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
THE PROMENADE (CONVERSION)
423 Kaiolu Street
Honolulu, Hawaii

REGISTRATION NO. 1185

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: August 1, 1980
Expires: September 1, 1981

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED OCTOBER 11, 1979, AND INFORMATION SUBSEQUENTLY FILED AS OF JULY 31, 1980. DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND IN SUBMITTING INFORMATION ON THE PROJECT, 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 on THE PROMENADE, Registration No. 1185, dated January 21, 1980, the Developer has submitted additional information of a substantive nature.

2. The Developer of the Project has submitted to the Commission for examination all documents deemed necessary for the registration of this condominium project and issuance of this Final Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and a copy of the approved Floor Plans) have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii. The Declaration of Horizontal Property Regime dated June 17, 1980, with By-Laws attached, was filed as aforesaid as Document No. 1017191. The approved floor plans showing the layout, location, apartment numbers, etc. have been designated Condominium Map No. 421. On July 8, 1980, said Declaration was amended and the latter was filed as Land Court Document No. 1023198.

4. No advertising and promotional matter has been submitted pursuant to the rules and regulations promulgated by the Commission.

5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Hawaii Revised Statutes, Chapter 514-A, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

6. This Final Public Report is made a part of the registration of THE PROMENADE condominium project. The Developer has the responsibility of placing the revised Disclosure Abstract and true copies of both the Preliminary Public Report (yellow paper stock) and Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers and obtaining a signed receipt for same.

7. This Final Public Report automatically expires thirteen (13) months after date of issuance, August 1, 1980, unless a Supplementary Report is published or the Commission, upon review of this registration, issues an order extending the effective period of this report.

Except for the information under the following topical headings: INTEREST TO BE CONVEYED TO PURCHASER, PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE, OWNERSHIP OF TITLE, ENCUMBRANCES AGAINST TITLE, PURCHASE MONEY HANDLING, MANAGEMENT AND OPERATIONS, AND STATUS OF PROJECT, the content of the Preliminary Public Report remains unchanged.

INTEREST TO BE CONVEYED TO PURCHASER: The "Percent of Common Interest" appurtenant to each apartment as shown in Exhibit A attached to the Preliminary Public Report has been revised as shown in Exhibit A attached to this Final Public Report. This change also affects proposed common expenses (note revised Disclosure Abstract).

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The House Rules provide, among other things, that there shall be no more than three occupants per apartment and that waterbeds and barbecuing on the lanais are prohibited.

OWNERSHIP OF TITLE: A preliminary title report issued on June 17, 1980, by American Pacific Title Co., Inc., certifies that Charles Godsal Street, husband of Patience Hilda Street, has title to the land to be committed to the project. By Ground Lease and Agreement of Sale dated May 1, 1972, filed as Land Court Document No. 581111, Charles Godsal Street, husband of Patience Hilda Street, leased said land to Robert Harold Gerell, husband of Jolene Francine Gerell, and Louis Randolph Williams, husband of Pamela Dean Williams, as Tenants in Common, for a term of 65 years. Said Ground Lease and Agreement of Sale were assigned to Donald Vern Batman, husband of Toby Joyce Batman, by said Robert Harold Gerell and Smith Development Company via Assignment of Lease and Assignment of Agreement of Sale dated February 2, 1978, filed as Land Court Document No. 859017. Said Ground Lease and Agreement of Sale were sold to Kaiolu Conversion Venture, a Hawaii joint venture, by Sub-Agreement of Sale dated June 1, 1979, and filed as Land Court Document No. 944622 and duly noted on Transfer Certificate of Title No. 59976.

NOTE: THE COMMISSION WISHES TO EMPHASIZE THAT THE DEVELOPER DOES NOT, AT THE TIME OF THIS REPORT'S ISSUANCE, HAVE LEGAL TITLE TO THE PROPERTY SUBMITTED TO THE HORIZONTAL PROPERTY REGIME. HOWEVER, THE DEVELOPER HAS SUBMITTED TO THE COMMISSION, BY LETTER DATED JUNE 26, 1980, LETTERS FROM: (1) PIONEER FEDERAL SAVINGS AND LOAN, STATING THAT A FINAL PUBLIC REPORT IS NEEDED BEFORE TAKE-OUT LOANS CAN BE FUNDED, AND (2) THE DEVELOPER, REPRESENTING THAT NO FUNDS OF PURCHASERS WILL BE DISBURSED TO THE DEVELOPER (A SUBVENDEE UNDER A SUBAGREEMENT OF SALE), BATMAN (THE SUBVENDOR), OR STREET (THE VENDOR), UNTIL BATMAN AND STREET HAVE RELEASED THEIR AGREED-UPON INTERESTS IN THE PROPERTY TO THE DEVELOPER. THE LATTER MAY THEN USE PURCHASERS' FUNDS TO HELP EFFECT A FINAL CLOSING. COPIES OF ESCROW INSTRUCTIONS TO THIS EFFECT HAVE BEEN SUBMITTED TO THE COMMISSION AND ARE AVAILABLE FOR EXAMINATION. IN EFFECT, THE DEVELOPER PROPOSES TO SATISFY ITS SUBAGREEMENT OF SALE USING PURCHASERS' FUNDS AND TAKE-OUT FINANCING, ACQUIRE CLEAR TITLE TO THE LEASEHOLD, AND THEN, ALMOST CONCURRENTLY, CONVEY CONDOMINIUM UNITS AND GROUND SUBLEASEHOLD INTERESTS TO PURCHASERS.

ENCUMBRANCES AGAINST TITLE: Said title report issued on June 17, 1980 by American Pacific Title Co., Inc., identifies the following encumbrances on the land:

A. As to Lot 46 only:

1. Easement for public utilities as noted on Map 1 filed with Land Court Application 1293.

2. Agreement dated March 13, 1940, between John H. Magoon, Alfred K. Magoon and Eaton H. Magoon, Trustees et al., as Grantors and the Hawaiian Electric Company, Limited, as Grantee, the original of which Agreement is on file in the Office of the Clerk of the Land Court.

3. Stipulation dated August 7, 1940, which is also on file in the Office of the Clerk of said Land Court.

4. Easement "E" (10 feet wide) as shown on Map 3 filed with said Land Court Application 1293 purpose being for public utilities and whose location is 5 feet within easterly corner of said Lot.

B. As to Lot 4-A-1 only:

Easement "A" (10 feet wide) as shown on Maps 3 and 4, as set forth by Order No. 5274.

C. As to Both Lots:

1. Grant of Easement:

In favor of the City and County of Honolulu on July 26, 1966 and filed as Land Court Document No. 400033, the purpose being to construct underground sewer pipeline(s) through and under and across Easements A and E.

2. Said Ground Lease and Agreement of Sale dated May 1, 1972, filed as Land Court Document No. 581111, from Charles Godsal Street, husband of Patience Hilda Street, to Robert Harold Gerell, husband of Jolene Francine Gerell, and Louis Randolph Williams, husband of Pamela Dean Williams, as Tenants in Common.

Said Ground Lease and Agreement of Sale were assigned to and are now held by Donald Vern Batman, husband of Toby Joyce Batman. Said Lease and Agreement of Sale are subject to the following:

(a) Mortgage dated February 3, 1978, filed as Land Court Document No. 859018, made by Donald Vern Batman, husband of Toby Joyce Batman, as Mortgagor, to Rainbow Finance Corporation, as Mortgagee, to secure the repayment of the sum of $95,000.00 all according to the terms of that certain promissory note of said mortgage therein referred to. Consent thereto was given by Charles Godsal Street by instrument dated February 1, 1978 and filed as Document No. 859019.

(b) Assignment, as Security, dated February 3, 1978, recorded in the Bureau of Conveyances in Book 12708, Page 290, made by Donald Vern Batman, husband of Toby Joyce Batman, as Assignor, to Rainbow Finance Corporation, as Assignee, which all right, title and interest in Agreement of Sale and the property covered thereby as security for the payment of the foregoing mortgage.

(c) Financing Statement recorded February 6, 1978, in the Bureau of Conveyances in Book 12708, at Page 287, made by Donald Vern Batman, as Debtor, to Rainbow Finance Corporation, as Secured Party, which said Financing Statement covers the fixtures and/or tangible personal property sold and conveyed to Lessee by this instrument are presently located in or used in connection with said property.

3. Sub-Agreement of Sale dated June 1, 1979, filed as Land Court Document No. 944622, by and between Donald Vern Batman, husband of Toby Joyce Batman, as Sub-Vendor, and Kaiolu Conversion Venture, a Hawaii Joint Venture, as Sub-Vendee, which said Sub-Agreement of Sale requires the consent of Sub-Vendor for assignment or sale of Sub-Vendee's interest which Sub-Vendor agreed to sell leasehold interest together with interest in all of the buildings and improvements.

(a) Financing Statement recorded April 18, 1980 at Liber 14664, Page 640, made by Kaiolu Conversion Venture, as Debtor, to Servco Pacific, Inc., as Secured Party.

4. Delinquent real property taxes for the fiscal year July 1, 1979 to June, 1980 in the amount of FOUR THOUSAND THREE HUNDRED EIGHTY-EIGHT AND 90/100 DOLLARS ($4,388.90). For further information regarding taxes, check with the Tax Assessor, First Division.

In addition, the property is encumbered by said Declaration, By-Laws and Condominium Map No. 142 referred to on page 2 of this Public Report.

The Developer has advised the Commission that at the time the first Apartment Deed and Ground Sublease is entered into between said Developer as Sublessor, and an apartment purchaser, as Sublessee, every mortgage and other lien affecting both such apartment and any other apartment shall be paid and satisfied of record, or the apartment being leased shall be released therefrom by partial release duly recorded.

IN SHORT, UPON SATISFACTION OF BOTH THE PRIME AND SUBAGREEMENTS OF SALE, THE DEVELOPER REPRESENTS THAT ALL LIENS AFFECTING THE LEASE, I.E., C2(a)-(c) AND C3(a), WILL BE REMOVED, AND THE DEVELOPER WILL THEN CONVEY TO EACH PURCHASER AN APARTMENT DEED AND A GROUND SUBLEASEHOLD.

PURCHASE MONEY HANDLING: The Commission notes that since the issuance of its Preliminary Public Report, a number of changes have been made in the Sales Contract form and are embodied in an "Addendum".

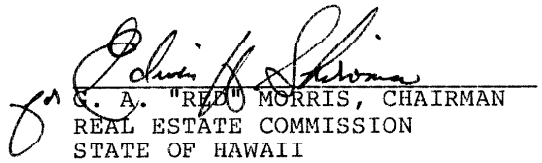
MANAGEMENT AND OPERATIONS: The Developer has advised the Commission that a property management and agency agreement has been entered into with IMBA Management, Ltd. and that an executed copy has been provided the Commission.

STATUS OF PROJECT: As noted earlier, this project involves the conversion of a building constructed in 1968. By letter dated February 20, 1980, the Building Department of the City and County of Honolulu confirmed that the building met code requirements when it was constructed and that no variances or special permits were then or subsequently granted to allow deviation.

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 on October 11, 1979 and information subsequently filed as of July 31, 1980.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1185 filed with the Commission on October 11, 1979.

The report, when reproduced, shall be a true copy of the Commission's Public Report. In making facsimiles, the paper stock shall be white in color.



G. A. "RED" MORRIS, 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. 1185

August 1, 1980

EXHIBIT "A"

DESIGNATION OF PARKING, UNIT TYPE, ROOMS, AREA AND COMMON INTEREST OF APARTMENTS IN THE PROMENADE

Apartment Number	Parking Space Numbers	Unit Type	Number of Rooms	Number of Floors	Approximate Area in Each Apartment in Square Feet (Excluding Lanais)	Percent of Common Interest
101	101	A	4	1	420	8.1885
102	102	A	4	1	420	8.1885
103	103	A	4	1	420	8.1885
104	104	A	4	1	420	8.1885
105	105	A	4	1	420	8.1885
106	106	A	4	1	420	8.1885
107	107	A	4	1	420	8.1885
201	201	B	4	1	420	6.11525
202		C	4	1	420	6.09
203		C	4	1	420	6.09
204		C	4	1	420	6.09
205		C	4	1	420	6.09
206		C	4	1	420	6.09
207	207	B	4	1	420	6.11525