

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 ON

BANYAN HARBOR

LIHUE, KAUAI, HAWAII

REGISTRATION NO. 998

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: November 21, 1978

Expires: December 20, 1979

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED ON APRIL 27, 1978, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 20, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. BANYAN HARBOR is a proposed fee simple condominium project consisting of twelve (12) multi-unit residential buildings containing one hundred forty-eight (148) residential units, all to be built in accordance with floor plans filed with the Real Estate Commission. The project will contain one hundred eighty-four (184) parking spaces of which twenty-four (24) will be for compact cars.
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 Final Public Report.
3. This Final Public Report is made a part of the registration of the BANYAN HARBOR condominium project. The Developer shall be responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt for this Final Public Report from each purchaser and prospective purchaser.
4. Advertising and promotional matter has been submitted to the Real Estate Commission.
5. The Declaration of Horizontal Property Regime, together with the By-Laws of the Association of Apartment Owners attached thereto, was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document Number 886382. The approved floor plans have been designated as Condominium Map Number 333.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, November 21, 1978, 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.

NAME OF PROJECT: BANYAN HARBOR

LOCATION: The land, consisting of 12 acres more or less, is situate north of the intersection of Nawiliwili Highway and Wilcox Road, near Nawiliwili Harbor, Niumalu and Nawiliwili, District of Lihue, Island and County of Kauai, being further described as follows: Lot 56, as shown on Map 23; and Lot 20 as shown on Map 5, both of which maps are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Application No. 957, being the same premises described in Transfer Certificate of Title No. 198,543 issued to Banyan Harbor Associates. The Declaration provides that the Developer may withdraw certain designated portions of the land from the project and the horizontal property regime created by said Declaration, and the Developer has already withdrawn portions of the designated land and intends to withdraw additional designated land and also to add certain land (see the section entitled "Developer's Option to Withdraw Common Elements" on page 11 of this report for more specific information).

TAX KEY: Fourth Division 03-02-05:08

ZONING: R-20

DEVELOPER: Banyan Harbor Associates, a registered Hawaii joint venture, with its principal place of business at 1100 Hawaii Building, 745 Fort Street, Honolulu, Hawaii, 96813 (Telephone No. 524-0132). The Partners of the joint venture are:

The Interisland Group, Inc.	Kraus-Anderson of St. Paul
1100 Hawaii Building	Development Corporation
745 Fort Street	1100 Hawaii Building
Honolulu, Hawaii 96813	745 Fort Street
	Honolulu, Hawaii 96813

ATTORNEY REPRESENTING DEVELOPER: Carlsmith & Dwyer, Attorneys at Law, a Law Corporation, 2102 Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii, 96813 (Attention: Curtis W. Carlsmith or Charles E. Pear, Jr.) Telephone No. 524-7200.

DESCRIPTION OF THE PROJECT: The Project shall contain 12 separate apartment buildings constructed principally of wood, glass and concrete. Buildings A, C, D, E, K and L shall each contain 12 apartments and shall consist of three stories without basements. Buildings F, G, H, I and J shall each contain 12 apartments and shall each consist of three stories plus a parking area in the basement. Building B shall contain 16 apartments and shall consist of three stories without basement.

In addition to the apartment buildings there shall also be a Manager's Office building and a cabana by the pool. The Manager's Office building consists of two stories without basement and contains no apartments. The pool cabana consists of a single story open-walled building without basement.

Description of the Apartments: The Declaration of Horizontal Property Regime designates one hundred and forty-eight (148) separate condominium apartments in the space within the perimeter and party walls, floors and ceilings of each of the one hundred and forty-eight (148) apartment units of the project, distributed among the 12 apartment buildings in the project as described above, which spaces together with appurtenant lanai air spaces, are referred to herein as "apartments", and are designated on said condominium map and described as follows:

a) Apartment Numbers and Locations: The apartments on each floor of the buildings are numbered consecutively from left to right as each building is faced from the parking area upon which it fronts. Units 1 to 12 are located in building A; 13 to 28 in building B; 29 to 40 in building C; 41 to 52 in building D; 53 to 64 in building E; 65 to 76 in building F; 77 to 88 in building G; 89 to 100 in building H; 101 to 112 in building I; 113 to 124 in building J; 125 to 136 in building K; and 137 to 148 in building L. With respect to building B, apartments 13 through 18 are one-story apartments entered on the ground floor. Apartments 19 through 28 are two-story apartments entered from the second floor.

With respect to all remaining buildings, the first four units are one-story apartments entered from the first floor of the building; the remaining 8 units are two-story apartments entered from the second floor of the building. The apartment numbers and locations are more fully illustrated on the condominium map.

b) Layout and Area of Individual Apartments: The apartments are constructed according to six different floor plans, numbered I to VI.

- I. Each Type I apartment shall consist of two bedrooms, two bathrooms, living/dining room, kitchen and two lanais; each such apartment shall have an approximate enclosed floor area of 840 square feet, lanais of approximately 145 square feet combined, with a total approximate floor area of 985 square feet. The following twenty-six (26) apartments are Type I apartments: 2,3,14,15,16,17,30,31,42,43,54,55,66,67,78,79,90,91,102,103,114,115,126,127,138 and 139.
- II. Each Type II apartment shall consist of two bedrooms, two bathrooms, living/dining room, kitchen and two lanais; each such apartment shall have an approximate enclosed floor area of 840 square feet, lanais of approximately 180 square feet combined, with a total approximate floor area of 1020 square feet. The following twenty-two (22) apartments are Type II apartments: 1,4,29,32,41,44,53,56,65,68,77,80,89,92,101,104,113,116,125,128,137, and 140.
- III. Each Type III apartment shall be a two-story apartment consisting of two bedrooms, one and one-half bathrooms, living/dining room, kitchen and two lanais; each such apartment shall have an approximate enclosed floor area of 924 square feet, lanais of approximately 84 square feet combined, with a total approximate floor area of 1008 square feet. The following twenty-six (26) apartments are Type III apartments: 8,9,20,23,24,27,36,37,48,49,60,61,72,73,84,85,96,97,108,109,120,121,132,133,144 and 145.
- IV. Each Type IV apartment shall be a two-story apartment consisting of two bedrooms, one and one-half bathrooms, living/dining room, kitchen, and three lanais; each such apartment shall have an approximate enclosed floor area of 924 square feet, lanais of approximately 119 square feet combined, with a total approximate floor area of 1043 square feet. The following twenty-two (22) apartments are Type IV apartments: 5,12,33,40,45,52,57,64,69,76,81,88,93,100,105,112,117,124,129,136,141 and 148.
- V. Each Type V apartment shall be a two-story apartment consisting of two bedrooms, one and one-half bathrooms, living/dining room, kitchen, and lanai; each such apartment shall have an approximate enclosed floor area of 910 square feet, lanai of approximately 60 square feet, with a total approximate floor area of 970 square feet. The following forty-

eight (48) apartments are Type V apartments:
6,7,10,11,21,22,25,26,34,35,38,39,46,47,50,51,
58,59,62,63,70,71,74,75,82,83,86,87,94,95,98,99,
106,107,110,111,118,119,122,123,130,131,134,135,
142,143,146 and 147.

- VI. Each Type VI apartment shall consist of one bedroom, one bathroom, living/dining room, kitchen, and lanai; each such apartment shall have an approximate enclosed floor area of 617 square feet, lanai of approximately 65 square feet with a total approximate floor area of 682 square feet. The following four (4) apartments are Type VI apartments: 13,18, 19 and 28.

c) Access to Common Elements: Each apartment has immediate access to the grounds of the Project or to a walkway or stairway leading to the grounds of the Project.

d) Other Data Identifying and Defining the Apartments: The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, awnings, the floor or ground and ceilings surrounding each apartment or any pipes, wires, conduits or other utility or service lines which are utilized for or serve more than one (1) apartment, the same being common elements. Each apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, floors and ceilings, doors and door frames, windows and window frames, interior stair cases, the lanai air space and all fixtures originally installed in the apartment.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime states that the common elements shall include all the remaining portions of the Project including specifically, but not limited to:

- a) Said land in fee simple;
- b) All structural construction such as foundations, columns, girders, beams, supports, main walls, roofs, halls, corridors, lobbies, exterior stairs and stairways, fire escapes, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls, awnings and walkways of said buildings;
- c) All common spaces such as yards, gardens, planting areas, swimming pool, pool cabana, tennis court, picnic areas, other recreational facilities, storage space, trash collection areas, the sewage treatment plant, basements, and all uncovered parking areas and all driveways.
- d) All common premises such as the Manager's office, storage room, other storage areas, electrical room, premises for lodging or use of janitors or other persons employed for the operation of the property.

- e) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central and appurtenant transmission facilities and installations over, under, or across the project which serve more than one apartment for services such as power, light, gas, hot water, cold water, heating, refrigeration, air conditioning, incineration, sewage, telephone and television signal distribution, if any;
- f) Apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, emergency generator, and other such installations and apparatus;
- g) All other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: The Declaration of Horizontal Property Regime provides that certain parts of the common elements, called "Limited Common Elements", are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

Certain apartments in buildings F, G, H, I, and J shall have for their exclusive use a covered parking space, as designated in the schedule set forth in Exhibit A attached hereto.

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

<u>Apartment Unit Type</u>	<u>Undivided Percentage Interest</u>	<u>Number of Apartments</u>	<u>Total Undivided Percentage Interest</u>
I Open Parking	.6486	26	16.8636
II Open Parking	.6611	22	14.5442
III Open Parking	.6867	16	10.9872
Assigned Parking	.7276	10	7.2760
IV Open Parking	.6991	12	8.3892
Assigned Parking	.7369	10	7.3690
V Open Parking	.6682	30	20.0460
Assigned Parking	.7091	9	6.3819
Assigned Parking*	.6989	9	6.2901
VI Open Parking	.4632	4	1.8528
TOTAL		148	100%

* The garage is subject to an easement for passage in these Type V apartments: 71, 74, 83, 86, 98, 107, 110, 119, 122.

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE: The Declaration of Horizontal Property Regime provides that the apartments are intended to be used as residential apartments, but may be leased or rented from time to time to transients. The Association has the power to enact, amend and repeal resolutions, rules and regulations reasonably restricting and regulating the use of the apartments and the common elements; provided, that any

such resolution, rule or regulation are consistent with the terms of the Declaration, and By-Laws.

The extent of use of the apartments for permanent or temporary residences or transient quarters shall depend to a significant extent upon the individual apartment owners' use of their apartments. The apartments are subject to additional restrictions on the use as set forth in (i) the Declaration, (ii) the By-Laws, (iii) the Apartment Deeds, (iv) the sales contracts for the individual apartments, and (v) the House Rules.

The House Rules provide in part, (1) that occupancy is limited to not more than two persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner or occupant, provided that in no event shall the number of occupants be more than four per bedroom; and (2) no animals shall be allowed on the premises except that household pets in reasonable number may be kept in apartments of owners. All pets must be registered with the Managing Agent.

OWNERSHIP OF TITLE: The Preliminary Report issued by Title Guaranty of Hawaii, Inc., dated October 23, 1978, reflects that title to this land is held by Banyan Harbor Associates.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report issued by Title Guaranty of Hawaii, Inc., dated October 23, 1978 reflects the following encumbrances against title:

1. Real Property Taxes - for further information, check with the Tax Assessor, Fourth Division, on Tax Map Key Number 03-02-05:08.
2. As to Lot 56:
 - (a) Easement E located along the northerly, northwesterly and southwesterly boundaries of Lot 56 as shown on Maps 1, 8 and 23 of Land Court Application No. 957.
 - (b) Permanent easements and rights-of-way for all purposes over, under, across and through Easement E over Lot 56 in favor of Gaylord Parke Wilcox, Elsie H. Wilcox and Mabel I. Wilcox, Trustees under the Will and of the Estate of George N. Wilcox, deceased, as granted by deed dated March 31, 1933 and filed as Land Court Document No. 28897.
 - (c) Designation of Easement N located along the northeasterly boundary of Lot 56, as shown on Maps 12 and 23 of Land Court Application No. 957, as set forth by Land Court Order No. 29367, filed December 26, 1968.

Said Easement N shall be for roadway and utility purposes only, as granted by Deed dated June 27, 1968 and filed as Land Court Document No. 462524.

3. As to Lot 20: Designation of Easement F located over and across Lot 20, as shown on Maps 1 and 5, filed with Land Court Application No. 957, said Easement in favor of the State of Hawaii.

4. First Mortgage, Security Agreement, and Financing Statement by Banyan Harbor Associates, a Hawaii joint venture, as mortgagor, and Security Pacific Mortgage Corporation, as mortgagee, dated as of February 28, 1978, in the amount of \$9,980,000.00, and filed as Land Court Document No. 865775.
5. Declaration of Horizontal Property Regime of Banyan Harbor, dated July 5, 1978, filed as Land Court Document No. 886382 (Condominium Map No. 333). Said Declaration was amended by instrument dated September 12, 1978, filed as Land Court Document No. 886382.

PURCHASE MONEY HANDLING: A Specimen Sales Contract and the Escrow Agreement have been submitted to the Real Estate Commission as part of the registration. The Escrow Agreement dated November 14, 1978, identified Title Guaranty Escrow Services, Inc. as the Escrow Agent. Upon examination, the Specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, and particularly with §514A-67, §514A-40, §514A-39, and §514A-63 through §514A-66. The provisions of the Sales Contract and the Escrow Agreement should be carefully read by the purchasers. The Specimen Sales Contract filed as a part of the registration recites the conditions under which the purchaser acknowledges receipt of the Public Report.

The seller has advised the Real Estate Commission that, to the extent practicable to do so, the seller intends to use purchaser's funds and proceeds from the sale of the apartments to pay the development and construction costs of the project, as permitted by Hawaii Revised Statutes §514A-67 and §514A-40. The purchaser should therefore take particular care in examining the Specimen Sales Contract and should be particularly aware that, at the seller's option, the purchaser may have to pay the full purchase price and accept a deed to the apartment prior to completion of construction of the project. The Specimen Sales Contract contains a number of provisions directed at factors involved in closing the sale of the apartments prior to completion of construction, including provisions that: 1) risk of loss shall pass from seller to purchaser upon recordation of the apartment deed and risk of damage due to delay of completion of performance shall be borne by purchaser, 2) all interest earned on proceeds of the sale of apartments shall be the property of the seller, 3) purchaser appoints seller as purchaser's proxy for the purpose of conducting the affairs of the Association of Apartment Owners until delivery of possession of the apartment to purchaser after completion thereof, 4) purchaser grants seller an irrevocable power of attorney to do everything necessary or appropriate to complete the project, including the power to deal with all contractors, bonding companies, insurers and public authorities and the right to change the project, 5) purchaser and seller contractually allocate to seller the right to do all acts necessary or appropriate to complete the project, 6) if the seller shall default under the contract or if the apartment as actually built differs materially from the apartment as represented, and if purchaser notifies seller thereof and demands a refund within ten (10) days after possession of the apartment is delivered, then the purchaser's

only remedy shall be a refund to purchaser of all sums paid plus an amount equal to the sum of all real property taxes actually paid, mortgage interest actually paid, plus six (6) percent per annum interest on the balance of the purchase price not financed by a mortgage, and 7) after the deed is recorded and until delivery of possession of the apartment, seller shall retain possession of the purchaser's duplicate certificate of title for the purpose of having entered thereon such memoranda of registration as shall be necessary or appropriate.

Among the other provisions, the Escrow Agreement provides 1) that purchaser's funds and proceeds from the sale of apartments may be disbursed (prior to completion of construction of the project) to pay for construction costs in proportion to the valuation of the work completed and to pay for architectural, engineering, finance and legal fees and for other incidental expenses of the project, and 2) that the purchaser shall be entitled to a refund of his funds only upon receipt of evidence satisfactory to Escrow from the seller or purchaser under a Sales Contract or both that the conditions provided in such Sales Contract for such a refund have been met, or that the conditions provided in the Horizontal Property Act for such a refund have been met, and then only after sending written notice of the foregoing to the seller.

The Specimen Sales Contract provides:

1. That the seller may cancel the Sales Contract and hold the purchaser in default if any material discrepancies are discovered between the financial information furnished by the purchaser and the purchaser's actual financial status. Seller may also cancel if the purchaser's application or eligibility for a mortgage loan is rejected or not approved within sixty (60) days after application. If purchaser proposes to pay the purchase price in cash and seller, in its sole discretion, after reviewing the written evidence submitted to it by purchaser, determines that seller is not satisfied as to purchaser's ability to make such cash payments, then seller may cancel the Sales Contract. Seller may also cancel the Sales Contract if the purchaser should die, or if the seller encounters unexpected delays in the development and construction of the project leading to increases in development and construction costs requiring increases in apartment sales prices to maintain financial feasibility of the project. Seller may also cancel the Contract if purchaser refuses to inspect his apartment, to sign an inspection sheet, or to accept possession of the property upon request by the seller.

2. That the seller makes no warranties, express or implied, with respect to the apartments or the project, including warranties of merchantability, habitability, workmanlike construction, or fitness for a particular purpose. The seller does, however, assign to the purchaser the benefit of the general contractor's warranties, if any. The seller also agrees to attempt to pass through to the purchaser the unexpired term, if any, of the manufacturer's or dealer's warranties covering any furnishings, fixtures and appliances in the apartment.

3. That the seller's mortgage loan (interim, renewals and extensions, used for the construction of the project)

shall be and remain at all times a lien or charge on the project, including the individual apartments, prior to and superior to any and all other liens or charges on the project, and the purchasers intentionally waive, relinquish and subordinate the priority or superiority of any lien they may have under the Sales Contract or prior reservation agreement in favor of the lien or charge on the project of the security interest of the lender. The purchasers also consent to seller's assignment by way of security of seller's interest in the Sales Contracts and purchasers' escrow deposits to the lender.

4. That the seller has made no representations with respect to the possibility or probability of rental or other income from the apartment, or other economical benefits to be derived from the rental of the apartment, including but not limited to, any representations to the effect that seller or the managing agent of the project or a third party will provide services relating to the rental or sale of the apartment nor representations as to possible advantages from the rental of the apartment under federal or state tax laws. If purchaser wishes to rent the apartment to third persons, purchaser must make his own arrangements. Purchaser further agrees and acknowledges that in the event that the offer to sell and the purchase of the apartment or the activities of purchaser with respect to the apartment are determined to be or alleged to give rise to any violation of any federal or state securities laws or regulations, the seller may obtain an injunction from any court enjoining any acts of purchaser which are or may be or alleged to give rise to any such violation of securities laws or regulations. Seller may in addition pursue any other remedies, and purchaser shall pay the seller's costs and attorneys' fees in connection therewith. In the event that the purchaser or anyone claiming by or through him or his apartment alleges that the offer to sell or the purchase of the apartment gives rise to any violation of federal or state securities or disclosure laws or regulations, the purchaser covenants not to sue for any remedy other than to sue for a refund of the purchase price and actual closing costs plus interest at 6% per annum from the date of closing to the date of repayment. The purchaser agrees to absorb any additional charges incurred with respect to the apartment as the reasonable use value of the apartment. The terms of this paragraph shall survive the closing, occupancy, and delivery of the apartment deed to the purchaser.

5. That the purchaser will pay all closing costs, including but not limited to, the escrow fee, conveyance taxes, all acknowledgment fees, all recording costs, charges for purchaser's credit report, costs for drafting of the mortgage and notes, and any assignment thereof, and costs of any title insurance. All applicable mortgage costs shall be paid by purchaser, and purchaser shall pay a \$300.00 nonrefundable non-transferable start-up fee for commencement of the operations of the project by the managing agent and the Association of Apartment Owners. Real property taxes, maintenance costs and other prorations shall be made on the later of (a) the date of the recordation of the apartment deed, or (b) the issuance of a temporary or permanent certificate of occupancy. Purchaser shall do all acts and execute all documents necessary for closing and deposit with escrow all

funds other than the proceeds of purchaser's first mortgage loan within five (5) days after written notice to pre-close is mailed to purchaser by seller. Pre-closing may commence forty (40) days after acceptance by seller of the Sales Contract or at any time thereafter, and may commence substantially prior to the issuance of a temporary or permanent certificate of occupancy.

It is incumbent upon purchasers and prospective purchasers that they read with care the Specimen Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the sale of the condominium units are placed in trust, as well as the retention and the disbursement of funds.

DEVELOPER'S OPTION TO WITHDRAW COMMON ELEMENTS: The Developer has reserved an option to withdraw from the project certain common element areas marked on Exhibits F and G of the Declaration as "possible withdrawal areas". The Developer advises that it has already withdrawn the common element areas designated in Exhibit G. The applicable provision of the Declaration (Paragraph R) provides as follows: "Notwithstanding anything to the contrary in this Declaration, Owner shall, from time to time and at any time, have the right at its option, up to but not later than January 1, 1990, to require alteration of the Project by withdrawing from the Project any portion or all of the common element areas marked on Exhibit F and G attached hereto and made a part hereof as 'possible withdrawal areas' on the following terms and conditions:

1. Owner shall, at Owner's expense and without being required to obtain the consent or joinder of any apartment owner or lien holder, execute and file an amendment to this Declaration and the condominium map:
 - a) to withdraw the common element area or areas chosen for withdrawal; and
 - b) when applicable or necessary, to add, delete, relocate, realign, reserve and grant all easements and rights of ways over, under and on the common elements necessary or desirable, including but not limited to, easements and/or rights of ways for utilities, cesspools, sanitary and storm sewers, cable television, refuse disposal, driveways, parking areas and roadways, provided that such easements and/or rights of ways do not materially impair the use of any apartment or its appurtenant interest in the common elements."

The Declaration further provides that the Owner may require every apartment owner and holders of liens affecting any apartment to join in any necessary documents to effect the exercise of the Owner's reserved rights.

The Developer has disclosed that it has already withdrawn all of the common areas designated for possible withdrawal in Exhibit G. With respect to Exhibit F, the Developer has indicated that Lots 56B and 56C will be withdrawn from the common element areas and exchanged for Lot 2-C-1-B, to be added to the common element areas by appropriate amendment to the Declaration.

MANAGEMENT AND OPERATION: The proposed Declaration provides that the operation of the project shall be conducted for the Association of Apartment Owners by a responsible corporate managing agent. The managing agent shall be appointed by the Association and approved by the Lessor, in accordance with the By-Laws, except that the managing agent for the initial two (2) year period after the Declaration is filed may be appointed by the Developer without necessity of confirmation by the Association.

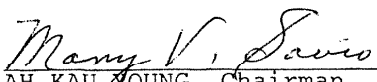
STATUS OF THE PROJECT: The Developer advises that construction of the project will commence on or about April, 1978 and that completion is scheduled for about May 1979.

PROGRAM OF FINANCING: The statement of the Program of Financing submitted by the Developer reflects that the Developer intends to pay the cost of the project from funds available through a construction loan from Security Pacific Mortgage Corporation in the amount of \$9,980,000.00, purchasers' funds and proceeds from the sale of apartments deposited with Escrow, and Developer's equity funds.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the Notice of Intention submitted April 27, 1978 and information subsequently filed as of November 20, 1978.

THIS FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 998, filed with the Commission on April 27, 1978.

This Report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimiles must be white.


(for) MARY V. DAVIS, Chairman
Real Estate Commission
State of Hawaii

DISTRIBUTION:

Department of Taxation
Bureau of Conveyances
Planning Department, City
and County of Honolulu
Federal Housing Administration
Escrow Agent
Registration No. 998
November 21, 1978

EXHIBIT A

<u>Unit Number</u>	<u>Parking Stall Number</u>
69	F-1
70	F-2
71	F-3*
72	F-4
73	F-5
74	F-6*
75	F-7
76	F-8
81	G-1
82	G-2
83	G-3*
84	G-4
85	G-5
86	G-6*
87	G-7
88	G-8
93	H-1
96	H-4
97	H-5
98	H-6*
99	H-7
100	H-8
105	I-1
106	I-2
107	I-3*
108	I-4
109	I-5
110	I-6*
111	I-7
112	I-8
117	J-1
118	J-2
119	J-3*
120	J-4
121	J-5
122	J-6*
123	J-7
124	J-8
Manager's Office	H-2
Manager's Office	H-3*

* These stalls are subject to an easement for ingress to, egress from, and access to stairways and corridors leading to apartments located in the respective buildings.