

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

UNIT II, KE·AU·HOU KONA SURF & RACQUET CLUB
Keauhou Kona, Hawaii

REGISTRATION NO. 915

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 11, , 1977
Expires: September 11, 1978

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 and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED JUNE 3, 1977, AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 4, 1977. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514, HAWAII REVISED STATUTES, AS AMENDED.

1. UNIT II, KE·AU·HOU KONA SURF & RACQUET CLUB is a proposed leasehold condominium project consisting of thirteen (13) residential buildings and containing fifty-one (51) apartments. Seventy-four (74) parking spaces are available as shown on the plans for said project. Each apartment unit shall have at least one (1) parking space appurtenant to it.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached, and a copy of the approved floor plans) have been recorded in the office of the recording officer.

The Declaration and By-Laws dated April 7, 1977 have been recorded in the Bureau of Conveyances of Hawaii in Liber 12214 at Page 398.

The Bureau of Conveyances has assigned Condominium Map No. 502 to the project.

4. Advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public dissemination.
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 relates to Horizontal Property Regime.
6. This Preliminary Public Report is made a part of the registration on UNIT II, KE-AU-HOU KONA SURF & RACQUET CLUB 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 and prospective purchasers and for securing a signed copy of the receipt for Horizontal Property Regime Public Report from each prospective purchaser.
7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, August 11, 1977, unless a supplementary report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: UNIT II, KE-AU-HOU KONA SURF & RACQUET CLUB

LOCATION: The project is located on land at Keauhou Kona, Hawaii, and contains 3.533 acres or thereabouts. The description of the land and the reserved easements, rights, powers and privileges are more fully set forth in the Declaration.

TAX KEY: 7-8-13:3, 5, 9 and 10, Third Division

ZONING: RM-3

DEVELOPER: The Notice of Intention reveals the Developer to be KONA FIVE, a registered Hawaii joint venture, 1149 Bethel Street, Room 217, Honolulu, Hawaii, Tel. No. 531-2188. The members of the joint venture are:

MEC Hawaii Corporation
500 Alexander Young Building
1015 Bishop Street
Honolulu, Hawaii
Tel. No. 536-1791

International Management Corporation
1149 Bethel Street
Room 217
Honolulu, Hawaii
Tel. No. 531-2188

Park Investment, Inc.
190 South King Street
Suite 2085
Honolulu, Hawaii
Tel. No. 531-1676

Pacific Holiday, Inc.
1150 South King Street
Honolulu, Hawaii
Tel. No. 536-2744

Lehua Investment Corporation
1149 Bethel Street
Room 215
Honolulu, Hawaii
Tel. No. 531-2188

ATTORNEY REPRESENTING DEVELOPER: OKUMURA TAKUSHI FUNAKI & WEE, ATTORNEYS AT LAW, A LAW CORPORATION, (Alfred M. K. Wong), Alexander Young Building, Suite 500, 1015 Bishop Street, Honolulu, Hawaii 96813, Tel. No. 536-1791.

DESCRIPTION OF PROJECT: The Declaration states that thirteen (13) buildings are to be constructed which are being designated numbers B-11 through B-19 and B-42 through B-45. The buildings will be wooden frame structures on concrete slabs with exterior sidings and shake and gravel roofs, and will contain fifty-one (51) apartments. Buildings B-11, B-12, B-14, B-17 and B-19 are single-story structures and Buildings B-13, B-15, B-16, B-18, B-42, B-43, B-44 and B-45 are two-story structures. The apartments are more particularly described as follows:

(a) There will be fifty-one (51) freehold estates in the spaces within the perimeter walls, floors and ceilings of the 51 apartments in said buildings. The 51 apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or

other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in Paragraph 5 of the Declaration. Each apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; and all fixtures originally installed therein. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment as enumerated above is measured from the exterior face of exterior walls and the center line of party walls, and no reduction is made to account for interior load-bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

(b) All apartments will be numbered and located as shown on said Condominium Map.

(c) Each of the 51 apartments will have immediate access to a walkway on the grounds of the Project.

(d) Each of the 51 apartments will be one of seven (7) types, designated Models 10, 10R, 20, 30, 30R, 50 and 50R, as enumerated in Exhibit "A" attached hereto and incorporated herein by reference.

(e) The number of rooms, approximate area and total number of each model in the project are enumerated in Exhibit "B" attached hereto and incorporated herein by reference.

COMMON ELEMENTS: The Declaration states that the owners of apartments will have an undivided interest in the common elements, including specifically but not limited to:

(a) Said land in fee simple.

(b) All foundations, columns, girders, beams, supports, main walls, roofs, entrances and exits of said buildings.

(c) All driveways, parking spaces, yards, gardens, and recreational facilities.

(d) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.

(e) All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.

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

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) One (1) or more automobile parking space shall be assigned to each of the apartments upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of such apartment. Each apartment shall always have at least one parking space appurtenant to it but otherwise any automobile parking space easement may be transferred from apartment to apartment in the project.

(b) All other common elements of the project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

INTEREST TO BE CONVEYED TO PURCHASER: Each of the fifty-one (51) apartments in Unit II shall have appurtenant thereto an undivided percentage interest in all the common elements of the project as shown below, such interest being defined and referred to as the "common interest" and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

	<u>Unit II</u>	<u>Upon Merger of Units I and II</u>
One Bedroom Apartments (Models 10, 10R, 20 and 20R)	1.422%	0.6970%
Two Bedroom Apartments (Models 30 and 30R)	2.144%	1.0510%
Two Bedroom Apartments- Ocean Front (Models 30 Ocean and 30R Ocean)	2.144%	1.0830%
Three Bedroom Apartments (Models 40 and 40R)	--	1.2277%

	<u>Unit II</u>	<u>Upon Merger of Units I and II</u>
One Bedroom Apartments with den (All Models 50 and 50R, excepting Apt. No. 77)	1.970%	0.9630%
Apartment No. 77 (Model 50R)	1.960%	0.9630%

Upon merger of additional increments, the common interest for each apartment shall change in accordance with paragraph 18 of the Declaration.

PURPOSES AND RESTRICTIONS: The purposes for which said buildings and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

(a) The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby and Lessor except that apartment owners shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of the declaration and respective apartment leases. Such amendment shall be effective only upon recording or filing of the same with the Bureau of Conveyances.

(b) The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Horizontal Property Act.

(c) The apartments shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The foregoing notwithstanding, the Owners of the respective apartments shall have the absolute right to lease such apartments for residential or resort rental purposes on a daily or longer term subject to all provisions of the Declaration.

MERGER OF ADDITIONAL INCREMENTS. The Declaration provides that Unit I may be merged with up to three (3) additional increments as set forth in Paragraph 18 of said Declaration, which provides in part as follows:

(a) The Lessor and Developer shall have the right at their option to amend the project, by way of merger, at any time up to, but not later than January 1, 1982, by the construction and addition to the Project of up to one hundred forty-nine (149) additional apartments, on up to an additional

approximately 11.970 acres of adjoining land; such additions may be added in three increments as follows:

(1) This Increment II added to Increment I. Increment I contains 50 apartments on approximately 5.136 acres of land, all as further described in Declaration of Horizontal Property Regime dated May 21, 1976, recorded in said Bureau of Conveyances in Liber 11480 at Page 1.

(2) Increment III. Approximately forty-seven (47) apartments, on approximately 3.320 acres of land described in said Declaration.

(3) Increment IV. Approximately fifty-one (51) apartments and the Heiau known as the Inikiwai Fisherman's Heiau as a common element on approximately 3.514 acres of land described in said Declaration.

(b) The project described herein is the second increment of a proposed four (4) increment project as described in this paragraph 18, which may be developed in two or more increments, all at the option of the Lessor and Developer. The purpose of the merger provisions of this paragraph 18 is to provide for a merger of all increments just as if the increments involved had been developed as one single project. A merger may occur with respect to this second increment with the first increment and the third increment or any subsequent increments, or any one of them, at the same or different times and merger with respect to one of said increments shall not affect the right of the Lessor and Developer to merge another increment or increments at a later date subject to all of the provisions of this Declaration.

(c) Merger shall take effect with respect to a particular additional increment with the previous increment or increments upon the happening of all of the following conditions with respect thereto:

(1) Recordation in the Bureau of Conveyances of the State of Hawaii by the Lessor and Developer of a Declaration of Horizontal Property Regime and By-Laws covering the additional increment in a form substantially identical hereto (except for the descriptions of apartments and the common elements and the percentage of common interest therein) and a Condominium File Plan depicting the plot and floor plans of the additional increment, both complying with the requirements of Chapter 514, Hawaii Revised Statutes, as amended; and

(2) Recordation in the Bureau of Conveyances of the State of Hawaii by the Lessor and Developer of a "Certificate of Merger", which certificate shall contain:

(i) A certification by a Hawaii registered architect or professional engineer depicting fully the layout, location, apartment numbers and dimensions of the apartments as built;

(ii) A certification by Developer that the increment has been substantially completed, that a notice of completion has been filed and that the period for filing of mechanics' and materialmen's liens has expired;

(iii) The common interest of each apartment of the project after completion of the subject merger; and

(iv) A revised plot plan showing the location of the buildings of the project after completion of the subject merger.

(d) The percentage of common interest of each apartment upon merger with an additional increment shall be calculated by dividing such apartment's floor area by the floor area of all apartments in the project after merger; provided, however, that for the purpose of computing the percentage of common interest, the floor area for each apartment fronting the ocean shall be the actual floor area plus 3% of such floor area, and the floor area for each Model 40 and 40R apartment shall be the actual floor area minus the quotient of the total floor area added to all apartments fronting the ocean divided by the total number of Model 40 and 40R apartments. The "floor area" of an apartment includes the total square feet of the apartment and its lanai, if any. The Developer and Lessor may add or subtract up to .0009% to one apartment owned by Developer, at their discretion, for the sole purpose of ensuring that the total common interest for all apartments equal 100%.

(e) From and after the date of the recordation of the said Certificate of Merger with respect to a particular additional increment with the previous increment or increments, the following consequences shall ensue:

(1) Use of Common Elements. The apartments in each of the merged increments shall have the right to use the common elements in each increment to the same extent and subject to the same limitations as are imposed upon an apartment in each increment just as though the merged increments had been developed as one increment.

(2) Board of Directors. The Board of the previous increment or increments immediately prior to the merger of a particular additional increment shall govern the merged project after completion of the merger; at a special meeting called for the purpose after the merger, the

apartment owners may remove the said existing Board and elect a Board to govern the merged project until the next annual meeting. Procedures for calling and holding such meetings shall be those as set forth in the By-Laws.

(3) Interpretation. For purposes hereof, each of the merged increments shall be treated as part of a single project developed as a whole from the beginning, and there shall be only one Association of Apartment Owners and one Board, and the Declaration of Horizontal Property Regime and By-Laws applicable to each merged increment shall be construed as one document applicable to the entire project constituting the merged increments except to the extent expressly otherwise provided for therein. It is the purpose hereof to provide that from and after the date of each merger all of the property so merged shall be treated as though it had been developed, divided into apartments, held, occupied and used by the owners thereof as a single undivided project.

(f) Such additional apartments and common elements of each additional increment shall be located on said additional land, or part thereof, of their respective increment as determined by the Lessor and Developer. The Developer and Lessor shall for all purposes be deemed the "apartment owner" as to such additional apartments.

(g) In connection with, and only to the extent necessary for the creation of such additional apartments and common elements, as aforesaid, the Lessor and Developer shall have the right up to January 1, 1982 or upon merger of all four increments, whichever shall first occur, 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 according to plans and specifications or amended plans and specifications approved by the officer of the County of Hawaii having jurisdiction over the issuance of building permits; to connect the said additional apartments and common elements to utilities of the project, to file amendments to the Declaration for purposes of certifying condominium file plans filed as reflecting the improvements shown therein to be "as built"; to sell or designate lessees of the said additional apartments. Such rights shall include the following:

(1) An easement over, under and across the common elements of the project for the purposes of all work connected with or incidental to the

development, construction and sale of apartments in any undeveloped portions of the additional increments;

(2) The right appurtenant to the undeveloped increments, in the nature of an easement over and upon the project and the development increments to create and cause dust, noise, vibration and other nuisances created by and resulting from any work connected with or incidental to the development, construction and sale of apartment in said undeveloped increments;

(3) The right to enter the Community Center swimming pool, tennis courts and other common areas of the project for the purpose of showing prospective purchasers of apartments in the project or in undeveloped increments the facilities of the project;

(4) The right to place signs upon the project and on undeveloped increments in conjunction with sales of apartments;

(5) The right of the Developer to use any apartment owned or rented by Developer for sales or display purposes until all apartments in all increments are sold.

(h) In the event of each merger as aforesaid, each owner of a then added apartment shall be required to advance to the Association, as constituted after merger, upon filing of the respective Certificate of Merger, an amount equal to the average existing apartment's share of funds on deposit immediately prior to such merger with the Association hereby created for operation of the merged project, including the Maintenance Reserve Fund, but excluding funds which will be expended during the next 30 days. Thus, upon merger of this Unit II with Unit I, each owner of an apartment in Unit II shall deposit to the Association such amount equal to the amount on deposit by each apartment in Unit I.

(i) The Lessor and Developer shall have the right to execute, acknowledge and deliver any and all instrument necessary or appropriate for the purpose of carrying out the provisions and exercising the rights, powers and privileges granted by this paragraph 18, all as the true and lawful attorney-in-fact of the respective owners from time to time of the apartments of the project as herein originally constituted or as merged as aforesaid.

(j) No apartment owner in the project shall enter into or offer to enter into any arrangement with any other apartment owner in the project whereby any rental pool of apartments or any other sharing of

rental income of apartments is established. This restriction shall terminate on the earlier of:

(1) January 1, 1982, or

(2) The date on which all apartments in all increments have been developed and sold by Developer. Developer may at any time waive this restriction by written notice to all apartment owners in the project.

(k) After completion of the merger of the prior increment or increments with the additional increment as provided in this paragraph 18, Lessor and Developer shall have the irrevocable right to amend the Declaration for each increment in its entirety so that there shall be one amended Declaration for all increments for the sole purpose of showing the merged project with a consolidated description of the land, buildings, apartments, common elements, limited common elements and common interests, without otherwise changing the form or content of such Declarations and By-Laws, and the apartment owners hereby give Lessor and Developer their irrevocable power of attorney coupled with an interest to amend the Declaration for this purpose. Upon the filing of such amended Declaration in said Bureau of Conveyances, the Developer shall provide a copy of such amended Declaration to the Managing Agent for the project and each apartment owner at his or her last known address by certified mail. If more than one person owns an apartment, mailing of the amended Declaration to one of the owners shall be sufficient. After the last increment is merged in the project, the amended Declaration shall omit this paragraph 18.

(l) If any one or more of the provisions of this paragraph 18 shall be declared to be contrary to law, then such provision or provisions shall be null and void and shall be deemed separable from the remaining provisions of this paragraph 18 and shall in no way affect the enforceability of any other provisions hereof.

The common elements in Unit I which will be available to apartment owners of Unit II upon merger are a recreational center, swimming pool, three tennis courts and two heiaus.

OWNERSHIP OF TITLE: The Developer reports that title to the land is vested in Kamehameha Development Corporation, a Hawaii corporation. The Preliminary Report dated May 20, 1977, issued by Title Guaranty of Hawaii, Incorporated confirms such ownership.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report dated May 20, 1977 by Title Guaranty of Hawaii, Incorporated, reports that title to the land is subject to the following:

1. For real property taxes that may be due and owing, reference is hereby made to the Office of the Tax Assessor, Third Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. As to Unit II-A:

(a) Location of the seaward boundary in accordance with the law of the State of Hawaii.

(b) Easements as shown on File Plan 1506:

Easement 8 for walkway and cartway purposes;
Easement 10 for sanitary sewer purposes;
Easement 11 for roadway and utility purposes;
Easement 12 for sanitary sewer purposes;
Easement 13 for waterline purposes;
Easement 14 for waterline purposes;
Easement 15 for waterline purposes;
Easement 16 for roadway and utility purposes;
Easement 17 for sanitary sewer purposes;
Easement 40 for waterline purposes; and
Easement 41 for waterline purposes.

4. As to Unit II-B:

Easements as shown on said File Plan 1506:

Easement 20 for public access purposes;
Easement 22 for sanitary sewer purposes;
Easement 24 for roadway and utility purposes;
Easement 25 for utility purposes; and
Easement 26 for waterline purposes.

5. The terms, conditions and provisions contained in that certain unrecorded Joint Venture Agreement dated June 20, 1974, by MEC Hawaii Corporation, International Management Corporation, Park Investment, Inc., Pacific Holiday, Inc. and Lehua Investment Corporation, all Hawaii corporations, of which a short form is dated August 21, 1975 and recorded in Liber 10864 at Page 233.

6. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease dated July 8, 1975, recorded in Liber 10895 at Page 513, made by and between Kamehameha Development Corporation, a Hawaii corporation, as Lessor, and MEC Hawaii Corporation, International Management

Corporation, Park Investment, Inc., Pacific Holiday, Inc. and Lehua Investment Corporation, all Hawaii corporations, the General Partners of Kona Five, a Hawaii general partnership, as Lessee, for a term of 58 years commencing on July 1, 1973.

7. Mortgage and Security Agreement dated September 29, 1975 and recorded in Liber 10936 at Page 315, made by and between said MEC Hawaii Corporation, et al., the General Partners of Kona Five, as Mortgagor, and City Bank, a Hawaii corporation, as Mortgagee, as amended by instrument dated July 30, 1976, recorded in Liber 11586 at Page 284.

8. Second Mortgage and Security Agreement dated March 30, 1976 and recorded in Liber 11322 at Page 327, made by and between said MEC Hawaii Corporation, et al., the General Partners of Kona Five, as Mortgagor, and Servco Financial Corp., a Hawaii corporation, as Mortgagee.

9. Covenants, conditions and restrictions and other provisions set forth in Declaration of Horizontal Property Regime dated April 7, 1977, recorded in the Bureau of Conveyances in Liber 12214 at Page 398 and 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 Map No. 502).

PURCHASE MONEY HANDLING: A copy of the specimen Sales Contract and the executed Escrow Agreement dated April 29, 1977, have been submitted as part of the registration. The Escrow Agreement identifies Title Guaranty Escrow Services, Inc. as the Escrow. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514-35 through 514-40, Hawaii Revised Statutes. It is incumbent upon the purchaser and prospective purchaser that he reads with care the specimen Sales Contract and the executed Escrow Agreement. The latter agreement establishes how the proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

The specimen Sales Contract also provides in part:

1. If the project is not completed and ready for occupancy two (2) years from the date of the Sales Contract, said contract shall terminate and all payments made by Buyer under said contract shall be refunded without deduction or interest. Upon tender of such refund to Buyer, Seller and Buyer shall be released from all obligations to each other under the Sales Contract;

2. That the apartment lease requires that Buyer join the Keauhou-Kona Resort Association at a fee of

\$1.50 per month and that this Association is separate from the Association of Apartment Owners;

3. That Buyer, through the Association of Apartment Owners, will maintain and repair the archaeological features and the two Heiaus located in Unit I and one Heiau located in Unit IV as provided in the Declaration in a manner which will preserve the historical significance of the archaeological features and the three Heiaus;

4. That the land on which the project is located is subject to Ordinance No. 595 of the County of Hawaii, State of Hawaii, which requires, among other things, that development occur in four increments of 50 apartments each. Zoning for subsequent increments shall become effective only after substantial development has occurred in the previous increment. In the event that the County of Hawaii refuses further zoning at any time prior to the completion of all 199 apartments, the Seller reserves the right to amend all condominium documents to reconstitute the condominium project over the number of apartments permitted to be built and completed. The land covered by the project shall be subdivided and the undeveloped lands shall be removed from the Horizontal Property Regime, provided, however, that the Seller shall have the right to reserve easements for road, drainage, sewer and utility purposes over the common elements of the project in favor of the remaining parcel or parcels excluded from the Horizontal Property Regime.

5. That all the rights of the Buyers are and shall be subject and subordinate to the liens of any mortgage(s), advances or sums heretofore or hereafter made to finance the construction and other costs of the Project.

MANAGEMENT AND OPERATIONS: The Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. International Management Corporation, whose principal place of business and post office address is 1149 Bethel Street, Room 217, Honolulu, Hawaii, has been named as the initial Managing Agent. The Management Agreement shall be for a term of one (1) year from the date of execution and may be terminated by the Board of Directors on behalf of the Association upon thirty (30) days written notice and by the Managing Agent upon ninety (90) days written notice.

HOUSE RULES: The proposed House Rules provides in part that the occupancy of any apartment shall be limited to:

1-bedroom unit, 4 persons; 2-bedroom unit, 6 persons; 3-bedroom unit, 8 persons.

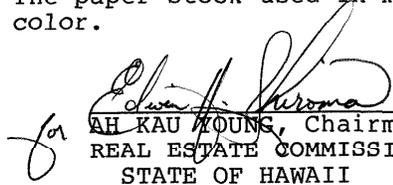
FINANCING OF PROJECT: Construction of the project is being financed by City Bank. The Developer has also obtained a commitment from First Federal Savings and Loan Association of Hawaii for permanent financing for the project.

STATUS OF PROJECT: The estimated date of completion of all the units in the project is December 31, 1977.

The purchaser or 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 June 3, 1977 and information subsequently filed as of August 4, 1977.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 915.

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 in color.


AH KAU YOUNG, 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. 915

August 11, 1977

EXHIBIT "A"

<u>Building No.</u>	<u>Apartment No.</u>	<u>Model</u>
B-11	41	50R
	42	50
B-12	43	10
	44	10
	45	10
	46	10
	47	20
B-13	48	30R
	49	30R
	50	30R
	51	30R
	52	30R
B-14	53	10R
	54	10R
B-15	55	30R
	56	30R
	57	30R
	58	30R
	59	30R
B-16	60	30
	61	30
	62	30
	63	30
B-17	64	10
	65	10
	66	10
	67	20
B-18	68	30
	69	30
	70	30
	71	30
B-19	72	50
	73	50
	74	50
	75	50R
	76	50R
	77	50R
B-42	176	30R)
	177	30R) Ocean
	178	30R)
	179	30R)
B-43	180	30)
	181	30) Ocean
	182	30)
	183	30)
B-44	184	30R)
	185	30R) Ocean
	186	30R)
	187	30R)
B-45	188	30R)
	189	30R) Ocean

EXHIBIT "B"

<u>MODEL</u>	<u>NO. OF ROOMS</u>	<u>APT. AREA</u>	<u>LANAI AREA</u>	<u>TOTAL AREA</u>
10 10R*	4, living/dining room, kitchen, one bedroom, one bath	597.2 sq.ft.	52.8 sq.ft.	650 sq.ft.
20 20R*	4, living/dining room, kitchen, one bedroom, one bath	597.2 sq.ft.	52.8 sq.ft.	650 sq.ft.
30 30R*	6, living/dining room, kitchen one bath on first floor, and two bedrooms and one bath on second floor	920.6 sq.ft.	59.4 sq.ft.	980 sq.ft.
40 40R*	7, living/dining room, kitchen, one bedroom, one bath on first floor, and two bedrooms and one bath on second floor	1,170.6 sq.ft.	59.4 sq.ft.	1,230 sq.ft.
50 50R*	5, living room, kitchen, one bedroom, one bath and one den	810 sq.ft.	88 sq.ft.	898 sq.ft.

*NOTE: Models 10R, 20R, 30R, 40R and 50R are mirror images of Models 10, 20, 30, 40 and 50, respectively.

There are no 20R, 40 and 40R Models in Unit II.

Total number of each Model in the project:

<u>Model</u>	<u>Total Number</u>
10 and 10R	9 Apartments
20	2 Apartments
30 and 30R	18 Apartments
30 and 30R Ocean	14 Apartments
50 and 50R	<u>8 Apartments</u>
	51 Apartments