

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

1010 RICHARDS STREET

P. O. BOX 3469

HONOLULU, HAWAII 96801

SUPPLEMENTARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

HOBRON IN WAIKIKI
343 Hobron Lane
Honolulu, Hawaii 96815

REGISTRATION NO. 1001

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

It was prepared as a supplement to ~~an~~ earlier Reports dated ^{May 30, 1978 and} December 27, 1978 issued by the Real Estate Commission on the above 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 31, 1983
Expires: July 27, 1984

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED MAY 8, 1978, AND INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 25, 1983. 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. Since the issuance of the Commission's Preliminary Public Report of May 30, 1978 and Final Public Report of December 27, 1978, on HOBROIN IN WAIKIKI, Registration No. 1001, the Developer reports that certain events have occurred and changes have been made in the plan or set-up as represented in the May 8, 1978 Notice of Intention.

Said events and changes are determined to be a material revision to the information disclosed earlier. This Supplementary Public Report (pink paper stock) amends the Final Public Report (white paper stock), and Preliminary Public Report (yellow paper stock), becoming a part of Registration No. 1001. The Developer is responsible for placing the Disclosure Abstract and a true copy of this Supplementary Public Report, which supersedes all of the information contained in the Preliminary and Final Public Reports, in the hands of all purchasers or prospective purchasers, and obtaining the required receipts therefor.

THOUGH THIS SUPPLEMENTARY PUBLIC REPORT REPLACES IN ENTIRETY THE EARLIER ISSUED PRELIMINARY AND FINAL PUBLIC REPORTS, COPIES OF THE LATTER TWO REPORTS SHALL BE MADE AVAILABLE BY THE DEVELOPER TO ALL PURCHASERS AND PROSPECTIVE PURCHASERS ON THEIR REQUEST.

2. A summary of the events that have taken place since issuance of the Commission's Final Public Report is as follows:

(a) On October 15, 1981, pursuant to Waikiki Hobron Associate's (Debtor's) application, the Bankruptcy Court entered an order adjudicating the Debtor and original Developer a bankrupt and directing that bankruptcy be proceeded with. The first date set for the first meeting of creditors was November 13, 1981 and notices were mailed on October 10, 1981 to the Debtor, its attorney, all of its creditors named in the schedules or other list of creditors filed or as otherwise appearing in the files, and certain other interested parties.

(b) William K. M. Chee, hereinafter referred to as "Trustee", was duly appointed the trustee in bankruptcy for the estate of the Debtor pursuant to an order entered by the Bankruptcy Court on November 20, 1981, therein fixing his bond in the amount of \$1,000.00. On November 30, 1981, the Trustee filed his acceptance of his appointment as said trustee, as well as a \$1,000.00 bond, the latter of which was approved by the Bankruptcy Court pursuant to an order entered on December 1, 1981.

(c) On December 22, 1982, the Trustee filed an Application by Trustee For Order Approving Joint Venture Agreement by and between Waikiki Hobron Associates and SAJE Ventures II, hereinafter referred to as "Trustee's Application", and a Notice of Hearing on Application by Trustee for Order Approving Joint Venture Agreement, hereinafter referred to as "Trustee's Notice".

(d) The Bankruptcy Court subsequently ruled on the Trustee's Application by entering on January 10, 1983 an Order Approving Joint Development Agreement. The new Developer, SAJE VENTURES II, obtained a loan from City Bank, a Hawaii banking corporation, for \$35,000,000.00 on February 4, 1983, which mortgage was filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1150822, and has proceeded to construct and develop the project with Charles Pankow Associates as the contractor.

(e) Pursuant to the Joint Development Agreement, the Developer has paid off the various secured creditors and those who were not paid off were subordinated to the interim construction loan by City Bank. On August 17, 1983, the title to the property was conveyed to the Developer pursuant to the terms of the Joint Development Agreement which deed was filed as Document No. 251,729 in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.

3. Information disclosed to the Commission indicates that various changes have been made to the Project, including the following:

(a) Residential apartments in the Project will be sold as securities due to the fact that apartment purchasers who choose to have their apartment used as part of a hotel operation instead of using them personally will be offered the opportunity to become limited partners in Hobron in Waikiki Partners, a Hawaii Limited Partnership to be formed for purposes of conducting a hotel operation in the Project. The Partnership has in turn contracted with a hotel operator, HOTEL CORPORATION OF THE PACIFIC, to serve as the agent of the Partnership and be responsible for the direction, management, and operation of the Hotel, subject to the review of certain matters by the Partnership.

EACH PURCHASER AND PROSPECTIVE PURCHASER SHALL BE GIVEN AND IS ADVISED TO CAREFULLY REVIEW THE PRELIMINARY PROSPECTUS DESCRIBING THE OFFERING OF PARTICIPATION IN THE HOTEL OPERATION AND OTHER ASPECTS OF "HOBRON IN WAIKIKI".

(b) Certain changes have been made in the building plans for the Project.

4. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for registration of the Project and issuance of this Supplementary Public Report.

5. The Declaration of Horizontal Property Regime and By Laws dated July 20, 1978 was filed as Document No. 910708 in said Office of the Assistant Registrar. The floor plans have been designated as Condominium Map No. 347. The Developer has through its First Amendment to the Declaration and First Amendment to the By Laws dated September 9, 1983, filed as Document Nos. 1192332 and 1192333, respectively, amended the Declaration and By Laws in their entirety and has also amended Condominium Map No. 347.

6. The Developer has advised the Commission that advertising and promotional materials required to be filed pursuant to the rules and regulations of the commission have been and will be submitted prior to public exposure.

7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the rules and regulations promulgated thereunder which relate to horizontal property regimes.

8. This Supplementary Public Report, together with the Preliminary and Final Public Reports which are hereby extended, will all expire on July 27, 1984, unless the Commission, upon review of the registration, issues an order extending the effective period of the reports.

THE INFORMATION CONTAINED IN THE PRELIMINARY PUBLIC REPORT OF MAY 30, 1978 AND THE FINAL PUBLIC REPORT OF DECEMBER 27, 1978 ARE AMENDED IN ITS ENTIRETY TO PROVIDE FOR COMPILATION OF PAST INFORMATION AND CURRENT CHANGES IN ONE REPORT. THE FOLLOWING INFORMATION SUPERSEDES ALL PRIOR INFORMATION SUBMITTED.

NAME OF PROJECT: HOBRON IN WAIKIKI

LOCATION: The land of the Project, consisting of approximately 46,376 square feet, is situated at 343 Hobron Lane, Honolulu, Hawaii.

TAX MAP KEY: First Divison, 2-6-12: 47, 49, 50, 51, 52 and an undivided 1/2 interest in 43.

ZONING: The prior zoning was H-2 and by the enactment of the Waikiki Special Design District Ordinance, the zoning for the Project was changed to an Apartment Precinct.

DEVELOPER: Waikiki Hobron Associates, the former Developer, was adjudicated a bankrupt and SAJE VENTURES II acquired the property through a joint development agreement which was approved by the Bankruptcy Court on January 9, 1983 and is the present Developer. The Developer, SAJE VENTURES II, is a joint venture registered as a Hawaii general partnership, whose general partners are ASF, INC. and SJT, INCORPORATED, both Hawaii corporations. The address of the Developer is Suite 1101, 130 Merchant Street, Honolulu, Hawaii 96813. Telephone Number: 537-4977.

ATTORNEY REPRESENTING DEVELOPER: The former attorneys, Mukai, Ichiki, Rafetto & MacMillan, have been replaced by Rodney H. S. Kim, Suite 302, 850 Richards Street, Honolulu, Hawaii 96813. Telephone Number: 521-1066.

DESCRIPTION OF PROJECT: The Project was formerly constituted as a fee simple condominium project in a 43-story building containing 607 condominium units, consisting of 596 residential apartments and 11 commercial units. The Project is now changed to a leasehold condominium project in a 43-story building containing 606

condominium units consisting of 596 residential apartments and 10 commercial apartment units. The First Amendment to the Declaration of Horizontal Property Regime dated September 9, 1983 describes the Project, as amended, as follows:

1. Description of Building.

(a) General Description. The Project shall consist of a forty-three (43) story building containing six hundred six (606) condominium units, consisting of five hundred ninety-six (596) residential apartment units (called "Apartments" or "Residential Apartments"), ten (10) commercial apartment units (referred to as the "Commercial Units"), together with integrated parking areas and recreational facilities. The upper forty-two (42) levels are designated as "floors" and are numbered in ascending order from 2 through 44 (excluding the number 13). The first level of the building is designated as the "Lower Lobby" and the level between the lower lobby and the second floor is designated as the "Mezzanine Level".

(b) Building Description. The first or Lower Lobby Level of the Project includes three (3) commercial apartments (C-1, C-2, and C-3) suitable for shops, restaurant/bar and Hotel operation facilities. The Lower Lobby Level will also include vehicular ramps, driveways and pedestrian walkways, the main lobby, elevator foyer, smoke corridor, mechanical, electrical and transformer rooms, lavatory facilities and garden and planting areas.

The Mezzanine Level of the Project shall contain a meeting room, utility room, five (5) commercial units (C-4, C-5, C-6, C-7 and C-8), vehicular driveways and exit and entry ramps and an elevator foyer.

Each of the second, third and fourth floors of the Project, (designated respectively on said Condominium Map as the second, third, and fourth floors) shall contain vehicular driveways, exit and entrance ramps, turn-around areas and parking areas. Each of said floors shall also contain an elevator foyer and stairways, and an electrical room will also be located on the third and fourth floors adjoining the elevator foyer.

The fifth floor of the building will contain eight (8) Residential Apartments, two (2) commercial units (C-9 and C-10), stairways and an elevator foyer. The fifth floor will also include recreational areas and facilities consisting of a sun deck, a jacuzzi, men's and women's sauna baths, lavatory facilities, trash chute, and planting areas.

The sixth floor shall be the first full residential floor of the Project, and said floor will share a common floor plan with each of the next eighteen (18) ascending floors of the building through the twenty-fourth floor. There will be no thirteenth floor. Each of said floors will contain sixteen (16) Residential Apartments, interior access corridors, an elevator foyer, electric room, stairways and trash chute.

The twenty-fifth and twenty-sixth floors are "stacked" floors containing twelve (12) two-level Residential Apartments which shall have access only by way of the twenty-sixth floor. Each such Residential Apartment shall have an entry on the twenty-sixth floor, and a separate entry and stairway leading to the remaining portion of the Apartment situate on the twenty-fifth floor. The twenty-fifth floor will be without interior access corridors or elevator or stairway access. In addition to the upper portions of said Apartments located on the twenty-sixth floor, said twenty-sixth floor shall also contain an elevator foyer, stairways, electrical room, and trash chute.

The twenty-seventh floor shall contain sixteen (16) Residential Apartments, interior access corridors, an elevator foyer, an elevator machine room, stairways and a trash chute and shall have the same floor plan as the sixth through twenty-fourth floors.

The twenty-eighth through the forty-fourth floors, inclusive, shall each contain sixteen (16) Residential Apartment, interior access corridors, an elevator foyer, stairway, electrical room and a trash chute.

The roof of the Project shall contain an elevator foyer, mechanical room, elevator room and stairways.

2. Description of Apartments. The Project is divided into six hundred six (606) separately designated condominium units, as more particularly described in the Declaration and on said Condominium Map. The numbering, approximate gross area in square feet, number of rooms and appurtenant common interest of each apartment in the common elements are as set forth in Exhibit "A" attached hereto and made a part hereof for all purposes.

EXHIBIT "A" ALSO INDICATES THE UNITS HAVING KITCHENS, KITCHENETTES AND APPLIANCES.

3. Limits of Apartments. Each condominium unit, whether commercial or residential, shall include: (i) All the walls and partitions within its perimeter walls; (ii) all glass windows, louvres, doors, panels and railings along its perimeter; (iii) the undecorated or unfinished surfaces of the perimeter walls or interior load bearing walls; (iv) the interior finished surfaces of the floors and ceilings; (v) all built-in fixtures and appliances originally installed therein; (vi) the adjacent lanai, if any, as shown on the Condominium Map; (vii) any utility system or component thereof which is located within any apartment designed for the exclusive use of such apartment; and, (viii) all of the air space encompassed within the condominium unit.

Notwithstanding the foregoing, the condominium units shall not include: (i) that portion of any load-bearing living or perimeter wall within or surrounding any unit which, (except for the inner finished surfaces of any such wall) shall be a common element; (ii)

the floors and ceilings of any apartment which shall be common elements, except for their inner finished surfaces; and (iii) any pipes, shafts, chases, ducts or any other enclosed spaces for wiring, plumbing, air exhaust or other enclosed spaces for wiring, plumbing, air exhaust or ventilation, serving or being utilized by more than one condominium unit, the same being deemed common elements as provided hereinbelow.

COMMON ELEMENTS: The Amended Declaration eliminates the Resident Manager's apartment and states that the common elements of the Project shall include the common elements described under paragraph 3 above and the limited common elements described hereinbelow, and all portions of the Project other than the condominium units, including specifically, but not limited to:

- (a) All of the land comprising the Project.
- (b) All foundations, columns, girders, beams, floor slabs, supports and load-bearing walls (except for the inner finished surfaces within each unit);
- (c) All structural elements, stairways, walkways, retaining walls, fences, and railings;
- (d) On the Lower Lobby Level of the Project, all pedestrian walkways, ramps, and entrances and exits to the building, the main lobby and elevator foyer, the lavatory facilities and mechanical, electrical and transformer rooms located on said level, all yards, grounds and landscaped areas (except those which are contained within any Commercial Unit as shown on said Condominium Map), and the main vehicular driveway from the curblineline of the adjoining public street (Hobron Lane) to the exterior surface of the building;
- (e) On the Mezzanine Level, the elevator foyer and the corridors on said floors.
- (f) All elevator foyers and access corridors on the second through fifth floors of the Project.
- (g) The central water heater, elevators, elevator machine rooms, stairwells, and all ducts, sewer lines, electrical equipment, pipes, wiring, and other central and appurtenant transmission facilities and installations which serve all condominium units for service such as power, light, water, gas, refuse, and telephone, but expressly excluding air conditioning and all fixtures originally installed in the apartment.
- (h) Any and all other structures, apparatus and installations of common use, and all other parts of the Project necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements called and designated "limited common elements", are set aside and reserved for the exclusive use of certain condominium units, and

such units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are listed below and shown on the amended Condominium Map. Unless otherwise provided in the Declaration, all costs of every kind pertaining to each limited common element, including but not limited to costs of security, maintenance, repair, replacement, additions and improvements, shall be borne entirely by the unit or units to which they are appurtenant. If any cost is charged to more than one unit, each such unit shall bear that portion of the total cost equal to the ratio which its common interest bears to the total common interest of all units responsible for said cost.

(a) The following limited common elements are appurtenant to and for the exclusive use of the Commercial Units: (i) all ducts, waterlines, electrical equipment, pipes, wiring, or other utility system or components thereof serving more than one Commercial Unit, but excluding the limited common elements appurtenant thereto; (ii) all other common elements for the Project which are rationally related to only the Commercial Units.

(b) The following limited common elements are appurtenant to and for the exclusive use of all Residential Apartments: (i) all recreational areas and facilities of the Project, including the swimming pool, sun deck, the jacuzzi pool, sauna baths, shuffle board courts, and lavatory together with all garden and planting areas located in or adjacent to said recreational areas; (ii) the trash chute, wires, conduits, ducts, vents and equipment comprising the window air conditioning system for the building, which window air conditioning shall serve the Residential Apartments only; (iii) all components of the hot and cold water circulation system serving only the Residential Apartments, including heaters, pumps, wastelines, conduits and pipes;

(c) All of the roof top area designated in the Condominium Map shall be appurtenant to Apartment 506 for the exclusive use of the owner of Apartment 506 for the purpose of installing transmission and receiving facilities, including antennas, cables, etc., for radio, television, microwave, cablevision and any other type of transmission and receiving facilities. The maintenance and repair of the roof shall remain with the Association; however, the maintenance and repair of such facilities placed on the roof shall be the installer and/or the owner of Apartment 506.

(d) All electrical, plumbing, telephone, cable, television, or other utility systems, or any component thereof, serving or for the exclusive use of only one unit or one or more limited common elements appurtenant to only one unit, to the extent such system is located outside the boundaries of such unit as described in the Declaration, shall be a limited common element appurtenant to such unit.

(e) The maids' and storage rooms, if available, on the fifth through forty-fourth floor and the Luggage Room on the first

floor of the Project shall be appurtenant to and for the exclusive use of Unit C-2 for the Hotel operation.

(f) The parking spaces as designated in Exhibit A and all the driveways servicing such stalls shall be appurtenant to and for the exclusive use of Apartment 506.

(g) The tour desk located in the lobby area shall be appurtenant to and for the exclusive use of Apartment 506.

NOTE: PURCHASERS AND PROSPECTIVE PURCHASERS ARE INFORMED THAT THE PARKING STALLS TO BE INCLUDED IN THE PARKING APARTMENT DESIGNATED AS APARTMENT 506 WILL NOT BE AVAILABLE FOR SALE TO THE PUBLIC. THE DEVELOPER INTENDS TO RETAIN TITLE TO THE PARKING APARTMENT AND THE PARKING STALLS WILL NOT BE OFFERED FOR RENTAL TO APARTMENT PURCHASERS ON TERMS DIFFERENT FROM THOSE OFFERED TO THE PUBLIC.

INTEREST TO BE SOLD TO PURCHASERS. The Developer will by means of a Condominium Conveyance Document cause the conveyance of each apartment and the issuance of a Ground Lease of an undivided leasehold percentage interest in the land described in the Declaration as amended. The percentage interest appurtenant to each apartment is set forth in Exhibit "A" attached hereto and shall be the same proportionate share for all common profits and expenses of the Project, and for all other purposes, including voting.

RESTRICTIONS AS TO USE: The First Amendment to Declaration provides that the buildings and other improvements and each of the units shall be restricted to the following uses:

(a) With the exception of a mortgagee in possession of an apartment following a default under a mortgage encumbering an apartment in the Project, a foreclosure proceeding or other arrangement in lieu of foreclosure, the residential apartments shall at all times be occupied and used for hotel, transient vacation rental, residential apartment, time sharing and such uses that are permitted by law, and the commercial apartments shall be for such uses as are permitted by law, by the respective owners, thereof, their tenants, licensees, families, domestic servants and social guests. The respective apartment owners shall have the absolute right to rent or lease such apartments subject to all provisions of this Declaration. As to any owner of an apartment that is not committed to the hotel operations, he will not be permitted to have any use activity for less than 30 days except through such hotel operator that is approved and selected by the Developer at such reasonable charges that may be agreed upon by the parties.

(b) Should any transient vacation rental or time sharing use be adopted, the procedures set forth in H.R.S. 514E and applicable Regulations must be complied with.

(c) The owner of an apartment shall not use the same for any purpose which will injure the reputation of the Project. Also, the owner of an apartment shall not, without the prior written consent of the Board, make any alterations in or additions to the apartment, the exterior of the apartment or to any other portion of the common elements unless otherwise provided for herein or in the

Bylaws.

(d) Apartment 506 shall be designated as the Parking Apartment. The unit shall be used as an office or residential apartment and the parking stalls shall at all times be used to park motor vehicles and for any other purpose permitted by the applicable zoning laws, and the owner of the parking apartment shall have the right to establish a system of control by gate, guard, parking cards, stickers, validations, rules and regulations, or otherwise for vehicular access to, from and through the Parking Apartment, to redesignate, sell and lease by way of a conveyance document, eliminate or create parking stalls, and to charge such rates for the parking of vehicles as the owner of the Parking Apartment shall determine in his sole discretion.

(e) The owner of any Residential Apartment will not, without the prior written consent of either the Board of Directors or the Managing Agent, unless specifically excepted under the Declaration, display any sign or place any other thing in or upon any doors, windows, walls or other portions of the apartment or the common elements or residential elements, so as to be visible from the exterior.

(f) The interior decoration of the common elements is designed to facilitate a hotel operation and shall not be modified or altered without the consent of the Board of Directors.

OWNERSHIP OF TITLE. A Preliminary Title Report dated September 20, 1983 issued by Hawaii Escrow & Title, Inc. indicates that title to the land is vested as follows:

SAJE VENTURES II, a Hawaii general partnership, who is identified as the owner in Transfer Certificate of Title No. 251,729.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report dated September 20, 1983, reflects that title to the land is subject to those encumbrances more specifically identified below:

1. Real property taxes as may be due and payable. For further information, check with the Tax Assessor's Office.
2. ASSESSMENTS
Assessments or charges levied by municipal or governmental authority or imposed by any other lawfully constituted body authorized by statute to assess, levy and collect the same, if any.
3. Title to all minerals and metallic mines reserved to the State of Hawaii.
4. Matters as shown on Condominium Map No. 347. filed in the Office of the Assistant Registrar of the Land Court.

5. Covenants, conditions, restrictions, reservations, agreements, obligations, provisions, easements and By Laws set forth in the Declaration of Horizontal Property Regime,

Dated: July 20, 1978

Filed: November 30, 1978, as Document No. 910708, in the Office of the Assistant Registrar of the Land Court.

Said Declaration was amended by instrument filed September 20, 1983, as Document No. 1192332, in said Office.

Amendment to By Laws of the Association of Apartment Owners of Hobron in Waikiki, dated September 9, 1983, filed September 20, 1983 as Document No. 1192333, in said Office.

6. A mortgage, to secure an indebtedness of the amount stated herein and any other amounts payable under the terms thereof,

Dated: January 31, 1983

Amount: \$35,000,000.00

Mortgagor: William K.M. Chee as Trustee in Bankruptcy of the Estate of Waikiki Hobron Associates, a Hawaii limited partnership, adjudicated a bankruptcy on May 19, 1979 in the United States District Court, State of Hawaii, Case No. 79-206, and SAJE Ventures II, a joint venture.

Mortgagee: City Bank, a Hawaii corporation.

Filed: February 4, 1983, as Document No. 1150822, in the Office of the Assistant Registrar of the Land Court.

7. Supplement to mortgage, security agreement and financing statement noting the existence of numerous agreements, subordinations of lien rights, contract retainage, landscaping contract, etc., dated January 31, 1983, filed February 8, 1983, as Document No. 1151067, in the Office of the Assistant Registrar of the Land Court.

8. A mortgage, to secure an indebtedness of the amount stated therein and any other amounts payable under the terms thereof,

Dated: January 31, 1983.

Amount: \$2,142,448.94

Mortgagor: William K. M. Chee as Trustee in Bankruptcy of the Estate of Waikiki Hobron

- Associates, a Hawaii limited partnership, adjudicated a bankrupt on May 19, 1979 in the United States District Court, State of Hawaii, Case No. 79-206, and SAJE Ventures II, a joint venture.
- Mortgagee: Charles Pankow Associates, a California corporation.
- Filed: February 4, 1983, as Document No. 1150823, in the Office of the Assistant Registrar of the Land Court.
9. Notice of option to acquire real property,
By: C.J.M.D. Realty, Inc., a Hawaii corporation.
Dated: July 14, 1983.
Filed: July 20, 1983, as Document No. 1181235, in the Office of the Assistant Registrar of the Land Court.
10. Notice of implied or constructive trust,
By: Dora Chong Ai Lee Kong.
Dated: July 29, 1983.
Filed: July 29, 1983, as Document No. 1183323, in the Office of the Assistant Registrar of the Land Court.
11. Hobron in Waikiki disclosure, ratification and subordination agreement,
By: John Michel, Joint Venture Partner
Dated: June 23, 1983
Filed: August 8, 1983, as Document No. 1184772, in the Office of the Assistant Registrar of the Land Court.
12. Hobron in Waikiki disclosure, ratification and subordination agreement,
By: Hitoshi Sasabe, Joint Venture Partner
Dated: June 14, 1983
Filed: August 8, 1983, as Document No. 1184773, in the Office of the Assistant Registrar of the Land Court.
13. Hobron in Waikiki disclosure, ratification and subordination agreement,
By: Pedro Dano, Joint Venture Partner.
Dated: June 14, 1983
Filed: August 8, 1983, as Document No. 1184774, in the Office of The Assistant Registrar of the Land Court.
14. Hobron in Waikiki disclosure, ratification and subordintion agreement,
By: L. H. Tom, Joint Venture Partner.
Dated: June 14, 1983.
Filed: August 8, 1983, as Document No. 1184775, in the Office of the Assistant Registrar of the Land Court.

15. Hobron in Waikiki disclosure, ratification and subordination agreement,
By: Waikiki Partnership Venture,
Dated: September 8, 1983.
Filed: September 15, 1983, as Document No. 1191477, in the Office of the Assistant Registrar of the Land Court.

NOTE: THE DEVELOPER HAS INFORMED THE COMMISSION THAT A LAW SUIT HAS BEEN FILED WITH THE BANKRUPTCY COURT AND A PETITION WITH THE LAND COURT TO EXPUNGE ITEMS 9 AND 10 ABOVE.

PURCHASE MONEY HANDLING: A newly executed Escrow Agreement dated January 11, 1983 identifies Hawaii Escrow & Title, Inc., a Hawaii corporation, as the escrow agent. Upon examination, the specimen Sales Contract and Subscription Agreement and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended, and in particular with Sections 514A-39, 40 and 63 through 67.

Among other provisions, the Escrow Agreement provides that a purchaser of a condominium unit under a sales contract shall be entitled to refund of all payments made to date thereof, less cancellation fees and other costs, if any, and without interest. Escrow agrees to make such refund to purchaser out of funds then on deposit with Escrow, if purchaser shall so request in writing and any one of the following events shall have occurred:

- (a) Escrow has received a written request from Seller to return to purchaser the funds of such purchaser then held by Escrow; or,
- (b) If purchaser's funds were obtained prior to an issuance of a Final Public Report and if there is any change in the building plans, subsequent to the execution of the sales contract requiring the approval of an official of the County in which the Project is situated having jurisdiction over the issuance of Construction Permits, unless the purchaser has given written approval or acceptance of the change; or,
- (c) If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has previously given written approval or acceptance of such difference; or,
- (d) If the Final Public Report is not issued within one (1) year from the date of issuance of the Preliminary Public Report; PROVIDED, HOWEVER, that if the final public report is issued after the one-year period and a copy of the final report is delivered to the purchaser either personally or by registered or certified mail

with return receipt requested and at the same time the purchaser is notified in writing of his right of refund and cancellation of obligation and the waiver of such right upon his failure to act within a thirty-day period, the purchaser shall have thirty days from the date of delivery of the final report to exercise his right of refund and cancellation of obligation, after which period such right shall be deemed waived.

A new form of "Sales Contract and Subscription Agreement" has been prepared for execution by purchasers who will be purchasing residential apartments in the Project. The new form of the Sales Contract provides that the building completion date will permit normal occupancy within two (2) years from the date of the new Sales Contract, subject to extensions for periods of time during which the Seller is actually and necessarily delayed in beginning or completing construction if said delay is caused by fire, earthquake, acts of God, the elements, war, civil disturbances, strikes or other labor disturbances or economic controls making it impossible to obtain the necessary labor or materials, or other matters or conditions beyond the control of the Seller.

Additionally, the Developer reports that the new form of Sales Contract will offer purchasers the opportunity to acquire an interest in a limited partnership to be known as Hobron in Waikiki Partners by contributing the purchaser's apartment and from \$700.00 to \$2,100.00 to the Partnership. If a purchaser elects to join the Limited Partnership, his apartment will be used in the hotel rental operation to be conducted by a hotel operator on behalf of the limited partnership. By making an affirmative election on the Subscription Agreement portion of the revised Sales Contract, a purchaser would approve the form of and agree to be bound by the Partnership Agreement and Hotel Management Contract. Said instruments are summarized in the Prospectus to be furnished to each purchaser.

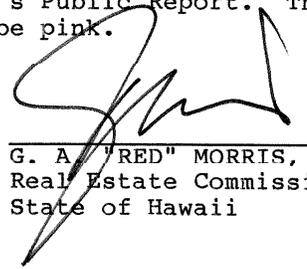
Lastly, the purchaser should be aware that the Seller's mortgage loan and any renewals and extensions thereof, used for the construction of the Project shall be and remain at all times, a superior lien on the Project and purchasers intentionally waive, relinquish and subordinate the priority of any lien under the Sales Contract in favor of the mortgage loan.

MANAGEMENT OF PROJECT. The Developer has informed the Commission that the original management contract which provided for the appointment of Dillingham Land Corporation as the initial Managing Agent has been cancelled. The Developer has advised that on September 14, 1983, it entered into a contract with HOTEL CORPORATION OF THE PACIFIC, INC. as the replacement for the initial managing agent. A copy of the contract has been provided the Commission.

STATUS OF PROJECT: The Developer informs the Commission that completion of construction of the Project is now estimated to be on or about December 1983.

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 May 8, 1978, and information subsequently filed as of October 25, 1983.

This is a SUPPLEMENTARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT, which is made a part of REGISTRATION NO. 1001 filed with the Commission on May 8, 1978. This report, when reproduced, shall be a true copy of the Commission's Public Report. The paper stock used in making facsimilies must be pink.



G. A. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution:

Department of Finance
Bureau of Conveyance
Planning Commission,
City and County of Honolulu
Federal Building Administration
Escrow Agent

Registration No. 1001

October 31, 1983
(Date)

EXHIBIT A

DESCRIPTION OF COMMERCIAL UNITS. The ten Commercial Units are described as follows:

1. Commercial Unit C-1 is situated on the mauka ewa side of the lower lobby level of the Project and consists of approximately 1,455 square feet.
2. Commercial Unit C-2 consists of approximately 590 square feet and is located on the makai side of the Lower Lobby level of the Project and will be used for Hotel operations.
3. Commercial Unit C-3 contains approximately 9,831 square feet and is located on the Diamond Head and makai side of the Lower Lobby level of the Project. This unit is intended for use as a restaurant and bar facility.
4. Commercial Unit C-4 contains approximately 1,703 square feet and is located at the ewa-makai side of the Mezzanine Level.
5. Commercial Unit C-5 contains approximately 997 square feet and is located on the ewa side of the Mezzanine Level.
6. Commercial Unit C-6 contains approximately 598 square feet and is located on the Diamond Head side of the Mezzanine Level.
7. Commercial Unit C-7 contains approximately 2,307 square feet and is located on the Diamond Head makai side of the Mezzanine Level.
8. Commercial Unit C-8 contains approximately 2,952 square feet and is located on the Diamond Head mauka side adjacent to the pool deck at the Mezzanine Level.
9. Commercial Unit C-9 contains approximately 2,958 square feet and is located on the makai side of the 5th floor recreation deck.
10. Commercial Unit C-10 contains approximately 180 square feet and is located on the mauka-ewa side of the 5th floor recreation deck.

DESCRIPTION OF RESIDENTIAL UNITS:

1. Each residential apartment has been given a three or four digit numerical designation by which its location in the building can be determined. The numerical designation of each apartment being with its respective floor number. The last two digits in the numerical designation indicate the location of the unit on the floor. The lowest numbered apartment on each floor, ending in "01", is located on the southwesterly corner of the building. The number sequence then progressively ascends in a counterclockwise fashion around the periphery of the building.

2. Subject to variations in their respective floor area and layout, each of the residential units described hereinbelow as a "Studio" on the fifth through the twelfth floors, the fourteenth through the twenty-fourth floors, and the twenty-seventh floor shall contain a general purpose room and a bathroom. The general purpose room will contain a 5-cubic foot refrigerator, and will not have any sink. Such studios will therefore not have a "kitchen", as described below. Each of the eight (8) studio units on the fifth floor of the Project shall also have an adjacent lanai from the recreational areas located on said floor.
3. The eight (8) one-bedroom, two-bath, apartments of the Project (Apartment Nos. 2601, 2603, 2604, 2606, 2607, 2609, 2610 and 2612) are split-level units situate on the twenty-fifth and twenty-sixth floors. Each of said apartments contains a bedroom and a bathroom on the upper level and a living area with a "compact" kitchen or full kitchen and a bathroom on the lower level. Each of the Apartment Nos. 2601, 2606, 2607 and 2612 shall contain "compact" kitchens. A "compact" kitchen shall consist of a two-burner cooktop, an under-the-counter refrigerator (5-cubic feet) and a sink. Apartment Nos. 2603, 2604, 2609, and 2610 contains a full kitchen. A full kitchen shall consist of a thirty-inch range/oven (four-burner with oven), a ductless hood, a 12 C.F. refrigerator, disposal, under counter dishwasher and sink.
4. The four (4) three-bedroom, three-bath apartments of the Project (Apartment Nos. 2602, 2605, 2608 and 2611) are corner, split-level units situate on the twenty-fifth and twenty-sixth floors. Each of said apartments contains a living room, bedroom, bathroom and a "compact" kitchen in the upper level and two bedrooms and two bathrooms on the lower level. The "compact" kitchen shall consist of a two-burner cooktop, an under-the-counter refrigerator (5-cubic feet) and a sink.
5. Subject to variations in their respective floor area and layout, each of the residential units, described hereinbelow as "studio" on the twenty-eighth through the forty-fourth floors, shall contain a bathroom and a general purpose room. All of the studio apartments will contain compact kitchens, with the exception of certain studios located on the twenty-eighth through forty-fourth floors (those ending in "08" and "09") which will have a full kitchen. The full kitchen shall consist of a thirty-inch range/oven (four-burner with oven), a ductless hood, a 12-cubic feet refrigerator, disposal and a sink. The compact kitchen will consist of a two-burner cooktop, an under-counter refrigerator (5-cubic feet) and a sink.

INFORMATION PERTAINING TO UNITS:

The net living area of each apartment shown in this Exhibit "A" is measured as follows: Each apartment floor area is measured from the interior surface of the apartment's perimeter walls (includes all the walls and partitions within its perimeter walls) and from the interior of any glass windows or panels along the perimeter.

COMMERCIAL UNITS

Unit No.	Net Area Sq. Ft.	Location	No. of Rooms	Percentage Common Interest
C-1	1,455(727.5)	Lower Lobby	1	.4710
C-2	590(295)	Lower Lobby	1	.1927
C-3	9,831(4915)	Lower Lobby	3 + lanais	3.1796
C-4	1,703(851.5)	Mezzanine	5	.5524
C-5	997(498.5)	Mezzanine	2	.3242
C-6	598(299)	Mezzanine	1	.1952
C-7	2,307(1153.5)	Mezzanine	4	.7476
C-8	2,952(1476)	Mezzanine	2	.9561
C-9	2,958(1479)	5th Floor	unenclosed	.9581
C-10	180(90)	5th Floor	1	.0601

NOTE: 50% of gross area used to determine percentage common interest.

RESIDENTIAL APARTMENTS

Floor	Apt. No.	Apt. Type/ No. of Rooms	Net Living Area Sq. Ft.	Lanai Area	Percentage Common Interest
5th	01,04,05,08	Studio/2*	228	112	.1473
	02,03,06,07	Studio/2*	254	130	.1642
6th thru 12th and 14th thru 24th	01,08,09,16	Studio/2*	236		.1525
	02,07,10,15	Studio/2*	209		.1351
	03,06,11,14	Studio/2*	239		.1545
	04,05,12,13	Studio/2*	223		.1441
26th	01,06,07,12	1-BR/4	522		.3374
	02,05,08,11	3-BR/8	836		.5404
	03,04,09,10	1-BR/4	605		.3911
27th	01,08,09,16	Studio/2*	236		.1525
	02,07,10,15	Studio/2*	209		.1351
	03,06,11,14	Studio/2*	239		.1545
	04,05,12,13	Studio/2*	223		.1441
28th thru 44th	01,16	Studio/2	236		.1525
	02,07,10,15	Studio/2	209		.1351
	08,09	Studio/2	310		.2004
	03,06,11,14	Studio/2	239		.1545
	04,05,12,13	Studio/2	223		.1441

*Will not contain any kitchen or bar sinks.

HOBRON IN WAIKIKI
PARKING ASSIGNMENTS

<u>APARTMENT 506</u>	STALL NO.
Lower Lobby	1 thru 12
Mezzanine/Second Floor	1 thru 76
Third Floor	77 thru 149
Fourth Floor	150 thru 218

THE HOBRON IN WAIKIKI, REGISTRATION NO. 1001

DISCLOSURE STATEMENT

1. Name and Address of Project. Hobron in Waikiki, 343 Hobron Lane, Honolulu, Hawaii.
2. Name, Address and Telephone Number of Developer. SAJE Ventures II, a Hawaii general partnership, 130 Merchant Street, Suite 1101, Honolulu, Hawaii 96813, (808) 537-4977.
3. Managing Agent of Project. Hotel Corporation of the Pacific, Inc., 2299 Kuhio Avenue, Honolulu, Hawaii 96815.
4. Maintenance Fees: The breakdown of the annual maintenance fees and the monthly estimated costs for each unit, which is hereby certified to be based on generally accepted accounting principles, is more particularly set forth in Exhibit "A" attached hereto and made a part hereof.
5. Warranties. The units and the common elements of the Project shall have the benefit of a one-year warranty against defects in materials and workmanship, which warranty shall commence as of the date of the issuance of a Certificate of Occupancy for such dwellings and common elements. It is estimated that the commencement date of such warranties will be February 1, 1984.
6. Use. The Project shall consist of six hundred six (606) condominium units of which five hundred ninety-six (596) apartments are residential apartments and ten (10) are commercial units. The residential apartments shall be used for hotel, transient vacation rental, residential apartment, time sharing and such other uses that are permitted by law. As to any owner of an apartment that is not committed to the hotel operations, he will not be permitted to have any use activity for less than 30 days except through such hotel operator that is approved and selected by the Developer at such reasonable charges that may be agreed upon by the parties. The commercial apartments shall be for such uses that are permitted by law.

THE HOBRON IN WAIKIKI
ESTIMATED OPERATING EXPENSES

	<u>MONTHLY</u>	<u>ANNUALLY</u>
MAINTENANCE FEES	\$70,289 =====	\$843,468 =====
EXPENSES:		
Utilities		
Electricity	\$20,000	\$240,000
Gas	4,500	54,000
Sewer	1,400	16,800
Water	2,100	25,200
Television Cable	11,324	135,888
Telephone	135	1,620
Building		
Cleaning Services	540	6,480
Communication	250	3,000
Elevator	2,000	24,000
Electric Bulbs	200	2,400
Grounds	700	8,400
Pest Control	1,075	12,900
Pool/Jacuzzi	400	4,800
Refuse	500	6,000
Repairs & Purchases	900	10,800
Security	4,000	48,000
Administration		
Management Fee	5,050	60,600
Data Processing	350	4,200
Salaries Manager	1,400	16,800
Salaries Maintenance	2,200	26,400
Salaries Cleaning	4,000	48,000
Manager Apartment Rent	700	8,400
Payroll Taxes	905	10,860
Group Insurance	700	8,400
Workmen's Compensation	900	10,800
Other		
Insurance	1,950	23,400
Legal & Audit	160	1,920
Office Supplies/Printing	300	3,600
Miscellaneous	150	1,800
Reserve	1,500	18,000
	-----	-----
TOTAL EXPENSES	\$70,289 =====	\$843,468 =====

In addition utility expense as outlined in the Declaration of Horizontal Property Regime are charged directly to the commercial units. The maintenance fees are schedules below pursuant to the HPR.

MAINTENANCE FEES

<u>Unit No.</u>	<u>Location</u>	<u>Maintenance Fee</u>
C-1	Lower Lobby	\$201
C-2	Lower Lobby	359
C-3	Lower Lobby	629
C-4	Mezzanine	157
C-5	Mezzanine	54
C-6	Mezzanine	54
C-7	Mezzanine	157
C-8	Mezzanine	330
C-9	5th Floor	313
C-10	5th Floor	21

<u>Floor</u>	<u>Apt. No.</u>	<u>Apt. Type/ No. of Rooms</u>	<u>Percentage Common Interest</u>	<u>Maintenance Fee</u>
5th	01,04,05,08	Studio/2	.1483	\$108.50
	02,03,06,07	Studio/2	.1652	121.00
6th thru 12th and 14th thru 24th	01,08,09,16	Studio/2	.1535	112.00
	02,07,10,15	Studio/2	.1360	99.50
	03,06,11,14	Studio/2	.1555	114.00
	04,05,12,13	Studio/2	.1451	106.00
26th	01,06,07,12	1-BR/4	.3396	248.00
	02,05,08,11	3-BR/8	.5440	398.00
	03,04,09,10	1-BR/4	.3937	288.00
27th	01,08,09,16	Studio/2	.1535	112.00
	02,07,10,15	Studio/2	.1360	99.50
	03,06,11,14	Studio/2	.1555	114.00
	04,05,12,13	Studio/2	.1451	106.00
28th thru 44th	01,16	Studio/2	.1535	112.00
	02,07,10,15	Studio/2	.1360	99.50
	08,09	Studio/2	.2017	148.00
	03,06,11,14	Studio/2	.1555	114.00
	04,05,12,13	Studio/2	.1451	106.00

These maintenance fees are based upon the interpretation of the Documents dated 4/13/83 received from SAJE VENTURES II.

Revised 5/20/83

7. Extent of Non-Residential Development. The Declaration expressly provides for ten (10) Commercial Units in the Project.

DATED: Honolulu, Hawaii, this 14th day of September, 1983.

SAJE VENTURES II, a Hawaii
general partnership

By its Managing General Partner,
ASF, INC.

By Edwin Y. Fujinaga
Edwin Y. Fujinaga,
Its President

Subscribed and sworn to before
me this 14th day of September,
1983.

M. H. Koyama
Notary Public, State of Hawaii

My Commission Expires: Nov. 12, 1986