other portions of the project other than the apartments, including specifically, but not limited to, the common elements mentioned in Chapter 514 of the Hawaii Revised Statutes which are actually constructed, and all other portions of the project necessary or convenient to its existence, maintenance and safety, or normally in common use, and not included as a part of any apartment pursuant to the Declaration.

LIMITED COMMON ELEMENTS: The Declaration reflects that the limited common elements, and the apartments to which these limited common elements are appurtenant, are as set forth below under this heading. (The Declaration also reflects that certain of the limited common elements, which are appurtenant to all of the residential apartments, are designated as "residential elements", and certain of the limited common elements, which are appurtenant to all of the commercial units, are designated as "commercial elements". Each purchaser and prospective purchaser should take careful note of these designations for, as explained below under the heading "Percentage of Undivided Ownership and Common Expenses, Residential Expenses and Utilities Expenses", costs and expenses pertaining to residential elements and to commercial elements are to be charged to and borne by each owner of a residential apartment and a commercial apartment, respectively, in the manner set forth under that heading. Costs and expenses pertaining to limited common elements other than

residential elements and commercial elements shall be charged to and borne by each owner in accordance with his percentage of the undivided ownership, as is the case with costs and expenses of common elements that are not designated as limited common elements.)

Parking Stalls. One or more of the parking stall(s), but at all times at least one stall, on the basement, fourth, fifth and/or sixth floors shall be appurtenant to and for the exclusive use of each of the residential apartments, and one or more of the parking stalls, but at all times at least one stall, designated on the Condominium Map on the basement floor shall be appurtenant to and for the exclusive use of each commercial apartment.

Commercial Elements.

1. The exterior area adjacent to the Commercial Units, which is outlined on the Condominium Map and denoted thereon as "Adjacent Commercial Elements", and the structures and improvements situated therein, including exterior stairways, walkways, and planters;

2. The restroom on the basement floor; and

3. The parking spaces on the second and third floors.

Residential Elements.

1. The residential lobby on the first floor, which includes the lounge, mailroom, security office, general lobby area and residential elevator lobby; and the residential elevator lobbies on the basement and the second through sixth floors, and all elevators and related equipment (other than the service elevator which is a part of commercial apartment 4), and the stairway and stairwell adjacent to these elevators;

2. The trash chute disposal system, excluding the trash room on the basement floor;

3. Central and appurtenant installations for the furnishing of hot water to all the residential apartments; and

4. All common elements from the fourth floor through the roof floor, inclusive, excluding all parking stalls on floors four, five and six, and central and appurtenant installations now or hereafter serving commercial as well as residential apartments.

USE: The Declaration provides that each residential apartment may be used and occupied for any purpose which may be permitted by law; however, the Developer reserves the right to restrict this use by an amendment to the Declaration.

The commercial apartments and the limited common elements appurtenant thereto may be used for any purpose which may be permitted by law. Without limiting the generality, all or part of the parking stalls on the second and third floors may be used as a commercial parking facility. It is the present intention that these stalls will be used in this manner.

PERCENTAGE OF UNDIVIDED OWNERSHIP AND COMMON EXPENSES, AND RESIDENTIAL EXPENSES AND UTILITIES EXPENSES. The undivided percentage interest in the common element appurtenant to each apartment is as follows under the column "Undivided Ownership", and each apartment shall have said percentage in all common profits and expenses of the Project, excluding expenses pertaining to residential and commercial elements and excluding profits and expenses from the operation of the commercial parking facility, and for all of the purposes including voting. The percentage of residential expenses to be charged to and borne by each residential apartment is as set forth under the column "Residential Expenses".

		Undivided Ownership	Residential Expenses	Commercial Expenses
1.	Each Type I Residential Apartment:	.736	.8	
2.	Each Type I-Penthouse Residential Apartment:	.828	.9	
3.	Each Type II Residential Apartment:	.690	.75	
4.	Each Type II-Penthouse Residential Apartment:	.736	.8	
5.	Each Type III Residential Apartment:	.414	.45	
6.	Each Type IV Residential Apartment:	.414	.45	
7.	Residential Apartment 41:	3.128	3.4	
8.	Commercial Unit No. 1:	1.04		13.0
9.	Commercial Unit No. 2:	0.64		08.0
10.	Commercial Unit No. 3:	1.12		14.0
11.	Commercial Unit No. 4:	1.04		13.0
12.	Commercial Unit No. 5:	4.16		52.0

The Declaration at paragraph 16(2) provides that certain expenses are to be classified either as common, residential and/or commercial expenses and at paragraph 16(3) provides procedures to facilitate the allocation of other expenses among these three categories of common, residential and commercial expenses. The purchaser and prospective purchaser are urged to acquaint himself with these provisions.

Also, the Declaration provides for a procedure for the allocation of utilities expenses for furnishing water, hot water, electricity and chilled water for air conditioning, which, it is presently intended, will not be metered to individual

apartments; but unsold and unoccupied apartments shall not be charged for these utilities. These utilities expenses are not maintenance fees within the meaning of Section 514-10 of the Hawaii Revised Statutes, which provides that the Developer shall pay a prorata maintenance fee on all unsold units as of the same time the first maintenance fee commences.

In order to apportion expenses in the project to those who are benefited thereby, the foregoing methods of apportioning expenses have been devised. In summary, a residential apartment owner will, therefore, pay charges for common expenses, residential expenses and utilities expenses, all as described herein and in the Declaration.

OWNERSHIP TO TITLE: The notice of intention indicates, as follows: Title to the land is vested in Raymond Fah Kong and Estelle Kan Kong, and Stark Leasing, Ltd., and Robert Wood Pulley and Doris Stanfill Pulley (the "Ground Lessors") hold a lease of the property ("Master Lease") dated March 2, 1970, filed as Land Court Document No. 503648 and recorded in the Bureau of Conveyances in Liber 7053, Page 166. The Ground Lessors have granted residential development rights to the General Partner of the Developer by unrecorded Development Rights Agreement dated April 14, 1975, and the General Partner contributed these rights to the Developer. These rights include the right to construct improvements on the land and to sell these improvements. The property and the interest of the Ground Lessors is also subject to a lease filed as Land Court Document No. 177095 and recorded in Liber 2990, Page 262, as extended by Instrument filed as Document No. 187286, and recorded in Liber 3100, Page 250. The Developer advises that contractual arrangements have been made with the holder of this lease whereby the holder will surrender this lease at such time as construction of the improvements is commenced. The Declaration reflects that if there is any conflict between the Master Lease and the Declaration, the Declaration will control; that the Master Lease may be partially assigned with respect to each apartment by an instrument in the form of the Partial Assignment attached to the Declaration; and that if there is any conflict between the Master Lease and the Partial Assignment, the Partial Assignment shall control. The Developer further advises that, to fully effectuate the grant to it of said development rights, including the right to sell the improvements, the Ground Lessors are obligated by said Development Agreement to execute Partial Assignments to the Developer and to themselves with regard, respectively, to each apartment and the appurtenant undivided interest in the common elements of the Project (exclusive of land) and to the appurtenant undivided interest in the Land, and at the instruction of the Developer to join in with Developer to issue Condominium Conveyance Documents to purchasers of residential apartments. By the terms of this instrument, the Developer conveys all of its interest in an apartment and appurtenant undivided interest in the common elements of the Project (exclusive of land) and the Ground Lessors lease an undivided interest in the land for a term of approximately 72 years.

ENCUMBRANCES AGAINST TITLE: In addition to the encumbrances referred to under the heading "Ownership to Title" above, the preliminary report on the property issued by American Abstract and Escrow, Inc., on July 7, 1975, reflects that the property is also subject to a reservation in favor of the Hawaiian government of all mineral and metallic mines, and to a mortgage dated April 10, 1975, and filed as Land Court Document No. 717937 and recorded in Liber 10583, Page 507. The Developer advises that the property will be subjected to another mortgage(s) to secure construction financing, and that all mortgages will be released prior to any transfer of title to a purchaser.

PURCHASE MONEY HANDLING. Copies of the specimen Sales Contract, specimen Apartment Lease and executed Escrow Agreement have been submitted as part of the registration. On examination, the specimen Sales Contract and executed Escrow Agreement are

found to be in compliance with Chapter 514, Hawaii Revised Statutes, and specifically, but without limitation, to §514-15(6) and §§514-35 through 514-40. The Escrow Agreement is dated August 11, 1975, and identifies Title Guaranty Escrow Services, Inc., as the Escrow Agent.

It is incumbent upon the purchaser and prospective purchaser that he read with care these documents. The Escrow Agreement establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said Trust Fund and in particular discloses that downpayment funds may be released from escrow for the payment of certain development costs of the Project in compliance with the above noted sections of the Hawaii Revised Statutes.

The specimen Sales Contract determines the time for and the amount of installment payments on the purchase price, and the payment of closing costs. The specimen Sales Contract also provides for termination pursuant to the above noted sections of the Hawaii Revised Statutes; in those circumstances discussed under the heading "Status of the Project"; in the event that the Developer sells less than fifty percent (50%) of the residential apartments by December 1, 1975.

The specimen Sales Contract provides that it shall operate on as a reservation of an apartment in favor of the purchaser, subject to purchaser's continued performances thereunder, but not as a binding obligation to purchase unless and until the purchaser voluntarily receipts for a copy of the Final Public Report on the Project. The specimen Sales Contract also provides that a purchaser shall earn 6% simple interest on his downpayments to be paid after the closing, or if the Sales Contract is cancelled by the Developer, to be paid by Developer at the time the downpayments are refunded; but if the Buyer should cancel, the Developer is not obligated to pay any interest, and all interest actually earned on the downpayments shall belong to the Developer.

MANAGEMENT OF THE PROJECT: The By-Laws of the Association of Apartment Owners vest in the Board of Directors the power and duties necessary for the administration of the overall affairs of the Project, except that the Declaration and By-Laws reflect that the commercial apartments and commercial elements including the commercial parking facilities, are to be administered separately by the commercial apartment owners. The purchaser and prospective purchaser should acquaint himself with the numerous special provisions of the Declaration and By-Laws providing for the commercial utilization of these portions of the Project.

The specimen Sales Contract provides that the Developer acting on the behalf of the Association has the authority initially to appoint a responsible corporate management agent, which may be affiliated with the Developer. It is the present intent of the Developer to appoint an affiliated company as the initial managing agent on terms complying with the 1975 amendment to Chapter 514 of the Hawaii Revised Statutes by providing that the initial management contract will not exceed one year and may be terminated by either party on not more than sixty days' written notice.

STATUS OF PROJECT: The Notice of Intention reflects that construction of the Project has not commenced as of the date of this Public Report, nor has the contractor been selected, nor has interim or permanent financing for the Project been arranged. The Developer advises that it is in the process of putting the building plans and specifications out to bid, and estimates that all these arrangements will be made by September, 1975, which is set as the estimated date for commencement of construction. The Developer estimates that the construction will take about 24 months, subject to extensions for matters outside of its control, and has therefore set September, 1977, as the estimated date of completion.

The Developer has the obligation, as set forth in the specimen Sales Contract, to complete the construction of the Project within two years from the date of this issuance by the Real Estate Commission of a Final Public Report on the Project, and as stated above under the heading "Purchase Money Handling", a purchaser signing a sales contract merely reserves an apartment and is not obligated to purchase unless and until he voluntarily receipts for a copy of the Final Public Report. The Developer's obligation to complete the Project within said two-year period is subject to extensions of time for matters outside of the Developer's control; provided, if such extensions exceed three (3) months, the Developer may terminate the Sales Contract and if such extensions exceed nine (9) months, then either party may terminate the Sales Contract.

The specimen Sales Contract also provides that if construction has not commenced for any reason by December, 1975, then or at any time thereafter until construction does commence, the Developer may terminate a sales contract. Reference is made to the heading "Purchase Money Handling" for a discussion of the effect of any termination of a sales contract on the purchaser's right to interest on payments made pursuant to a sales contract.

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 July 11, 1975, and information subsequently filed as of August 12, 1975.

THIS PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 791 filed with the Commission on July 11, 1975.

The 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 Department, City and County of Honolulu
Escrow Agent
Federal Housing Administration

REGISTRATION NO. 791

AUGUST 12, 1975