

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

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 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: February 16, 1978
Expires: March 16, 1979

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 DECEMBER 13, 1977 AND INFORMATION SUBSEQUENTLY FILED AS OF FEBRUARY 10, 1978. 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. KONA REEF is a proposed leasehold condominium project consisting of 5 four-level buildings and 1 five-level building, containing a total of 129 apartments and one hundred seventy-two (172) parking stalls.
2. The Developer of the project has submitted to the Commission for examination all documents deemed

necessary for the registration of a condominium project and issuance of this Preliminary Public Report.

3. The Developer has submitted to the Commission for examination the proposed Declaration of Horizontal Property Regime, proposed By-Laws of the Association of Apartment Owners and floor plans.
4. No advertising or 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 514A, Hawaii Revised Statutes, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, February 16, 1978, unless a Supplementary or Final Public Report is issued or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Preliminary 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 Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of receipt for the Preliminary Public Report from such purchasers.

NAME OF PROJECT: KONA REEF

LOCATION: The 134,277 square feet of real property and the improvements thereon to be 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 1804, 130 Merchant Street, Honolulu, Hawaii, telephone No. 523-1391. The officers of the corporation are as follows:

Tom Gentry	President
Joseph John Ramia	Vice-President/Treasurer
Reeves L. Shaw	Vice-President/Secretary

ATTORNEY REPRESENTING DEVELOPER: Gordon J. Mau of Mau, Mau & White, 116 South King Street, Honolulu, Hawaii. Telephone 536-3451.

DESCRIPTION: The proposed 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, monier tile roofing, steel, glass, aluminum and allied building material. The exterior walls and interior common walls are 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.

1. Description of Buildings:

"Building A" - Building A has 24 one-bedroom units and four two-bedroom units on four levels served by a covered exterior corridor with stairways at each end. 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. 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. The units in Building C are angled to direct interior and lanai exposure towards the ocean.

"Building D" - Building D contains 25 one-bedroom units and 7 two-bedroom units on four levels served by a covered exterior corridor providing access to each condominium unit by stairways at each end. 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. 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 an additional area for office-management space. A covered exterior corridor serves each of the units with stairways at each end. All the units are oriented so that the lanais face the ocean.

Between Buildings A and D and Buildings C and F, 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 A share a common wall at the second, third and fourth levels.

2. Division of Project:

A. Apartments. 129 residential apartments consisting of spaces within the perimeter walls, floors and ceilings of each of the 129 apartments in the project, which spaces will be designated on both the Condominium Map and the Condominium File Plan. One apartment in Building F is set aside for living quarters for a resident manager.

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

(1) One-bedroom apartment Type G: The type G one-bedroom apartment has a living/dining room, one bedroom with closets, one bathroom and kitchen of 732 square feet and a lanai of 128 square feet. Type G units are located in Buildings A and D.

(2) One-bedroom apartment Type J: The type J one-bedroom apartment has a living/dining room, one bedroom with closets, one bathroom and kitchen of 779 square feet, and a lanai of 136 square feet. All type J units are located in Building F.

(3) One-bedroom apartment Type T: The type T one-bedroom apartment has a living/dining room, one bedroom with closets, one bathroom and kitchen of 920 square feet, and a lanai of 160 square feet. The only type T apartment unit is located in Building A.

(4) One-bedroom apartment Type R: The type R one-bedroom apartment has a living/dining room, one bedroom with closets, one bathroom and kitchen of 630 square feet, and a lanai of 124 square feet. Type R units are located in Buildings B, C and E.

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

(6) Two-bedroom apartment Type N: The type N two-bedroom apartment has a living/dining room, two bedrooms, two bathrooms, closets and kitchen of 905 square feet, and a lanai of 154 square feet. All type N units are located in Building A.

(7) Two-bedroom apartment Type S: The type S two-bedroom apartment has a living/dining room, two bedrooms, two bathrooms, closets and kitchen of 1,068 square feet, and a lanai of 194 square feet. All type S units are located in Building D.

(8) Two-bedroom apartment Type U; The only type U two-bedroom apartment has a living/dining room, two bedrooms, two bathrooms, closets and kitchen of 976 square feet, and a lanai of 153 square feet. The only Type U apartment is located in Building D.

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 leading to the ground. 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 and 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 numbered 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 this Building A bearing the last digit number 1 are N type apartment units. All apartments in this Building A bearing the last digits 2, 3, 4, 5 and 6 are G type apartment units. Apartment A-7 is a T type apartment unit. All other apartment units bearing the last digit number 7 are K type 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. Apartment unit D-1 is a U type apartment unit. All other 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 this 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 this Building F are type J units.

<u>Apartment No.</u>	<u>Level</u>
F-1 through F-5; office	Ground
F-11 through F-16	Second
F-21 through F-26	Third

4. Parking Stalls: There will be 172 parking stalls, each of which will be at least 19 feet long and 8-1/2 feet wide. One stall will be set aside and reserved as appurtenant to each of the 129 apartment units. Private and exclusive use of an additional 33 stalls will be available for purchase by owners of apartment units, provided that the purchase of such additional private stalls shall be limited to one stall per apartment unit. The remaining 10 stalls will be permanently reserved for guest parking. If any of the 33 stalls available for purchase as private stalls are not so purchased, however, said stalls will be reserved for guest parking until such time as they can be sold to owners of apartment units for private parking. The Association of Apartment Owners hereinafter mentioned will be charged with maintaining a priority list of apartment unit owners desiring to purchase one of the 33 additional private stalls on resale, and resale of said private stalls will be restricted to apartment unit owners in accordance with such priority list.

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 proposed Declaration states that the common elements will 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 unsold parking stalls;
- D. The lobby, mailbox area and manager's office on the third level of Building F;
- E. All trash chutes, trash rooms and other refuse facilities, mechanical and electrical rooms, and storage rooms;
- F. 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 lines serving more than one apartment;
- G. All yards, grounds, landscape areas, planting areas and recreational facilities, including the swimming pool;
- H. All fences, retaining walls, refuse collection areas;
- I. At least ten (10) guest parking stalls; and
- 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 proposed Declaration provides that portions of the common elements are set aside and designated as limited common elements. The limited common elements are:

- A. 129 parking stalls, one each to be set aside and reserved as appurtenant to each of the 129 apartments for the exclusive use of the respective owners thereof, as shown on the Condominium Map.
- B. As many as 33 additional parking stalls, no more than one each of which may be set aside and reserved for the exclusive use of the respective owners of 33 different apartments upon the purchase of such right of exclusive use.
- C. 129 mailboxes, one each to be set aside and reserved as appurtenant to each of the 129 apartments.
- D. The stairs, stairways and walkways 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 proposed Declaration states the percentage of undivided interest in the common elements appertaining to each apartment 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	.0097	1	.970
	G	.0078	20	15.600
	K	.0106	3	3.180
	N	.0095	4	3.800
B	R	.0067	28	18.760
C	R	.0067	12	8.040
D	U	.0104	1	1.040
	G	.0078	24	18.720
	S	.0114	4	4.560
	K	.0106	3	3.180
E	R	.0067	12	8.040
F	J	.0083	<u>17</u>	<u>14.110</u>
			129	100.000%

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: The purpose for which the apartments are intended and restricted as to use is residential; provided that this shall not be construed to prohibit the renting or leasing of said apartments for profit, individually or otherwise, so long as the ultimate tenant thereof uses the apartment as a place in which to reside as distinguished from a place in which to carry on a trade or business, subject to all the provisions of the Declaration of Horizontal Property Regime.

OWNERSHIP OF TITLE: The notice of intention states the ownership to the fee title is vested in Joseph Gomes, husband of Margaret Gomes. The Regent Land Corporation, a Hawaii corporation, under 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, acquired a subleasehold interest in the parcel of real property identified by Tax Map Key No. 7-5-018-072, and a leasehold interest in that certain parcel of property identified by Tax Map Key No. 75-018-071.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report issued by

Security Title Corporation, a Hawaii corporation, on November 8, 1977, Order No. 79524, reflects the following encumbrances:

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

2. For information on real property taxes, check with the tax assessor of the Third Division.

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

4. Any adverse claim of the State of Hawaii 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, (1973) 55 H. 176, 517 P. 2d 57.

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 is now held by Anthony Rodrigues Paul, husband of Anne Gouveia Paul, as Lessee, by Assignment of Lease dated September 12, 1968, filed in the Office of said Assistant Registrar as Document No. 457021, and also affects other property (identified by Tax Map Key 7-5-018-072). It was partially assigned to various parties on May 17, 1974 per Document No. 695846 as filed in the Office of said Assistant Registrar.

7. Said Lease and Development Agreement dated November 1, 1973, filed in the Office of said Assistant Registrar as Document No. 680507 and also recorded in said Bureau of Conveyances in Liber 9892, at Page 461, as amended by instrument dated March 12, 1974 filed as Document No. 680508 in the Office of said Assistant Registrar and recorded in said Bureau of Conveyances in Liber 9892, at Page 484.

8. Mortgage to Hawaii National Bank, Honolulu, a national banking association, as Mortgagee, made by Regent Land Corporation, a Hawaii corporation, as Mortgagor, 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, 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 Mortgagor therein referred to.

PURCHASE MONEY HANDLING: A copy of the Escrow Agreement duly executed dated December 9, 1977, between the Regent Land Corporation, as Seller, and Security Title Corporation, as Escrow, has been submitted to the Commission as part of this registration. The specimen Reservation and Contract and the executed Escrow Agreement have been examined and are found to be in compliance with Chapter

514A, Hawaii Revised Statutes.

Among other conditions, the Escrow Agreement provides for the payment of all moneys under the Reservation and Contract to the Escrow and that the Escrow shall not disburse any funds under any reservation and contract to the Seller unless and until:

A. The Real Estate Commission has issued a final report;

B. The purchaser has been given a copy of the Final Report, has acknowledged receipt of the same, and 48 hours have elapsed since such receipt;

C. The Seller has complied with all other requirements of Chapter 514A, Hawaii Revised Statutes.

The Escrow Agreement also provides that Escrow Agent shall refund all moneys of the purchaser held by the Escrow Agent without interest and less escrow's cancellation fee upon the happening of the following:

A. Receipt of a written request by seller and purchaser to refund purchaser's fund;

B. A purchaser's funds were obtained prior to the issuance of the Final Public Report and there has been a change in the condominium building plans subsequent to the execution of the purchaser's Reservation and Contract requiring the approval of the City and County officer having jurisdiction over the issuance of permits for construction of buildings, unless the purchaser has given written approval or acceptance of the specific change or unless 90 days have elapsed since the purchaser has accepted in writing the apartment or he has first occupied the apartment;

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

D. The Final Public Report is not issued within one (1) year from the date of the issuance of the Preliminary Public Report.

If the purchaser wishes to finance the purchase of the apartment by way of mortgage and is not able to obtain a mortgage for the purchase of the apartment, the seller has the option to cancel the Reservation and Contract and to refund all moneys paid by the purchaser, except costs incurred, such as credit reports and escrow cancellation fees.

Upon refund of said funds to the purchaser as aforesaid, Escrow Agent shall return to seller such purchaser's Reservation and Contract and any conveyance document theretofore delivered to Escrow Agent, and thereafter purchaser shall be no longer thereunder.

The requirements of Sections 514A-37, 514A-39 and 514A-63 to 514A-66, Hawaii Revised Statutes, have also been met in the Reservation and Contract (Sales Contract).

Among other provisions, the Reservation and Contract provides that the seller may cancel the same for any of the following reasons:

A. Purchaser's credit or financial capability becomes unsatisfactory to seller or lender, or financing otherwise becomes unavailable to purchaser;

B. Purchaser breaches any term, covenant or condition of the sales contract;

C. If less than 91 of the apartments in the Project are sold within ten (10) months after the issuance of this Preliminary Report.

In the event seller shall elect to cancel the sales contract because of purchaser's breach thereof, seller may, at seller's option, retain as liquidated damages all sums theretofore paid by purchaser under said sales contract, or in the event said sums are insufficient to cover the damages sustained by seller as a result of purchaser's breach, seller may retain all such sums, not as liquidated damages, but as a partial recovery of such damages as seller believes it has suffered, and seller may thereupon pursue any other remedy provided by law or in equity and shall be entitled to recover from purchaser, all costs, including reasonable attorney's fees incurred by seller as a result of the default.

The sales contract further provides that the purchaser agrees that all the rights of purchaser under said contract are and shall be subordinate to the lien of any mortgage made prior or subsequent to the execution of the sales contract.

It is incumbent upon the purchaser and prospective purchaser that he read with care the sales contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of the condominium unit are placed in trust as well as the retention as disbursement of said fund.

HOUSE RULES: The proposed House Rules provide, among other provisions: (1) that no dogs, cats and other household pets may be kept by the owners or their tenants in the condominium unit; and (2) one-bedroom apartments may be occupied by no more than three (3) persons and two-bedroom apartments by no more than five (5) persons.

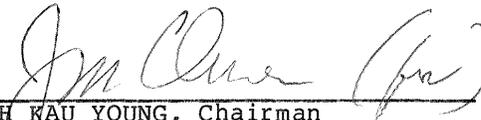
MANAGEMENT AND OPERATION: The proposed Declaration of Horizontal Property Regime provides that the operation of the Project shall be conducted for the Association of Apartment Owners by a managing agent. The initial managing agent will be Island Resort Management, Inc., P. O. Box 1357, Lahaina, Maui.

STATUS OF THE PROJECT: The Developer reports that construction of the project will commence when the presale requirement is met. Estimated completion date: June 1, 1979.

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 December 9, 1977 and information subsequently filed as of February 10, 1978.

This Preliminary Horizontal Property Regime (Condominium) Public Report is made a part of Registration No. 960, filed with the Commission on December 13, 1977.

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


AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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

Registration No. 960
DATED: February 16, 1978.