

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
WINDWARD COVE
1000 Aoloa Place
Kailua, Oahu, Hawaii

REGISTRATION NO. 1098

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: December 10, 1979

Expires: January 10, 1981

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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 27, 1979 AND INFORMATION SUBSEQUENTLY FILED AS OF DECEMBER 6, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. Since the issuance of the Commission's Preliminary Public Report on May 25, 1979, on WINDWARD COVE, Registration No. 1098, the Developer reports that certain changes have been made in the registration of the project. This Final Public Report amends the Preliminary Public Report, becoming a part of the WINDWARD COVE registration.

2. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the issuance of this Final Public Report.
3. Advertising and promotional materials have been submitted pursuant to the rules and regulations promulgated by the Commission.
4. The Developer advises that the Declaration of Horizontal Property Regime and attached Bylaws dated November 19, 1979, have been recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14232, Page 26. The Condominium Map has been filed in said Bureau as Condominium Map No. 664.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes and the condominium rules and regulations which relate to horizontal property regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, December 10, 1979, unless a Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Final Public Report is made a part of the registration on the WINDWARD COVE CONDOMINIUM project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers along with a copy of the Preliminary Public Report (yellow paper stock) and Disclosure Abstract. Securing a signed copy of the receipt therefor from each purchaser and prospective purchaser is also the responsibility of the Developer.

The information in the Preliminary Public Report of May 25, 1979, under the topical headings: OWNERSHIP TO TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, and STATUS OF PROJECT has been changed in certain respects. The Developer reports that the other information in the Preliminary Public Report has not been changed. The changes are as follows:

OWNERSHIP TO TITLE: Since the issuance of the Preliminary Public Report, the Developer has filed with the Commission an updated title report from Title Guaranty of Hawaii dated November 27, 1979, reflecting the amendment to the Master Tract Lease to cover Lot Number 6-A as mentioned in the Preliminary Public Report. The Developer has advised that subsequently the Master Tract Lease was further amended per document dated November 19, 1979 and recorded in said Bureau in Liber 14232, Page 14, to reflect a further resubdivision of the subject land. Furthermore, the Developer has exercised its option and the Master Tract Sublease (mentioned in the Preliminary Public Report) from Lewers & Cooke, Inc. to

Developer, dated November 19, 1979, was executed and recorded in said Bureau in Liber 14232, at Page 26. A copy of both documents has been filed with the Commission.

The developer has further advised the Commission that by Exchange Deed dated October 9, 1979, recorded in said Bureau in Liber 14097, Page 294 and filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 973568, Iolani School has transferred its interest in the property to James C. Castle, Henry H. Wong, Hawaiian Trust Company, Limited, Executors under the Will and of the Estate of Harold K. L. Castle, deceased and James C. Castle, James Gordon McIntosh, and Hawaiian Trust Company, Limited, Trustees of the Trust Estates established pursuant to the Last Will and Testament including Codicils First through Fifth of Harold K. L. Castle, deceased. Therefore, the Declaration of Horizontal Property Regime names only said Executors and Trustees of the Castle Estate as "Fee Owner." The Declaration of Covenants, Conditions and Restrictions (Park) which has been recorded in said Bureau in Liber 14232, Page 191, names only said Trustees as the Declarant, and the Apartment Leases to be issued to purchasers will be issued by said Trustees only, as the "Estate."

ENCUMBRANCES AGAINST TITLE: Said title report of November 27, 1979 reflects no additional encumbrances and the two mortgages described as Encumbrances 6 and 7 in the Preliminary Public Report no longer appear as encumbrances. The Developer has also filed with the Commission a copy of a Declaration of Restrictive Covenant (Park) dated November 8, 1979, which the Developer has recorded in said Bureau, as required by the Park Dedication Ordinance and Rules and Regulations of the City and County of Honolulu. These restrictions establish a park and recreation area in the Project and are binding upon and inure to the benefit of the owners, lessees and occupants of the Project.

Other than the Declaration, Bylaws and Condominium Map referred to on page 2 of this report, the three documents referred to under the two preceding captions, and further amendments of the Master Tract Lease and the Master Tract Sublease to modify construction and sewer easement matters as required for construction financing, the Developer represents that no other documents were recorded subsequent to said November 27, 1979 title report and the issuance of this Public Report.

PURCHASE MONEY HANDLING: (1) A part of the apartment lease rent schedule set forth on page 1 of the sales contract has been changed as follows: There have been no changes to the monthly lease rent for each apartment for the first five (5) years from date of issuance of the first apartment lease and for the next period expiring December 31, 1994, and the information set forth on page 1 of the sales contract for these periods are correct. However, the monthly rent for all apartments has been increased \$1.00 from \$76.00 to \$77.00 for the following fifteen (15) years (until December 31, 2009).

Each Apartment Lease will reserve rents for each apartment type until December 31, 1994 in accordance with the rental figures set forth on page 1 of the sales contract and for the following fifteen (15) years as set forth in this paragraph.

(2) In addition to the matters set forth in the Preliminary Public Report, the Purchaser should be especially aware that pursuant to Section D.8 of the sales contract, Purchaser agrees to preclose the sale of Purchaser's apartment up to and including ninety (90) days prior to Seller's estimated closing date. Accordingly at such Pre-closing, Purchaser agrees to deposit Payment C1 with Escrow together with other payments specified in Section D.11 of the sales contract and to complete all other action to enable closing. Pursuant to Section D.9 of the sales contract, if Purchaser fails to make payment C1 at the time of Pre-closing and/or fails to make Payment C2 at the time of closing, then in addition to any other remedies permitted the Seller under the sales contract, Purchaser will be obligated to pay a late charge of one percent (1%) per month.

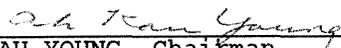
NOTE: Prospective purchasers should be aware that the apartment lease will demise a percentage interest in an easement for sanitary sewer purposes the maintenance of which will be an obligation of the Association of Apartment Owners.

STATUS OF PROJECT: The Developer has filed with the Commission copies of a construction contract with Harvis Construction, Inc. Commencement of construction is imminent and the completion date is estimated to be January 1, 1981.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted February 27, 1979 and information subsequently filed as of December 6, 1979.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1098 filed with the Commission on February 27, 1979.

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.


AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:
Department of Taxation
Bureau of Conveyances
Planning Commission, City and
County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1098

December 10, 1979