

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
TRADEWINDS PLAZA
2572 Lemon Road
Waikiki, Honolulu, Hawaii

REGISTRATION NO. 1003

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: June 27, 1978
Expires: July 27, 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 MAY 11, 1978 AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JUNE 22, 1978. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. TRADEWINDS PLAZA is a proposed leasehold condominium project consisting of an eleven (11) story building containing eighty (80) residential apartment units, plus twenty-seven (27) parking apartment units, all to be built in accordance with floor plans filed

with the Real Estate Commission. The project will contain twenty-three (23) parking spaces in addition to and separate from the parking apartment units for the use of all apartment owners, their tenants, and guests on a "first-come, first-served" basis.

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. The Developer shall be responsible for placing this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers. Securing a signed copy of the receipt for this Final Public Report from each purchaser and prospective purchaser is also the responsibility of the Developer.
3. No advertising and promotional matter has been submitted to the Real Estate Commission.
4. The Declaration of Horizontal Property Regime together with the By-Laws of the Association of Apartment Owners attached thereto, was filed in the Bureau of Conveyances of the State of Hawaii in Liber 12892 at Page 369. The approved floor plans have been designated as Condominium Map Number 541.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after date of issuance, June 27, 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: TRADEWINDS PLAZA

LOCATION: The project is located at 2572 Lemon Road, Waikiki, Honolulu, Hawaii. The land consists of 10,000 square feet, more or less.

TAX KEY: First Division, 2-6-27; parcels 20 and 21.

ZONING: Resort Hotel Precinct

DEVELOPER: Tradewinds Plaza Ventures, a registered Hawaii general partnership, with its principal place of business and post office address at 33 South King Street, Suite 405, Honolulu, Hawaii, 96813 (tel. no. 524-0722). The general

partners of the partnership are:

Central Pacific Development Corporation
33 South King Street
Suite 405
Honolulu, Hawaii, 96813
Tel. No. 524-0722

General Dynamics Land Corporation
33 South King Street
Suite 405
Honolulu, Hawaii 96813
Tel. No. 524-0722

ATTORNEY REPRESENTING DEVELOPER: Carlsmith & Dwyer, Suite 2102, Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii, 96813 (Attn: Charles Edward Pear, Jr. or John R. Dwyer, Jr.) Telephone No. 524-7200.

DESCRIPTION OF THE BUILDING: The project consists of one (1) building, containing eleven (11) floors plus a basement and constructed primarily of concrete, glass, concrete block, steel, aluminum, and gypsum board.

Description of the Residential Apartments: The Horizontal Property Regime provides for eighty (80) residential apartments designated in the spaces within the perimeter and party walls, floors and ceilings of each residential apartment unit of the project, which spaces together with the appurtenant lanai spaces are referred to as "residential apartments" and are designated on the condominium map and described as follows:

(a) Apartment Numbers and Location: The residential apartment units are numbered consecutively beginning with 01 from the north corner of each floor and proceeding counterclockwise along the outer perimeter of the floor. There are ten residential apartments per floor on the second through sixth floors, arranged so that apartments 201, 205, 206 and 210 are the corner units on the second floor, 301, 305, 306 and 310 are the corner units on the third floor, and so forth through and including the sixth floor. There are six residential apartments per floor on the seventh through the eleventh floors, arranged so that apartments 701, 703, 704 and 706 are the corner units on the seventh floor and so forth up to and including the eleventh floor, wherein apartment 1101, 1103, 1104 and 1106 are the corner units.

(b) Layout and Area of Individual Apartments: The residential apartments are constructed according to twenty-six different floor plans, described as follows:

Each type A and type A Reverse apartment shall consist of a studio apartment with a kitchen, bathroom and lanai, and shall have an approximate enclosed floor area of 321 square feet, lanai of approximately 41 square feet, and a total approximate floor area of 362 square feet. Apartments 201 and 210 are type A and A Reverse apartments respectively.

Each type B and type B Reverse apartment shall be a studio apartment with one bathroom, kitchen and lanai and

shall have an approximate enclosed floor area of 356 square feet, lanai of approximately 41 square feet, and a total approximate floor area of 397 square feet. The following apartments are type B apartments: 301, 401, 501, 601. The following apartments are type B Reverse apartments: 310, 410, 510, 610.

Each type C and type C Reverse apartment shall be a studio apartment with one bathroom and a lanai, and shall have an approximate enclosed floor area of 287 square feet, lanai of approximately 22 square feet and a total approximate floor area of 309 square feet. The following apartments are type C apartments: 202, 302, 402, 502, 602. The following apartments are type C Reverse apartments: 209, 309, 409, 509, 609.

Each type D and type D Reverse apartment shall be a studio with one bathroom and lanai, and shall have an approximate enclosed floor area of 277 square feet, lanai of approximately 22 square feet, and a total approximate floor area of 299 square feet. The following apartments are type D apartments: 203, 303, 403, 503, 603. The following apartments are type D Reverse apartments: 208, 308, 408, 508, 608.

Each type E and E Reverse apartment shall be a studio apartment with a kitchen, one bathroom, and lanai, and shall have an approximate enclosed floor area of 348 square feet, a lanai of approximately 40 square feet, and a total approximate floor area of 388 square feet. The following apartments are type E apartments: 204, 304, 404, 504, 604. The following apartments are type E Reverse apartments: 207, 307, 407, 507, 607.

Each type F and type F Reverse apartment shall consist of one bathroom, one bedroom, living/dining room, kitchen, and lanai and shall have an approximate enclosed floor area of 519 square feet, lanai of approximately 198 square feet, and a total approximate floor area of 717 square feet. Apartments 205 and 206 are type F and F Reverse apartments respectively.

Each type G and G Reverse apartment shall consist of one bedroom, one bathroom, kitchen, living/dining room and lanai and shall have an approximate enclosed floor area of 519 square feet, lanai of approximately 148 square feet, and a total approximate floor area of 667 square feet. The following apartments are type G apartments: 305, 405, 505, 605. The following apartments are type G Reverse apartments: 306, 406, 506, 606.

Each type H and H Reverse apartment shall be a studio apartment with a kitchen, one bathroom, and lanai, and shall have an approximate enclosed floor area of 481 square feet, lanai of approximately 254 square feet, and a total approximate floor area of 735 square feet. Apartments 701 and 706 are type H and H Reverse apartments respectively.

Each type I and type I Reverse apartment shall be a studio apartment with one bathroom and a lanai and shall

have an approximate enclosed floor area of 266 square feet, lanai of approximately 55 square feet, and a total approximate floor area of 321 square feet. Apartments 702 and 705 are type I and I Reverse apartments respectively.

Each type J and J Reverse apartment shall be a studio apartment with a wet bar, one bathroom and a lanai and shall have an approximate enclosed floor area of 322 square feet, lanai of approximately 758 square feet, and a total approximate floor area of 1080 square feet. Apartments 703 and 704 are type J and J Reverse apartments respectively.

Each type K and K Reverse apartment shall be a studio apartment with a kitchen, one bathroom, and no lanai and shall have an approximate total floor area of 481 square feet. The following apartments are type K apartments: 801, 901, 1001, 1101. The following apartments are type K Reverse apartments: 806, 906, 1006, 1106.

Each type L and L Reverse apartment shall be a studio apartment with a bathroom and no lanai and shall have an approximate total floor area of 266 square feet. The following apartments are type L apartments: 802, 902, 1002, 1102. The following apartments are type L Reverse apartments: 805, 905, 1005, 1105.

Each type M and M Reverse apartment shall be a studio apartment with a wet bar, one bathroom, and a lanai and shall have an approximate enclosed floor area of 322 square feet, lanai of approximately 91 square feet, and a total approximate floor area of 413 square feet. The following apartments are type M apartments: 803, 903, 1003, 1103. The following apartments are type M Reverse apartments: 804, 904, 1004, 1104.

(c) Access to Common Elements: Each residential apartment has immediate access to a corridor which leads to two (2) stairways and an elevator, each stairway and elevator leading to the grounds of the project or common elements leading to the grounds and to Lemon Road.

(d) Other Data Identifying and Defining the Apartments: The respective residential apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or party walls or interior load-bearing walls, awnings, if any, 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 apartment, the same being common elements as hereinafter provided. Each residential apartment shall be deemed to include all the walls and partitions which are not load-bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors, and ceilings, doors and door frames, windows and window frames, the lanai air space (if any), and all fixtures originally installed in the apartment.

Description of the Parking Apartments: The Horizontal Property Regime provides for twenty-seven (27) parking apartments

designated in the spaces bounded by the main walls and demarcation lines, floor and ceiling of each of the twenty-seven (27) parking spaces located in the basement of the project, which spaces are referred to herein as "parking apartments", and are designated on said condominium map and described as follows:

(a) Apartment Numbers and Location: The parking apartments are numbered clockwise from 101 to 127. Apartment 103 is located in the west corner and is preceded by apartments 102 and 101 located along the southwest perimeter wall; apartments 104 to 109 are located along the northwest perimeter wall; apartments 110 to 116 are located along the northeast perimeter wall; apartments 117 to 124 are located along the southeast perimeter wall; and apartments 125 to 127 are located along the southeast side of an interior wall stemming mauka from the southwest perimeter wall.

(b) Layout and Area of Individual Apartments: Each parking apartment has a basically rectangular floor except as necessary to accommodate the building superstructure.

Full Size Stalls - There are twenty-three (23) full size parking apartments (101-112; 114-124), all of which are approximately nineteen (19) feet deep and approximately eight and one-half (8.5) feet wide or wider, with some variations due to the design and construction of the building superstructure. While some of the stalls are substantially wider, this may be attributed to the design and construction of the building superstructure. Accordingly, for purposes of computing the undivided percentage interest appurtenant to full size parking apartments, a rough average floor area of 162 square feet was attributed to such apartments.

Compact Size Stalls - There are four (4) compact size parking apartments (113, 125, 126, 127), all of which are at least sixteen (16) feet deep and which range from seven feet ten inches (7'10") to eight feet six inches (8'6") in width. For purposes of computing the undivided percentage interest appurtenant to compact size parking apartments, a rough average floor area of 140 square feet was attributed to such apartments.

(c) Access to Common Elements: Each parking apartment has immediate access to two (2) stairways, an elevator, access lanes and ramps leading to the grounds of the project or common elements leading to the grounds of the project and to Lemon Road.

(d) Other Data Identifying and Defining the Apartments: The respective parking apartments shall not be deemed to include the decorated or undecorated or finished or unfinished surfaces of the perimeter or party walls or interior load-bearing walls and columns, the floor or ground and ceiling surrounding each apartment or any pipes, wires, conduits or other utility or service lines which are utilized for or serve more than one apartment, the same being common elements as hereinafter provided.

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, picnic areas, roof deck, other recreational facilities, storage space, trash collection areas, all parking areas other than parking apartments and all driveways, access lanes and ramps leading to the parking areas;
- (d) All common premises such as the lobby, Manager's office, storage room, electrical room, elevator machine room, mechanical room, premises for lodging or use of janitors or other persons employed for 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 elevators, tanks, pumps, motors, fans, compressors, ducts and other such installations and apparatus;
- (g) The twenty-three (23) parking stalls numbered 128 to 150 located on the ground floor level of the building, available for use by all apartment owners, their tenants, and guests;
- (h) 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:

- (a) The corridors, vestibules, foyers, balconies and all other areas, except stairways, elevator shafts and

doorways, and equipment storage rooms, if any, on each floor shall be limited common elements appurtenant to all the apartments located on such floor;

(b) The decorated or finished surfaces of the perimeter, party and load-bearing walls and columns located in the basement, and the driveways, access lanes and ramps leading to the parking apartments shall be limited common elements appurtenant to and for the exclusive use of the parking apartments;

(c) The yards, gardens, planting areas, picnic areas, roof deck, and other recreational facilities shall be limited common elements appurtenant to and for the exclusive use of the residential apartments;

(d) All other common elements of the project which are rationally related to less than all of said apartments shall be limited common elements appurtenant to the apartments to which they are so related.

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:

I. RESIDENTIAL APARTMENTS

<u>Unit Type (Apt. No.)</u>	<u>Undivided Percentage Interest</u>	<u>Number of Apts.</u>	<u>Total Undivided Percentage Int.</u>
A & A REV. (201; Rev: 210)	1.0797	2	2.1594
B & B REV. (301-601; Rev: 310-610)	1.1938	8	9.5504
C & C REV. (202-602; Rev: 209-609)	.9534	10	9.5340
D & D REV. (203-603; Rev: 208-608)	.9208	10	9.2080
E & E REV. (204-604; Rev: 207-607)	1.1669	10	11.6690
F & F REV. (205; Rev: 206)	1.8531	2	3.7062
G & G REV. (305-605; Rev: 306-606)	1.8124	8	14.4992
H & H REV. (701; Rev: 706)	1.7310	2	3.4620
I & I REV. (702; Rev: 705)	.9119	2	1.8238
J & J REV. (703; Rev: 704)	1.2126	2	2.4252
K & K REV. (801-1101; Rev: 806-1106)	1.5679	8	12.5432

L & L REV. (802-1102; Rev: 805- 1105)	.8671	8	6.9368
M & M REV. (803-1103; Rev: 804- 1104)	1.1238	8	8.9904

II. PARKING APARTMENTS

<u>Unit Type (Number)</u>	<u>Undivided Percentage Interest</u>	<u>Number of Apts.</u>	<u>Total Undivided Percentage Int.</u>
Full Size (101-112; 114-124)	.1320	23	3.0360
Compact (113, 125, 126, 127)	.1141	4	.4564

III. TOTAL UNDIVIDED PERCENTAGE INTERESTS

All Apartments	100.00%
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PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration of Horizontal Property Regime provides that the residential apartments may be occupied and used only for purposes permitted from time to time by applicable zoning ordinances, rules, and regulations, including any permissible non-conforming use. The apartments may not be used for any other purpose without the written consent of the Lessor and the Board of Directors of the Association and any governmental agencies whose approval is necessary. The parking apartments may be used as a parking space for a motor vehicle or such other purposes as the Developer shall determine in its sole discretion, provided that such determination shall be made prior to the sale of any such parking apartments to a bona fide purchaser. The owners of the respective apartments shall have the absolute right to sublet or assign the lease of such apartments subject to all provisions of the Horizontal Property Act, the Declaration and the By-Laws attached thereto; provided, however, that no apartment owner may sublet or assign the lease of less than his entire apartment.

The extent of use of the Project for permanent or temporary residences or transient quarters shall depend 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 of Horizontal Property Regime of Tradewinds Plaza, (ii) the By-Laws attached thereto, (iii) the condominium conveyance documents, (iv) the sales contracts for the individual apartments, and (v) the House Rules. The House Rules provide that no waterbeds shall be permitted in the apartments. Copies of the foregoing documents are on file with the Real Estate Commission of the State of Hawaii.

OWNERSHIP OF TITLE: The Policy of Title Insurance issued by Title Insurance and Trust Company, dated March 23, 1978, as updated by a Preliminary Report dated June 19, 1978, issued by Title Guaranty of Hawaii, Inc., reflects that fee simple title to the land is held in the names of Richard

Hiroichi Sasaki as to TMK No. 2-6-27:21, and N.S. Chang, Inc. as to TMK No. 2-6-27:20.

Richard Hiroichi Sasaki has leased his land to N.S. Chang, Inc. by that certain "Lease" effective January 1, 1978 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12788 at Page 544. N.S. Chang, Inc. has leased its property and sub-leased the property of Richard Hiroichi Sasaki to Tradewinds Plaza Ventures, by that "Master Lease" dated February 28, 1978 and recorded in the Bureau of Conveyances of the State of Hawaii in Liber 12788 at Page 631.

ENCUMBRANCES AGAINST TITLE: Said Policy of Title Insurance issued by Title Insurance and Trust Company, dated March 23, 1978, as updated by said Preliminary Report, dated June 19, 1978, states that title to the land is subject to the following encumbrances.

1. For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, First Division.

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

3. A setback line along Lemon Road as shown on the map prepared by James Y. Hamasaki, Registered Professional Land Surveyor dated December 15, 1977.

4. As to Lot 22 (TMK: 2-6-27:21) only: That certain Lease effective as of January 1, 1978 recorded in Liber 12788 at Page 544, entered into by and between Richard H. Sasaki as Lessor, and N.S. Chang, Inc., a Hawaii corporation, as Lessee.

5. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease dated February 28, 1978 and recorded in Liber 12788, Page 631 between N.S. Chang, Inc., a Hawaii corporation as Lessor, and Tradewinds Plaza Ventures, a registered Hawaii partnership as Lessee.

6. Mortgage dated March 23, 1978, recorded in Liber 12788 at Page 722, made by Tradewinds Plaza Ventures, a registered Hawaii General Partnership between Central Pacific Development Corporation and General Dynamics Land Corporation, both Hawaii corporations, in favor of State Savings and Loan Association, a Utah corporation, to secure the repayment of the sum of \$2,579,700.00.

By Subordination Agreement dated March 23, 1978, recorded in Liber 12788 at Page 760, the interest of N.S. Chang, Inc. a Hawaii corporation, in and to its fee simple interest in parcel second, its leasehold interest in parcel first and its Lessors interest in that certain Master Lease recorded in Liber 12788 at Page 631, were subordinated and assigned to State Savings and Loan Association, a Utah corporation, as additional security to said above mortgage.

By assignment of sales agreements and escrow and escrow agreement and deposits dated as of March 23, 1978,

recorded in Liber 12788 at Page 772, Tradewinds Plaza Ventures, a registered Hawaii general partnership, assigns to State Savings and Loan Association, all right, title and interest in and to any and all sales contracts and other agreements of every kind, whether now or hereafter executed, relating to the sale or other disposition of condominium apartments on the premises described in Schedule C, as additional security to said above mortgage.

7. Covenants, conditions, restrictions, easements, reservations and all other provisions set forth in Declaration of Horizontal Property Regime dated February 28, 1978, recorded in the Office of the Registrar of Conveyances at Honolulu in Liber 12892 at Page 367 and the By-Laws attached thereto as the same are or may hereafter be amended in accordance with law, said Declaration or By-Laws. (Project covered by Condominium Map No. 541).

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 March 23, 1978, identified King Escrow Services Corporation 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.

Among other provisions, the Escrow Agreement provides 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 seller.

Among other provisions, the Specimen Sales Contract provides that:

1. 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, or if the purchaser's application or eligibility for a mortgage loan is rejected or not approved within sixty (60) days after application;

2. Seller may also cancel the Sales Contract if the purchaser should die, or if the purchaser should attempt to assign his rights under the Sales Contract without the prior written consent of the seller, 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;

3. 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;

4. 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 and that if purchaser wishes to rent the apartment to third persons, purchaser must make his own arrangements; and

5. 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, that all applicable mortgage costs shall be paid by purchaser, and that purchaser shall pay three (3) months prepaid lease rent, plus the nonrefundable start-up fee for commencement of the operations of the project by the managing agent and the Association of Apartment Owners.

It is incumbent upon purchasers and prospective purchasers that they read with care the entire Specimen Sales Contract and particularly the above provisions and related clauses. They should also carefully examine the executed Escrow Agreement, which establishes how the proceeds from the sale of the condominium units are placed in trust, as well as the retention and disbursement of funds.

MANAGEMENT AND OPERATION: The 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 following the date of the organization of the Association of Apartment Owners may be appointed by the Developer without necessity of confirmation by the Association.

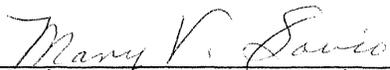
STATUS OF THE PROJECT: The Developer advises that construction of the project has commenced and that completion is scheduled for about March, 1979.

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 Building Loan Agreement for \$2,579,700.00, purchasers' funds 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 on May 11, 1978 and information subsequently filed as of June 22, 1978.

This FINAL HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1003, filed with the Commission on May 11, 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) AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

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and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1003
June 27, 1978.