

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

KONA REEF
Alii Drive at Kahakai Drive
Kailua, Kona, Hawaii

Registration No. 960

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: October 26, 1979
Expires: November 26, 1980

SPECIAL ATTENTION

A comprehensive reading of this report 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 SUBMITTED JUNE 14, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 11, 1979. THE DEVELOPER BY NOTIFYING THE COMMISSION OF HIS INTENTION TO SELL IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514A, HAWAII REVISED STATUTES.

1. Due to a substantial number of changes in the KONA REEF project since the Commission issued its Preliminary Public Report on February 16, 1978, this Final Public Report (white paper stock) will supercede in entirety the earlier issued Preliminary Public Report (yellow paper stock). Purchasers and prospective purchasers are therefore advised to disregard said Preliminary Report.
2. KONA REEF is a leasehold condominium project consisting of 5 four-level buildings and 1 five-level building, containing a total of 129 apartments, a Resident Manager's unit and one hundred sixty-four (164) parking stalls.
3. The Developer of the project has submitted to the Commission for examination all documents deemed necessary

for the registration of this condominium project and issuance of this Final Public Report.

4. The Developer reports that the Declaration of Horizontal Property Regime and the By-Laws dated May 22, 1979, has been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 13848, at Page 493, and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 951774, and that the Condominium Map and File Plan have been filed as Condominium Map 383 and Condominium File Plan 629.
5. No advertising or promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.
6. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
7. This Final Public Report automatically expires thirteen (13) months after the date of issuance, October 26, 1979, unless a Supplementary Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.
8. This Final Public Report is made a part of the registration of the KONA REEF condominium project. The Developer has the responsibility of placing a true copy of this Final Public Report (white paper stock), Preliminary Public Report (yellow paper stock) and amended Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor. As previously stated, the Commission's Preliminary Public Report (yellow paper stock) has been superceded in entirety by this Final Public Report.

NAME OF PROJECT: KONA REEF

LOCATION: The 134,277 square feet of real property and the improvements thereon submitted to the Horizontal Property Regime are located at the corner of Alii Drive and Kahakai Drive, Kailua-Kona, County of Hawaii, State of Hawaii.

TAX KEY: Third Division, 7-5-18-71 and 72.

ZONING: Resort Hotel V-.75.

DEVELOPER: Regent Land Corporation, Suite 1809, 130 Merchant Street, Honolulu, Hawaii, Telephone No. 523-7011. The officers of the corporation are as follows:

THOMAS H. GENTRY	President
JOSEPH J. RAMIA	Vice-President/Treasurer
REEVES L. SHAW	Vice-President/Secretary

ATTORNEY REPRESENTING DEVELOPER: Mau, White & Yee (attention: Gordon J. Mau or Ronald W. K. Yee), 1000 Bishop Street, Suite 303, Honolulu, Hawaii 96813. Phone: 536-3451.

DESCRIPTION: The Declaration of Horizontal Property Regime reflects that the improvements of the project designed by Kiyoshi Toi, architect, consists of 5 four-level apartment buildings and 1 five-level apartment building, constructed principally of reinforced concrete, sheet metal, steel, glass, aluminum, mansard/built-up roofing and allied building materials. The exterior walls and interior common walls will be constructed of concrete masonry units. The floors are constructed of reinforced concrete. The six buildings of the project are designated as Buildings A through F, having a total of 129 apartment units and a Resident Manager's Unit.

1. Description of Buildings;

"Building A" - Building A has 20 one-bedroom units and 8 two-bedroom units on four levels served by a covered exterior corridor with stairways at each end and an elevator. All of the units in Building A are oriented so that the lanais face the ocean.

"Building B" - Building B has 28 one-bedroom units on four levels served by a covered exterior corridor with stairways at each end and an elevator. The units in Building B are angled to direct interior and lanai exposure towards the ocean.

"Building C" - Building C has 12 one-bedroom units on four levels served by a covered exterior corridor with stairways at each end and an elevator. The units in Building C are angled to direct interior and lanai exposure towards the ocean.

"Building D" - Building D contains 24 one-bedroom units and 8 two-bedroom units on four levels served by a covered exterior corridor providing access to each condominium unit by stairways at each end and an elevator. All of the units in Building D are oriented so that the lanais face the ocean.

"Building E" - Building E contains 12 one-bedroom units on four levels with a covered exterior corridor providing access to each unit. Building E is also served by an elevator. The units in Building E are angled to direct interior and lanai exposure towards the ocean.

"Building F" - Building F contains 5 levels with the two lower levels devoted to parking, storage and services. The roof of the parking structure supports three levels containing 17 one-bedroom units plus a one-bedroom resident manager's unit. A covered exterior corridor serves each of the units with stairways at each end. Building F is also served by an elevator. All the units are oriented so that the lanais face the ocean.

Between Buildings A and D and Buildings C and E, centrally located, is a swimming pool facility approximately 20 feet by 40 feet with pool-side patios and related facilities.

A portion of the makai side of Building B and a portion of the mauka side of Building A share a common wall at the second, third and fourth levels. A portion of the makai side of Building C and a portion of the mauka side of Building A share a common wall at the second, third and fourth levels. A portion of the makai side of

Building E and a portion of the mauka side of Building D share a common wall at the second, third and fourth levels.

2. Division of Project:

A. Apartments. There are 129 residential apartments and a Resident Manager's unit consisting of spaces within the perimeter walls, floors and ceilings of each of the 129 apartments and the Resident Manager's unit in the project, which spaces are designated on both the Condominium Map and the Condominium File Plan.

B. Types of Apartments, Number of Rooms, Area and Access:

(i) One-bedroom apartment Type G: The type G one-bedroom apartment has a living/dining room, one bedroom with closets, one bathroom and a kitchen totalling 611 square feet and a lanai of 129 square feet. Type G units are located in Buildings A and D.

(ii) One-bedroom apartment Type J: The type J one-bedroom apartment has a living/dining room, one bedroom with closets, one bathroom and a kitchen totalling 651 square feet and a lanai of 136 square feet. All type J units are located in Building F.

(iii) Two-bedroom apartment Type T: The type T two-bedroom apartment has a living/dining room, two bedrooms with closets, two bathrooms and a kitchen totalling 738 square feet and a lanai of 169 square feet. The type T apartment units are located in Buildings A and D.

(iv) One-bedroom apartment Type R: The type R one-bedroom apartment has a living/dining room, one bedroom with closets, one bathroom and a kitchen totalling 630 square feet and a lanai of 128 square feet. Type R units are located in Buildings B, C and E.

(v) Two-bedroom apartment Type K: The type K two-bedroom apartment has a living/dining room, two bedrooms, two bathrooms, closets and a kitchen totalling 1,020 square feet and a lanai of 160 square feet. Type K units are located in Building A.

(vi) Two-bedroom apartment Type N: The type N two-bedroom apartment has a living/dining room, two bedrooms, two bathrooms, closets and a kitchen totalling 905 square feet and a lanai of 160 square feet. All type N units are located in Building A.

(vii) Two-bedroom apartment Type S: The type S two-bedroom apartment has a living/dining room, two bedrooms, two bathrooms, closets and a kitchen totalling 1,120 square feet and a lanai of 192 square feet. All type S units are located in Building D.

(viii) Two-bedroom apartment Type U: The type U two-bedroom apartment has a living/dining room, two bedrooms, two bathrooms, closets and a kitchen totalling 1,005 square feet and a lanai of 160 square feet. The type U apartments are located in Building D.

(ix) Resident Manager's Unit: The Resident Manager's unit has a separate office area (served by a

separate entrance), a living room/dining room/bedroom area, one bathroom and a kitchen totalling 672 square feet and a lanai of 139 square feet.

Each of the apartments on the ground level will have immediate access to the walkways and to the ground area. Each of the apartment units above the ground level will have immediate access to a corridor and stairways and to an elevator leading to the ground level. Bridges and walkways will connect Buildings A, B and C to the parking structure. Bridges and walkways will connect Buildings D and E to the parking structure.

3. Number of Location of Apartments: In the numbering of the apartments, each apartment has been given a prefix letter designation "A", "B", "C", "D", "E" or "F" to indicate the building in which it is situated, and each unit has been given a one or two digit number designation following the letter designation, to indicate the level on which the unit is located.

A. Building A. On a typical level of Building A, the numbering starts on the south corner of the building and goes toward the north corner of the building. By the foregoing numbering system, all apartments bearing apartment numbers with the same last digit are in a vertical alignment from the ground level to the fourth level. All apartments in Building A bearing the last digit number 1 are Type N apartment units. All apartments in Building A bearing the last digits 2, 3, 4, 5 and 6 are Type G apartment units. Apartment A-7 is a Type T apartment unit. All other apartment units bearing the last digit number 7 are Type K apartment units.

<u>Apartment No.</u>	<u>Level</u>
A-1 through A-7	Ground
A-11 through A-17	Second
A-21 through A-27	Third
A-31 through A-37	Fourth

B. Building B: On a typical level of Building B, numbering starts from the mauka side of the building and ends at the makai side of the building, and all apartments bearing apartment numbers with the same last digit are in vertical alignment from the ground level through the fourth level. All of the apartment units in Building B are Type R units.

<u>Apartment No.</u>	<u>Level</u>
B-1 through B-7	Ground
B-11 through B-17	Second
B-21 through B-27	Third
B-31 through B-37	Fourth

C. Building C: On a typical level of Building C, numbering starts from the mauka end of the building and ends at the makai end of the building, and all apartments bearing apartment numbers with the same last digit are in vertical alignment from the ground level through the fourth level. All of the apartment units in Building C are Type R units.

<u>Apartment No.</u>	<u>Level</u>
C-1 through C-3	Ground
C-11 through C-13	Second
C-21 through C-23	Third
C-31 through C-33	Fourth

D. Building D: On a typical level of Building D, numbering starts from the south end of the building and ends on the north end of the building, and all apartments bearing apartment numbers with the same last digit are in vertical alignment from the ground level through the fourth level. All apartments bearing the last digit number 1 are K Type apartment units. All apartments bearing the last digit numbers 2, 3, 4, 5, 6 and 7 are Type G apartment units. The remainder of the apartments in Building D bearing the last digit number 8 are Type S apartment units.

<u>Apartment No.</u>	<u>Level</u>
D-1 through D-8	Ground
D-11 through D-18	Second
D-21 through D-28	Third
D-31 through D-38	Fourth

E. Building E: On a typical level of Building E, numbering starts from the mauka end of the building and ends at the makai end of the building, and all apartments bearing apartment numbers with the same last digit are in vertical alignment from the ground level to the fourth level. All the apartment units in Building E are Type R units.

<u>Apartment No.</u>	<u>Level</u>
E-1 through E-3	Ground
E-11 through E-13	Second
E-21 through E-23	Third
E-31 through E-33	Fourth

F. Building F: On a typical level of Building F, numbering starts from the south end of the building and ends at the north end of the building, and all apartments bearing apartment numbers with the same last digit are in vertical alignment from the ground level through the fourth level. All of the apartment units in Building F are Type J units, except for apartment unit F-6 which is the Resident Manager's unit.

<u>Apartment No.</u>	<u>Level</u>
F-1 through F-5; F-6 Resident Manager's unit	Ground
F-11 through F-16	Second
F-21 through F-26	Third

4. Parking Stalls: There will be 164 parking stalls, each of which will be at least 19 feet long and 8-1/2 feet wide. There will be no specific assignment of parking stalls to any of the apartment units.

5. Limits of Apartments: The respective apartments shall not include the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls, the floors and railings surrounding each apartment, the lanai railings, if any, or any pipes, wires, conduits, ducts, vents or other surface and utility lines running through them which are utilized to serve more than one apartment, the same being common elements. Each apartment shall be deemed to include all the walls, partitions, floors and ceilings, which are not load bearing, within such apartment's perimeter, including paint, wallpaper or the like, carpeting, floor

covering and built-in fixtures. The boundary lines of each apartment are the exteriors of doors, windows and glass walls and the frames thereof.

COMMON ELEMENTS: The Declaration states that the common elements shall be comprised of all portions of the project other than the apartments, including:

A. The leasehold interest in the Land as described in Exhibit "A" of the Declaration;

B. All foundations, floor slabs, columns, girders, beams, supports, load bearing walls and roofs;

C. All corridors and walkways, bridges, entrances and exits to the buildings, stairs and stairways, traffic and pedestrian ramps, driveways and parking areas, including parking stalls;

D. All elevators and elevator shafts;

E. The mailbox area and entry area to the Resident Manager's office area;

F. All trash rooms and other refuse facilities, mechanical and electrical rooms and storage rooms;

G. The central and appurtenant installations for services such as power, light, gas, hot and cold water and like utilities, and all pipes, wires, conduits, ducts, vents or other surface and utility liens serving more than one apartment;

H. All yards, grounds, landscape areas, planting areas and recreational facilities, including the swimming pool;

I. All fences, retaining walls, refuse collection areas;

J. All other parts of the project existing for the common use or necessary to the existence, maintenance and safety of the project.

LIMITED COMMON ELEMENTS: The Declaration provides that portions of the common elements are set aside and designated as limited common elements. The limited common elements are:

A. 130 mailboxes, one each to be set aside and reserved as appurtenant to each of the 129 apartments and to the Resident Manager's unit.

B. The stairways, landings, walkways, corridors, entry ways and elevators located within the perimeters of each respective building, the same being limited common elements for and appurtenant to the respective apartments adjoining them and being for the exclusive use of the owners of said apartments respectively.

INTEREST TO BE CONVEYED TO PURCHASERS: The Declaration states that the percentage of undivided interest in the common elements appertaining to each apartment is as follows:

<u>Building Designation</u>	<u>Type of Unit</u>	<u>% Interest in Common Elements</u>	<u>No. of Units</u>	<u>% Interest in Common Elements Per Type</u>
A	T	.85	1	.85
	G	.71	20	14.20
	K	1.12	3	3.36
	N	1.01	4	4.04
B	R	.73	28	20.44
C	R	.73	12	8.76
D	U	1.13	3	3.39
	G	.71	24	17.04
	S	1.24	4	4.96
	T	.85	1	.85
E	R	.73	12	8.76
F	J	.74	17	12.58
	RM	.77	<u>1</u>	<u>.77</u>
			130	100.00%

The common interest, the proportionate share in the profits and common expenses of the project and for all other purposes, including the proportionate representation for voting in the Association of Apartment Owners, for each apartment unit, shall be governed by the above percentages.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: Apartment Owners may occupy and use and may allow the occupancy and use of their respective apartments as a permanent or temporary residence for themselves, their tenants, families, domestic servants and social guests and for no other purpose. Apartments shall not be rented for hotel purposes, which are defined as any rental in which the occupants of the apartment are provided customary hotel services such as room service for food and beverage, maid service, laundry and linen, or bellboy service. Except for such hotel purposes, Apartment Owners shall have the absolute right to lease their apartments subject to all provisions of the condominium conveyance document, the Declaration, By-Laws and House Rules.

The House Rules provide, among other provisions: (1) that no dogs, cats and other domestic pets shall be allowed in or upon any apartment unit or the common areas; and (2) one-bedroom apartments may be occupied by no more than three (3) persons and two-bedroom apartment by no more than five (5) persons.

OWNERSHIP OF TITLE: The notice of intention states that the ownership to the fee title is vested in Joseph Gomes, husband of Margaret Gomes, Frank Gomes and Betty Doi Gomes, husband and wife, Stanley Arthur Gomes and Doreen Paul Gomes, husband and wife, and Joseph Allen Gomes and Carlotta Leinani Gomes, husband and wife. The Developer (Regent Land Corporation, a Hawaii corporation), has disclosed that under a Lease and Development Agreement dated November 1, 1973, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 9892, at Page 461, and filed in the Office

of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 680507, and noted on Transfer Certificate of Title No. 115,389, it acquired a subleasehold interest in the parcel of real property identified by Tax Map Key No. 7-5-018-072 (hereinafter referred to as "Parcel First"), and a leasehold interest in that certain parcel of property identified by Tax Map Key No. 7-5-018-071 (hereinafter referred to as "Parcel Second"). Said November 1, 1973 Lease and Development Agreement was amended on March 12, 1974 and recorded at Liber 9892, Page 484.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report issued by Security Title Corporation, 190 South King Street, Suite 1200, Honolulu, Hawaii 96813, on October 2, 1979, Order No. 70948-B, reflects the following encumbrances, notations and reservations:

1. For information on real property taxes, check with the Office of the Tax Assessor of the Third Division.

2. As to that portion of the land herein described bordering on the ocean: the effect of Sections 205-31 to 205-37, inclusive, of the Hawaii Revised Statutes, as now or hereafter amended, pertaining to shoreline setbacks.

3. Any adverse claim based upon the contention that some portion of the land hereinafter described lies seaward of the line of vegetation, pursuant to the ruling in County of Hawaii v. Sotomura, 55 H. 176, 517 P.2d 57 (1973).

4. Reservation in favor of the State of Hawaii of all mineral and metallic mines of every description as reserved under Royal Patent No. 1930 and Land Patent Grant 13083.

5. Reservation in favor of the State of Hawaii of all water and water rights as reserved in Land Patent Grant No. 13083.

6. The terms and provisions of that certain Lease dated September 19, 1963, recorded in said Bureau of Conveyances in Liber 4601, at Page 461, made by and between Joseph Gomes, husband of Margaret Gomes, as Lessor, and Anthony R. Paul and Anna G. Paul, husband and wife, no tenancy shown, as Lessees, for a term of 69 years from September 19, 1963 and terminating on September 18, 2032. Said Lease, through mesne assignments, is now held by the following:

A. By Partial Assignment of Lease dated May 17, 1974, filed in the Office of said Assistant Registrar as Document No. 695846, Anthony Rodrigues Paul, husband of Anna Gouveia Paul, as Assignor, assigned the foregoing Lease to Anna Gouveia Paul, wife of Anthony Rodrigues Paul, as to an undivided 10% interest, Guy Anthony Paul, husband of Helen Paul, as to an undivided 5% interest, Helen Paul, wife of Guy Anthony Paul, as to an undivided 5% interest, Doreen Paul Gomes, wife of Stanley Gomes, as to an undivided 5% interest, Stanley Gomes, husband of Doreen Paul Gomes, as to an undivided 5% interest, James Rodney Paul, unmarried, as to an undivided 5% interest, Guy Anthony Paul, as Trustee to hold in trust for his children, Gary, Gayle and Ronald, as to an undivided 5% interest, Doreen Paul Gomes, as Trustee to hold in trust for her children, Jeffrey, Steven, Tammy and Kristy, as to an undivided 5% interest, and James Rodney Paul, as Trustee to hold in trust for his children, Alisa, Anthony and Celeste, as to an undivided 5% interest, no tenancy shown, as Assignees. Consent thereto filed as Document No. 695847 (as to Parcel First). (As to 55%)

B. By Assignment of Lease dated October 7, 1977, filed in the Office of said Assistant Registrar as Document No. 849891, Anthony Rodrigues Paul, husband of Anna Gouveia Paul, as Assignor, assigned all of his remaining forty-five percent (45%) interest in the foregoing Lease, to Anthony R. Paul, Trustee under that certain Declaration of Revocable Trust of Anthony R. Paul, dated September 20, 1977, as Assignee. Consent thereto filed as Document No. 849892 (as to Parcel First).

C. That certain Affidavit dated September 29, 1978, recorded in the said Bureau of Conveyances in Liber 13170, at Page 345, to which reference is hereby made. Said Affidavit not noted on Transfer Certificate of Title. (As to Parcel First)

D. Further proceedings had in the matter entitled In the Matter of the Estate of Anna Gouveia Paul, deceased, now pending in the Circuit Court of the Third Circuit, State of Hawaii, under P. No. 4949.

7. Mortgage dated December 1, 1976, filed in the Office of said Assistant Registrar as Document No. 793016, and also recorded in said Bureau of Conveyances in Liber 11860, at Page 342, made by Regent Land Corporation, a Hawaii corporation, as Mortgagor, to Hawaii National Bank, Honolulu, a national banking association, as Mortgagee, to secure the repayment of the sum of \$450,000.00, any additional advances and other amounts secured thereby, all according to the terms of that certain promissory note of said Mortgage therein referred to.

8. The Lease and Sublease mentioned under "Ownership of Title" above.

PURCHASE MONEY HANDLING: Copies of the Escrow Agreement duly executed dated June 13, 1979, and the Amendment of Escrow Agreement dated October 5, 1979, between Regent Land Corporation, as Developer, and Security Title Corporation, as Escrow, have been submitted to the Commission as part of this registration. The executed Escrow Agreement has been examined and is found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

Among other provisions, the Escrow Agreement, as amended, provides for the payment of all moneys under the Reservation and Contract to the Escrow and that a purchaser under a contract shall be entitled to a refund of all moneys of the purchaser held by Escrow with interest earned on account thereof if:

A. Developer and the purchaser shall have requested Escrow to return to purchaser the funds of purchaser held hereunder by Escrow; or

B. Developer shall have notified Escrow of Developer's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Developer other than Developer's right of cancellation or rescission due to purchaser's material breach of the Sales Contract; or

C. The purchaser shall have notified Escrow of the purchaser's exercise of the option to cancel or rescind the Sales Contract pursuant to any right of cancellation or rescission provided therein or otherwise available to the purchaser.

D. The Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change shall not have been obtained; or

E. The Final Report shall not have been issued within one (1) year from the date of issuance of the Preliminary Report and the purchaser has not waived his right to a refund.

The specimen Sales Contract has also been examined and found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and more specifically Sections 514A-37, 514A-39 and 514A-63 to 514A-66.

Among other provisions the Sales Contract provides that within forty-five (45) days after being notified of the acceptance and execution of the Sales Contract by Seller, purchaser must furnish evidence satisfactory to Seller of purchaser's ability to pay the purchase price as set forth in Section "C" thereof. If purchaser wishes to finance the purchase of the subject apartment unit by way of a mortgage loan, purchaser must obtain an unconditional commitment for such loan from a lending institution within said forty-five day period. If purchaser intends to purchase the subject apartment unit in cash, purchaser must provide to Seller, within said forty-five day period, proof satisfactory to Seller of purchaser's ability to pay the purchase price in cash. If, within said forty-five day period, an unconditional commitment for a mortgage loan is not obtained or satisfactory proof of purchaser's ability to pay in cash is not provided, Seller will cause Escrow to refund all sums theretofore paid by purchaser pursuant to the Sales Contract, with interest, as provided in the Escrow Agreement, but less the cancellation fee charged by Escrow, as provided in said Escrow Agreement, and on the fifth day following the date such refund is mailed or delivered by Escrow to purchaser at any one of the addresses of purchaser set forth in Section "B" thereof, the Sales Contract shall be null, void and of no effect, and neither Seller nor purchaser shall have any further rights or obligations thereunder or with respect thereto.

In addition, the Sales Contract provides that Developer (Seller) and purchaser shall have the following cancellation rights:

A. If there is any material change in the condominium building plans subsequent to the execution of the Sales Contract by the purchaser, which change has a significant adverse effect on the interest to be purchased and which change requires the approval of the county officer having jurisdiction over the issuance of building permits, purchaser shall have the right to cancel the Sales Contract by giving written notice of cancellation to Seller, unless purchaser has previously given written approval or acceptance of such change.

B. Seller shall have the right and option to cancel the Sales Contract by written notice to the purchaser if (1) within five (5) days from the mailing or delivery by Developer (Seller) of a copy of said Final Public Report, the purchaser shall fail to acknowledge receipt thereof; or (2) within ten (10) days from the mailing or delivery by Seller of a request for same, purchaser shall fail to give his written approval or acceptance of any change to the building plans, if such written approval or acceptance is called for under the provisions of paragraph G(18)(a) of the Sales Contract.

Prospective purchasers should also be aware that the Sales Contract provides that all the rights of purchaser under said Contract are and shall be subordinate to the lien of any mortgage described in the Sales Contract which is made prior or subsequent to the execution of the Sales Contract.

IT IS INCUMBENT UPON PROSPECTIVE PURCHASERS THAT THEY READ WITH CARE THE SALES CONTRACT AND THE EXECUTED ESCROW AGREEMENT. THE LATTER ESTABLISHES HOW THE PROCEEDS FROM THE SALE OF A CONDOMINIUM UNIT ARE PLACED IN TRUST AS WELL AS THE RETENTION AS DISBURSEMENT OF SAID FUNDS.

MANAGEMENT AND OPERATION: The Declaration of Horizontal Property Regime provides that the operation of the project shall be conducted for the Association of Apartment Owners by a managing agent. The initial managing agent will be Aaron M. Chaney, Inc., 841 Bishop Street, Honolulu, Hawaii 96813.

PROGRAM OF FINANCING: The Developer has complied with the provisions of Section 514A-40, Hawaii Revised Statutes, by filing with the Commission the following:

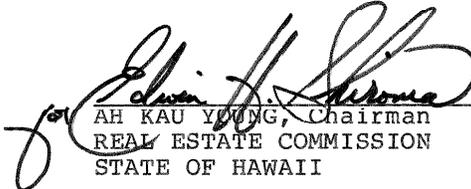
1. Verified statement of total development cost.
2. Verified statement of estimated commencement and completion date of the project.
3. A performance bond in the amount of not less than 100% of the construction contract price, dated October 11, 1979, issued by Seaboard Surety Company.
4. A revised Construction Contract dated September 4, 1979 by and between Regent Land Corporation and Gentry-Homes, Ltd.
5. An interim construction loan commitment letter from State Savings & Loan Association, dated March 30, 1979, as extended by letters dated June 12, 1979 and August 31, 1979.

STATUS OF THE PROJECT: The Developer reports that construction of the project will commence December 1, 1979. The estimated completion date is October 1, 1981.

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 14, 1979 and information subsequently filed as of October 11, 1979.

This Final Horizontal Property Regime (Condominium) Public Report is made a part of Registration No. 960, filed with the Commission on June 14, 1979.

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


AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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

Registration No. 960

Dated: October 26, 1979