

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

ON
DIAMOND HEAD BEACH
2947 Kalakaua Avenue
Honolulu, Hawaii

REGISTRATION NO. 1338
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 but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: November 21, 1980
Expires: December 20, 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 31, 1980, AND INFORMATION FILED AS OF NOVEMBER 19, 1980. DEVELOPER IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. DIAMOND HEAD BEACH is a proposed leasehold condominium project consisting of 79 apartments contained in a single building of fifteen stories, with parking in the basement level.

2. The Developer of the Project has submitted to the Commission for its examination all documents deemed necessary for the registration of the condominium project and the issuance of this Preliminary Public Report.
3. The Developer reports that the Declaration of Horizontal Property Regime, the Bylaws of the Association of Apartment Owners and the Condominium Map will be filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii immediately prior to the application for a Final Public Report.
4. No advertising or promotional materials have been submitted to the Commission.
5. 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 of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report expires thirteen (13) months after issuance, November 20, 1980 unless a Final or Supplementary Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective date of this report.
7. This Preliminary Public Report is part of the registration of DIAMOND HEAD BEACH. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) together with Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor from each purchaser and prospective purchasers.

NAME OF PROJECT: DIAMOND HEAD BEACH

LOCATION: The Project is located in Waikiki, City and County of Honolulu, State of Hawaii and has a land area of approximately 12,525 square feet.

TAX KEY: First Division, 3-1-32: 29.

ZONING: The property is presently zoned A-4 Apartment. The building was constructed under the Uniform Building Code, prior to the enactment of the Comprehensive Zoning Code, and the property was then zoned Hotel. The building is therefore maintained as a non-conforming structure and use. In the event of a major casualty a variance would be required for rebuilding. Purchasers should be advised that maintenance of

the non-conforming use imposes a requirement of a 24-hour front desk service.

DEVELOPER: IMBA INVESTMENT ASSOCIATES, a Hawaii general partnership, 733 Bishop Street, Suite 2500, Honolulu, Hawaii 96813, Telephone: (808) 524-8755. The partnership is comprised of International MBA Associates, Ltd., 733 Bishop Street, Suite 2500, Honolulu, Hawaii and Hawaiian Beach Investment Corporation, 745 Fort Street, 20th Floor, Honolulu, Hawaii.

ATTORNEYS REPRESENTING DEVELOPER: Cades Schutte Fleming & Wright (Attention: Bernice Littman or Edward R. Brooks), Suite 1200, 1000 Bishop Street, P.O. Box 939, Honolulu, Hawaii 96808, Telephone: (808) 521-9200.

DESCRIPTION OF PROJECT:

The Project contains 79 apartments in a single building of fifteen stories with basement parking. Recreational facilities include a swimming pool, shower, sundeck and recreation deck. The Project and the apartments are more specifically described in Exhibit "A" attached hereto.

Each apartment shall be deemed to include: (i) any adjacent lanai to which such apartment has direct, exclusive access, (ii) all the walls and partitions which are not load-bearing within its perimeter walls, (iii) the inner decorated or finished surfaces of all walls, floors, and ceilings, (iv) any doors, windows or panels along the perimeters, (v) the airspace within the perimeters, and (vi) the fixtures originally installed in the apartments, as specified in Exhibit "A" attached hereto and made a part hereof. The respective apartments shall not be deemed to include: (a) the undecorated or unfinished surfaces of the perimeter (party and non-party) walls, the interior load-bearing columns, girders, beams and walls, (b) the undecorated or unfinished floors and ceilings surrounding each apartment, or (c) any pipes, shafts, wires, conduits or other utility or service lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided.

COMMON ELEMENTS:

One freehold estate is hereby designated in all remaining portions and appurtenances of the Project, herein called the "common elements", including specifically, but not limited to:

- a. The Land.
- b. All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter walls, load-bearing walls and roofs.

c. All yards, grounds, landscaping and refuse facilities.

d. The recreation deck, sun deck and jacuzzi on the ground floor.

e. All corridors, laundry chutes, stairways, ramps, elevators, elevator machinery, machinery rooms and associated electric panels.

f. All ducts, electrical equipment, wiring, pipes and other central appurtenant transmission facilities over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.

g. The basement including utility, storage and transformer rooms, driveway and parking spaces.

h. The front desk, lobby areas, two offices and two washrooms on the ground floor.

i. Any and all other appurtenant installations of common use and all other parts of the Project necessary and convenient to its existence, maintenance and safety or normally in common use.

LIMITED COMMON ELEMENTS:

Certain parts of the common elements, herein called and designated "limited common elements", are hereby set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements shall consist of:

a. One or more automobile parking stalls designated on Exhibit "A" as being appurtenant to an apartment shall be appurtenant to and for the exclusive use of such apartment.

b. The stairway linking the lanai of apartment R-1 to the balcony walkway of the penthouse floor shall be appurtenant to and for the exclusive use of apartment R-1.

Notwithstanding any provisions herein or in the Bylaws to the contrary, all costs and expenses, including, but not limited to, maintenance, repair, replacement, additions and improvements to any of the aforementioned limited common elements of the Project shall be charged to the owner of the apartment to which such limited common element is appurtenant. In the case of parking stalls, expenses which are attributable to more than one parking stall shall be allocated among the affected stalls on a per stall basis. If any expense (such as insurance premiums) cannot be separately identified to the limited common elements, it shall be charged as a common expense.

PERCENTAGE OF UNDIVIDED OWNERSHIP TO BE CONVEYED:

The apartments have the common interests in the common elements of the Project as set forth below. Each apartment shall have such percentage in all common profits and expenses of the project and for all other purposes including voting. Interests in each apartment will be transferred by the Developer to each buyer under an apartment sublease (the "Apartment Lease") demising the apartment and an undivided interest in the common elements of the Project. The following common interests shall be valid and effective, whether or not the Developer's calculations of such interests are accurate or mathematically correct:

<u>Apartment Model</u>	<u>Percentage of Common Interest</u>	<u>Number of Apartments</u>	<u>Percentage Total</u>
G	1.8%	5	9.0%
A	1.1%	12	13.2%
B	1.0%	36	36.0%
C	1.4%	12	16.8%
D	1.7%	12	20.4%
AB	2.0%	1	2.0%
CD	2.6%	1	2.6%
			<u>100.0%</u>

PURPOSE OF BUILDINGS AND RESTRICTIONS AS TO USE:

Each apartment shall at all times be occupied and used only for residential or hotel purposes. The Declaration of Horizontal Property Regime of the Project prohibits the offering, sale or transfer of any time-sharing interests in an apartment in the Project.

OWNERSHIP OF TITLE:

A Preliminary Title Report dated November 5, 1980, issued by American Pacific Title Company, Inc. states that fee simple title to the land is held by Man Sing Lum and Clarence Kwon Hou Lum, Trustee under the Will and Estate of Chow Sin Kum Lum, subject to a Master Lease dated October 5, 1967, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 435521, as noted on Transfer Certificate of Title No. 34,631, the lessee's interest thereunder through mesne conveyance now being held by William Wesley Saunders and D. Kloninger & Associates, Inc. The Developer holds by mesne conveyance an option to purchase the Master Lease, which option was filed as aforesaid as Document No. 1033009, and will exercise such option before the issuance of the Apartment Leases.

ENCUMBRANCES:

The Preliminary Title Report states that the title to the property is subject to the encumbrances listed in Exhibit "B" attached hereto and made a part hereof.

PURCHASE MONEY HANDLING:

A copy of a specimen Deposit Receipt and Sales Contract (the "Sales Contract") and an executed Escrow Agreement have been submitted as part of the registration. The Escrow Agreement, dated May 13, 1980, identifies American Abstract and Escrow Services, Inc. as "Escrow". 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 Section 514A-37, 39, 40, 63 through 66. A prospective purchaser should carefully examine the form of Sales Contract and the Escrow Agreement to determine the time for and the amount of the installment payments on the purchase price and his obligations to pay the closing costs. It is incumbent upon the purchaser to read and understand the Escrow Agreement before signing the Sales Contract since the Escrow Agreement prescribes the procedure for receiving and disbursing the purchaser's down payments and the Sales Contract provides that the purchaser approves the Escrow Agreement.

The Sales Contract, among other things, contains acknowledgments by each buyer: (i) that the Developer will not sponsor, arrange or promote any program for the rental or temporary use and occupancy of apartments in the Project other than apartments owned by the Developer upon refurbishment of the Project, if any; (ii) that the buyer must make any such arrangements for his apartment, if desired, without the involvement or participation of the Developer; (iii) that the Developer has authorized no agents, salesmen or brokers to make any representations as to rental or other income from any apartment or any other economic benefit, including possible advantages from the ownership of an apartment under federal or state tax laws, to be derived from the purchase of an apartment in the Project; (iv) that the buyer acknowledges that no such representations or warranties have been made and that the Developer expressly disclaims and repudiates any representation from any source as to any possible economic benefit arising from ownership of an apartment in the Project; (v) that until the Developer closes the sales of all the apartments in the Project, the buyer shall not enter into any agreement with any purchaser, lessee or owner of another apartment in the Project or any third party under which the buyer agrees to share rental income from apartments in the Project; (vi) that the Buyer acknowledges and agrees that the Seller has not made and will not be legally obligated for any express or implied warranties with respect to Buyer's apartment, the common elements or anything installed therein except that the Seller will cooperate with the Buyer in using its best effort to require the General Contractor of the project to perform under a one (1) year warranty from date of substantial completion of refurbishment for faulty material or workmanship or both.

NOTE: THE DIAMOND HEAD BEACH WAS FIRST COMPLETED IN FEBRUARY, 1969. THE DEVELOPER HAD NO INVOLVEMENT WITH THE ORIGINAL CONSTRUCTION OF THE BUILDING AND GIVES NO WARRANTIES WITH RESPECT TO THE ORIGINAL STRUCTURE AND COMPONENTS OF THE BUILDING. THE PURCHASER IS ADVISED TO CONSULT THE DISCLOSURE ABSTRACT AND SALES CONTRACT FOR FURTHER DETAILS.

Additionally, the Sales Contract also provides that the buyer's right, title and interest under the Sales Contract shall be subject and subordinate to the liens and security interests of any mortgages or other security instruments made by the Developer in favor of any lending institutions to secure one or more loans for the purpose of constructing the Project.

The Escrow Agreement provides, among others, that:

A Buyer shall be entitled to return of his funds and Escrow shall pay such funds to the Buyer, without interest and less the cancellation fee and other processing, closing or legal costs imposed by Escrow or any mortgagee, promptly after request for return by the Buyer if the following has occurred:

(a) Escrow receives written notice from Seller to return to a purchaser under a Sales Contract the funds of such purchaser then held by Escrow under this Agreement, or (b) with respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall be any substantive change in the building plans of a type which gives purchaser a right to cancel his Sales Contract pursuant to Chapter 514A, HRS unless purchaser's written approval or acceptance of the specific change is obtained, or ninety (90) days have elapsed since the purchaser has accepted in writing the apartment or he has first occupied the apartment or (c) the Final Report differs in a material respect from the Preliminary Report, and the purchaser's written approval of such change has not been obtained and the purchaser shall request the refund prior to the time at which the Sales Contract becomes effective, or (d) the Final Report is not issued within one (1) year from the date of issuance of the Preliminary Report unless the sales contract is nevertheless affirmed by the purchaser or purchaser is deemed to have waived his right to a refund under Section 514A-66, HRS.

MANAGEMENT AND OPERATION:

Article III, Section 3, of the Bylaws states that the Board of Directors shall at all times employ a responsible Managing Agent to manage and control the Project, subject at all times to direction by the Board of Directors. The developer anticipates appointing Hotel Corporation of the Pacific, 2299 Kuhio Avenue, Honolulu, Hawaii 96815 as its initial Managing Agent for the Project.

STATUS OF PROJECT:

The Developer has advised the Commission that the building was completed in February 1969. A letter from the City and County of Honolulu, Building Department, confirms that the structure met all code requirements at the time of construction and no variances or special permits were granted

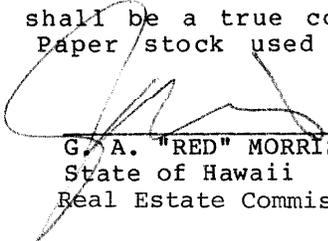
to allow deviations from any applicable codes; however, current investigation reveals a few deficiencies which Developer proposes to correct prior to issuance of the Final Public Report.

Refurbishment of the Project will commence on or about January 31, 1981 and the Developer currently estimates that it will be completed on July 31, 1981.

The purchaser and prospective purchasers should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted October 31, 1980 and information subsequently filed as of November 19, 1980.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1338 filed with the Commission of October 31, 1980.

The report, when reproduced, shall be a true copy of the Commission's Public Report. Paper stock used in making facsimiles must be yellow.


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

Distribution:

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

Registration No. 1338

Date: November 21, 1980

PHYSICAL DESCRIPTION

BUILDING DESCRIPTION:

The Project consists of one 15-story building plus basement. The floors are designated basement, ground, second through twelfth, penthouse, roof and fifteenth. The building progressively narrows from the ground through fifteenth floors. The basement contains a ramp up to the ground floor, three stairways, elevator, a transformer room, storage room, utility rooms, driveway and twenty-two parking stalls. The ground floor contains: a ramp down to the basement; ramps leading to the main entry; two stairways, an elevator and a corridor leading from the main entry to the rear of the building; five apartments; a lobby area, front desk, two offices and two washrooms; a recreation area including a recreation deck, shower, sundeck and jacuzzi. The second through twelfth and the penthouse floors each contain two stairways, an elevator, a balcony walkway and six apartments. The roof level contains two stairways, a balcony walkway, a covered area and two apartments. The fifteenth floor contains one stairway, an elevator machinery room and mechanical area. The Project contains seventy-nine apartments including thirty-nine living units with kitchens and forty lodging units. Should the descriptions and the divisions set forth in this Declaration conflict with the depictions and the divisions shown on the Condominium Map, the Condominium Map shall control. The Condominium Map is intended to show only the layout, location, apartment numbers and dimensions of the apartments, elevations and the numbers of parking stalls and is not intended and shall not be deemed to contain or make any other representation or warranty. The building is constructed primarily of reinforced concrete.

APARTMENT LOCATION:

The Project contains seventy-nine apartments. Five apartments are located on the ground floor, six apartments are located on each of the second through twelfth floors and the penthouse floor and two apartments are located on the roof level. The location of each apartment in the Project may be determined by reference to its number. The first digit in a three-digit apartment number and the first two digits in a four-digit apartment number indicate the floor on which the apartment is located. Penthouse apartments are preceded by the letters "PH" and roof apartments by the letter "R". The last two digits in each number indicate the position of the apartment on its floor, "01" being at the mauka end of the building and "06" at the makai end. In the case of rooftop apartments "R-1" is at the mauka side and "R-2" at the makai side.

MODEL TYPES:

Each apartment in the Project will be one of seven types. Units of the same type on different floors differ in size because the building progressively narrows. The size differences are listed on the schedule which forms part of this Exhibit "A". The types are described as follows:

1. Type G -- These apartments are all on the ground floor; consist of a living area, dining area, bathroom, deck and lanai.

2. Type A -- These apartments are located at the mauka end of the Project and consist of a living/sleeping area, bathroom and dressing area and lanai.

3. Type B -- These apartments consist of a living/sleeping area, bathroom and dressing area, deck and lanai.

4. Type C -- These apartments consist of a living/dining area, bedroom, bathroom and dressing area, deck and lanai.

5. Type D -- These apartments are located at the makai end of the Project and consist of an entry way, living/sleeping area, bathroom and dressing area, deck and lanai.

6. Type AB -- Apartment R-1 is the sole type AB apartment and consists of a living/dining area, bedroom, one bathroom, kitchen and a lanai. The lanai connects to a private stair which leads down to the balcony walkway on the penthouse floor.

7. Type CD -- Apartment R-2 is the sole type CD apartment and consists of a living/dining area, one bedroom, one dressing room, one bathroom, kitchen and a lanai.

NOTE: IN ACCORDANCE WITH HAWAII PRACTICE, THE APPROXIMATE GROSS FLOOR AREAS AS SET FORTH BELOW WERE MEASURED FROM THE EXTERIOR OF PERIMETER NON-PARTY WALLS AND FROM THE CENTER LINE OF PERIMETER PARTY WALLS AND TO THE EDGE OF THE SLAB OF THE LANAIS.

Thirty-seven apartments contain kitchen units consisting of a combination unit with small sink, undercounter refrigerator and two-burner stove. Apartments R-1 and R-2 contain kitchen units consisting of a refrigerator, stove and oven, dishwasher and sink with disposal. The balance of the units contain an undercounter refrigerator and a bar-sink. The schedule below notes those apartments with kitchen units by the designation "X".

Each bathroom contains a vanity, toilet and bath/shower.

Unit No.	Unit Type	Parking Stall No.	Kitchen	% Common Interest	Area in Square Feet		
					Interior	Lanai	Total
101	G		-	1.8%	572 +	166 =	738
102	G		-	1.8%	572 +	166 =	738
103	G		-	1.8%	572 +	166 =	738
104	G		-	1.8%	553 +	166 =	719
106	G		Kitchen	1.8%	572 +	166 =	738
201	A		Kitchen	1.1%	499 +	86 =	585
202	B		-	1.0%	296 +	141 =	437
203	B		-	1.0%	296 +	141 =	437
204	B		-	1.0%	296 +	141 =	437
205	C		Kitchen	1.4%	531 +	141 =	672
206	D	1	Kitchen	1.7%	616 +	236 =	852
301	A		Kitchen	1.1%	482 +	82 =	564
302	B		-	1.0%	296 +	131 =	427
303	B		-	1.0%	296 +	131 =	427
304	B		-	1.0%	296 +	131 =	427
305	C		Kitchen	1.4%	522 +	131 =	653
306	D	2	Kitchen	1.7%	597 +	229 =	826
401	A		Kitchen	1.1%	467 +	78 =	545
402	B		-	1.0%	296 +	122 =	418
403	B		-	1.0%	296 +	122 =	418
404	B		-	1.0%	296 +	122 =	418
405	C		Kitchen	1.4%	513 +	122 =	635
406	D	3	Kitchen	1.7%	578 +	222 =	800
501	A		Kitchen	1.1%	450 +	75 =	525
502	B		-	1.0%	296 +	113 =	409
503	B		-	1.0%	296 +	113 =	409
504	B		-	1.0%	296 +	113 =	409
505	C		Kitchen	1.4%	503 +	113 =	616
506	D	4	Kitchen	1.7%	559 +	216 =	775
601	A		Kitchen	1.1%	434 +	71 =	505
602	B		-	1.0%	296 +	104 =	400
603	B		-	1.0%	296 +	104 =	400
604	B		-	1.0%	296 +	104 =	400
605	C	5	Kitchen	1.4%	494 +	104 =	598
606	D	6	Kitchen	1.7%	540 +	209 =	749
701	A		Kitchen	1.1%	417 +	67 =	484
702	B		-	1.0%	296 +	94 =	390
703	B		-	1.0%	296 +	94 =	390
704	B		-	1.0%	296 +	94 =	390
705	C	7	Kitchen	1.4%	484 +	94 =	578
706	D	8	Kitchen	1.7%	521 +	203 =	744
801	A		Kitchen	1.1%	400 +	64 =	464
802	B		-	1.0%	296 +	85 =	381
803	B		-	1.0%	296 +	85 =	381
804	B		-	1.0%	296 +	85 =	381
805	C	9	Kitchen	1.4%	475 +	85 =	560
806	D	10	Kitchen	1.7%	501 +	196 =	697

Unit No.	Unit Type	Parking Stall No.	Kitchen	% Common Interest	Area in Square Feet		
					Interior	Lanai	Total
901	A		Kitchen	1.1%	384 +	60 =	444
902	B		-	1.0%	296 +	75 =	371
903	B		-	1.0%	296 +	75 =	371
904	B		-	1.0%	296 +	75 =	371
905	C	11	Kitchen	1.4%	465 +	75 =	540
906	D	12	Kitchen	1.7%	482 +	189 =	671
1001	A		Kitchen	1.1%	371 +	56 =	427
1002	B		-	1.0%	296 +	66 =	362
1003	B		-	1.0%	296 +	66 =	362
1004	B		-	1.0%	296 +	66 =	362
1005	C	13	Kitchen	1.4%	456 +	66 =	522
1006	D	14	Kitchen	1.7%	463 +	183 =	646
1101	A		Kitchen	1.1%	362 +	53 =	415
1102	B		-	1.0%	296 +	56 =	352
1103	B		-	1.0%	296 +	56 =	352
1104	B		-	1.0%	296 +	56 =	352
1105	C	15	Kitchen	1.4%	447 +	56 =	503
1106	D	16	Kitchen	1.7%	444 +	176 =	620
1201	A		Kitchen	1.1%	324 +	49 =	373
1202	B		-	1.0%	311 +	00 =	311
1203	B		-	1.0%	311 +	00 =	311
1204	B		-	1.0%	311 +	00 =	311
1205	C	17	Kitchen	1.4%	405 +	00 =	405
1206	D	18	Kitchen	1.7%	425 +	169 =	594
PH-1	A		Kitchen	1.1%	285 +	45 =	330
PH-2	B		-	1.0%	264 +	00 =	264
PH-3	B		-	1.0%	264 +	00 =	264
PH-4	B		-	1.0%	264 +	00 =	264
PH-5	C	19	Kitchen	1.4%	348 +	00 =	348
PH-6	D	20	Kitchen	1.7%	406 +	163 =	569
R-1	AB	21	Kitchen	2.0%	769 +	171 =	940
R-2	CD	22	Kitchen	2.6%	872 +	158 =	1030

As to that portion of the land herein described bordering on the ocean: The effect of Sections 205 to 205-A, inclusive, Hawaii Revised Statutes, as now or hereinafter amended pertaining to shoreline setbacks.

The TERMS, COVENANTS and CONDITIONS of Lease executed by CHOW SIN KUM LUM, as Lessor, and STANLEY PATRICK HATTIE and HOYT FRANK KELLEY, no marital status shown, no tenancy shown, as Lessee, dated October 5, 1967, filed as Land Court Document No.435521, for the term from December 1, 1967 to and including November 30, 2032.

Said Lease was assigned by STANLEY PATRICK HATTIE, husband of Hildegard Elizabeth Hattie and HOYT FRANK KELLEY, husband of Lois Jean Kelley, in their individual capacities also as General Partners of "2947 Kalakaua", a registered limited partnership (pursuant to Declaration of Trust, dated October 15, 1969, filed as Land Court Document No. 486212 in which Stanley Patrick Hattie, unmarried, and Hoyt Frank Kelley, husband of Lois Jean Kelley, declare they hold title to the property, IN TRUST, for the use and benefit of Stanley Patrick Hattie and Hoyt Frank Kelley, as general partners of "2947 Kalakaua", a limited partnership), as Assignor, to WILLIAM WESLEY SAUNDERS, husband of Gertrude Horswill Saunders, and HERBERT KAZUO HORITA, husband of Miriam Reiko Horita, as Joint Tenants, in equal shares, by Assignment of Lease dated March 31, 1974, filed as Land Court Document No. 675075, for the full unexpired term of said lease.

CONSENT thereto by MAN SING LUM, widower, and CLARENCE KWON HOU LUM, Trustee under the Will and Estate of Chow Sin Kum Lum, Deceased, dated April 3, 1974, filed as Land Court Document No. 675076.

Said Lease was further assigned by HERBERT KAZUO HORITA, husband of Miriam Reiko Horita, as Assignor, to D. KLONINGER & ASSOCIATES, INC., a Hawaii corporation, as Assignee, AS TO AN UNDIVIDED 50% INTEREST, by Assignment, Bill of Sale, and Interim Declaration of Trust, dated April 5, 1978, filed as Land Court Document No. 869738.

CONSENT thereto by MAN SING LUM, widower, and CLARENCE KWON HOU LUM, Trustee under the Will and of the Estate of Chow Sin Kum Lum, deceased, dated April 12, 1978, filed as Land Court Document No. 869740.

Said Lease is subject to the following:

A. MORTGAGE

MORTGAGOR: STANLEY PATRICK HATTIE and HOYT FRANK KELLEY,
as general partners of "2947 Kalakaua", a re-
gistered limited partnership
MORTGAGEE: GUARDIAN LIFE INSURANCE COMPANY OF AMERICA, a
New York corporation
DATED: October 15, 1969
LAND COURT DOCUMENT NO. 486210
CONSIDERATION: \$1,100,000.00

B. MORTGAGE

MORTGAGOR: HERBERT KAZUO HORITA, husband of Miriam
Reiko Horita
MORTGAGEE: FIRST HAWAIIAN BANK, a Hawaii corporation
DATED: February 2, 1977
LIBER 12080, PAGE 453
CONSIDERATION: \$1,923,912.56
ALSO, in order to furnish additional security for the
repayment of \$30,572,423.33, assigning all right, title
and interest (being AN UNDIVIDED 1/2 INTEREST) in
and to Lease Land Court Document No.
435521, and Sublease Land Court Document
No. 455635, NOT SHOWN ON TRANSFER CERTIFICATE
OF TITLE.
(ALSO AFFECTS OTHER LAND)

C. MORTGAGE

MORTGAGOR: WILLIAM WESLEY SAUNDERS, husband of Gertrude
Horswill Saunders and D. KLONINGER & ASSOCIATES,
INC., a Hawaii corporation
MORTGAGEE: AMFAC FINANCIAL CORP., a Hawaii corporation
DATED: August 28, 1978
LAND COURT DOCUMENT NO. 894961
CONSIDERATION: \$700,000.00

CONSENT thereto

BY: MAN SING LUM, widower, and CLARENCE KWON HOU LUM,
Trustee under the Will and Estate of Chow Sin Kum
Lum, Deceased
DATED: August 31, 1978
LAND COURT DOCUMENT NO. 896113

ASSIGNMENT OF MORTGAGE

ASSIGNOR: AMFAC FINANCIAL CORP., a Hawaii corporation
ASSIGNEE: GECC FINANCIAL CORPORATION, a Hawaii corporation
DATED: July 31, 1979
LAND COURT DOCUMENT NO. 964476
(ALSO ASSIGNS OTHER MORTGAGES)

D. FINANCING STATEMENT

DEBTOR: ANDRE S. TATIBOUET, WILLIAM WESLEY SAUNDERS,
JOHN DARREL KLONINGER and D. KLONINGER &
ASSOCIATES, INC.
SECURED PARTY: AMFAC FINANCIAL CORP.
RECORDED: August 29, 1978
LIBER 13106, PAGE 644
COVERING: All right, title and interest in Lease 435521
and in and to all building plans and specifi-
cations of "Diamond Head Beach Hotel"

E. MORTGAGE
MORTGAGOR: WILLIAM WESLEY SAUNDERS, husband of Gertrude
Horswill Saunders and D. KLONINGER & ASSO-
CIATES, INC., a Hawaii corporation
MORTGAGEE: FINANCE FACTORS, LIMITED, a Hawaii corporation
DATED: August 31, 1979
LAND COURT DOCUMENT NO. 961386
CONSIDERATION: \$100,000.00

GUARANTEE: By JOHN DARREL KLONINGER and ANDRE TATIBOUET
do hereby guarantee the performance and obli-
gations of Mortgage.

F. FINANCING STATEMENT
DEBTOR: D. KLONINGER & ASSOCIATES, INC.
SECURED PARTY: FINANCE FACTORS, LIMITED
RECORDED: August 31, 1979
LIBER 13961, PAGE 640
COVERING: all furniture, fixtures and appliances
located upon the premises "Diamond Head
Apts", 2947 Kalakaua Ave., TMK 3-1-32-29

G. FINANCING STATEMENT
DEBTOR: WILLIAM WESLEY SAUNDERS
SECURED PARTY: FINANCE FACTORS, LIMITED
RECORDED: September 4, 1979
LIBER 13965, PAGE 226
COVERING: all furniture, fixtures and appliances
located upon the premises "Diamond Head
Apts", 2947 Kalakaua Ave., TMK 3-1-32-29

H. OPTION AGREEMENT
OPTIONOR: ANDRE STEPHEN TATIBOUET, WILLIAM WESLEY
SAUNDERS, no marital status shown for either,
and D. KLONINGER & ASSOCIATES, INC., a Hawaii
corporation
OPTIONEE: SPORTSCRAFT HAWAII, LTD., a Hawaii corpora-
tion, AS TO AN UNDIVIDED 70% INTEREST, and
INTERNATIONAL MBA ASSOCIATES, LTD., a Hawaii
corporation, AS TO AN UNDIVIDED 30% INTEREST
DATED: March 31, 1980
LAND COURT DOCUMENT NO. 1033009
PURCHASE PRICE: \$5,450,000.00
OPTION PERIOD: Shall commence upon execution hereof
and shall terminate January 31, 1981,
options to extend.

ASSIGNMENT OF OPTION AGREEMENT
ASSIGNOR: SPORTSCRAFT HAWAII, LTD., a Hawaii corpora-
tion, and INTERNATIONAL MBA ASSOCIATES, LTD.,
a Hawaii corporation
ASSIGNEE: IMBA ASSOCIATES, LTD., a Hawaii corporation
DATED: September 30, 1980
LAND COURT DOCUMENT NO. 1038932

CONSENT thereto
BY: ANDRE STEPHEN TATIBOUET, WILLIAM WESLEY SAUNDERS,
and D. KLONINGER & ASSOCIATES, INC., a Hawaii
corporation
DATED: September 30, 1980
LAND COURT DOCUMENT NO. 1038933

(NOTE: POWER OF ATTORNEY
BY: WILLIAM WESLEY SAUNDERS, also known as
WILLIAM W. SAUNDERS
TO: M. J. TRUEBLOOD, also known as MARY JOAN
GRUEBLOOD
DATED: June 29, 1980
LAND COURT DOCUMENT NO. 1032083
GRANTING: General Powers - no expiration date)

The TERMS, COVENANTS and CONDITIONS as contained in Sub-
Lease dated March 15, 1968, filed as Land Court Document
No. 455635, hereinafter described as follows:

SUBLEASE
SUBLESSOR: STANLEY PATRICK HATTIE, husband of Bertha
Nell Hattie, and HOYT FRANK KELLEY, husband
of Lois Jean Kelley
SUBLESSEE: MARANCO MOTELS, INC., and TODRIC, INC.,
California corporations, dba Motel 6, a
California partnership
DATED: March 15, 1968
LAND COURT DOCUMENT NO. 455635
TERM: For a 65 year term commencing March 15, 1968

CONSENT thereto
BY: CHOW SIN KUM LUM
DATED: August 26, 1968
LAND COURT DOCUMENT NO. 455636

AMENDMENT OF SUBLEASE
BY: STANLEY PATRICK HATTIE, formerly husband of Berta
Nell Hattie, now divorced, and HOYT FRANK KELLEY,
husband of Lois Jean Kelley
TO: MARANCO MOTELS, INC., and TODRIC, INC., both
California corporations, dba Motel 6, a Cali-
fornia partnership, which have now merged into
Motel 6, Inc., a Delaware corporation
DATED: September 2, 1969
LAND COURT DOCUMENT NO. 485947
AMEND: Monthly lease rental amounts for the term of
the lease

(NOTE: The merger of Maranco Motels, Inc. and
Todric, Inc., into Motel 6, Inc., as set
forth by Land Court Order No. 30712,
filed October 13, 1969.)

SUBORDINATION AGREEMENT
BY: MOTEL 6, INC., a Delaware corporation
DATED: October 10, 1969
LAND COURT DOCUMENT NO. 486748
SUBORDINATES: Interest in Sublease 455635 to Mortgage
486210

ASSIGNMENT OF SUBLEASE

ASSIGNOR: MOTEL 6, INC., a Delaware corporation
ASSIGNEE: WILLIAM WESLEY SAUNDERS, husband of Gertrude
Horswill Saunders and HERBERT KAZUO HORITA,
husband of Miriam Reiko Horita, as Tenants
in Common in equal shares
DATED: December 31, 1973
LAND COURT DOCUMENT NO. 702258
TERM: none given

CONSENT thereto

BY: MAN SING LUM, widower, and CLARENCE KWON HOU
LUM, Trustee under the Will and Estate of Chow
Sin Kum Lum, Deceased
DATED: December 31, 1973
LAND COURT DOCUMENT NO. 702259

CONSENT thereto

BY: THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA,
a New York corporation
DATED: October 16, 1974
LAND COURT DOCUMENT NO. 702260

Said Lease was further assigned by HERBERT KAZUO HORITA,
husband of Miriam Reiko Horita, as Assignor, to D. KLONIN-
GER & ASSOCIATES, INC., a Hawaii corporation, as Assignee,
AS TO AN UNDIVIDED 50% INTEREST, by Assignment, Bill of
Sale, and Interim Declaration of Trust, dated April 5,
1978, filed as Land Court Document No. 869738.

CONSENT thereto by MAN SING LUM, widower, and CLARENCE KWON
HOU LUM, Trustee under the Will and of the Estate of
Chow Sin Kum Lum, deceased, dated April 12, 1978, filed as
Land Court Document No. 869740.

SUBLEASE IS SUBJECT TO THE FOLLOWING:

- A. ASSIGNMENT OF INTEREST IN SUBLEASE
ASSIGNOR: STANLEY PATRICK HATTIE and HOYT FRANK :KELLEY, as
General partners of "2947 Kalakaua", a limited
partnership
ASSIGNEE: THE GUARDIAN LIFE INSURANCE COMPANY OF AMERICA,
a New York corporation
DATED: October 15, 1969
LAND COURT DOCUMENT NO. 486211
PURPOSE: to secure the performance of Mortgage 486210,
assigning all right, title and interest in
Sublease Land Court Document No. 455635.
- B. MORTGAGE
MORTGAGOR: HERBERT KAZUO HORITA, husband of Miriam
Reiko Horita
MORTGAGEE: FIRST HAWAIIAN BANK, a Hawaii corporation
DATED: February 2, 1977
LIBER 12080, PAGE 453
CONSIDERATION: \$1,923,912.56

ALSO, in order to furnish additional security for the repayment of \$30,572,423.33, assigning all right, title and interest (being AN UNDIVIDED 1/2 INTEREST) in and to Lease Land Court Document No. 435521, and Sublease Land Court Document No. 455635, NOT SHOWN ON TRANSFER CERTIFICATE OF TITLE.

(ALSO AFFECTS OTHER LAND)

C. MORTGAGE

MORTGAGOR: WILLIAM WESLEY SAUNDERS, husband of Gertrude Horswill Saunders and D. KLONINGER & ASSOCIATES, INC., a Hawaii corporation
MORTGAGEE: AMFAC FINANCIAL CORP., a Hawaii corporation
DATED: August 28, 1978
LAND COURT DOCUMENT NO. 894961
CONSIDERATION: \$700,000.00

CONSENT thereto

BY: MAN SING LUM, widower, and CLARENCE KWON HOU LUM, Trustee under the Will and Estate of Chow Sin Kum Lum, Deceased

DATED: August 31, 1978
LAND COURT DOCUMENT NO. 896113

ASSIGNMENT OF MORTGAGE

ASSIGNOR: AMFAC FINANCIAL CORP., a Hawaii corporation
ASSIGNEE: GECC FINANCIAL CORPORATION, a Hawaii corporation
DATED: July 31, 1979
LAND COURT DOCUMENT NO. 964476
(ALSO ASSIGNS OTHER MORTGAGES)

D. MORTGAGE

MORTGAGOR: WILLIAM WESLEY SAUNDERS, husband of Gertrude Horswill Saunders and D. Kloninger & Associates, Inc., a Hawaii corporation
MORTGAGEE: FINANCE FACTORS, LIMITED, a Hawaii corporation
DATED: August 31, 1979
LAND COURT DOCUMENT NO. 961386
CONSIDERATION: \$100,000.00

GUARANTEE: By JOHN DARREL KLONINGER and ANDRE TATIBOUET do hereby guarantee the performance and obligations of Mortgage.

E. FINANCING STATEMENT

DEBTOR: D. KLONINGER & ASSOCIATES, INC.
SECURED PARTY: FINANCE FACTORS, LIMITED
RECORDED: August 31, 1979
LIBER 13961, PAGE 640
COVERING: all furniture, fixtures and appliances located upon the premises "Diamond Head Apts", 2947 Kalakaua Ave., TMK 3-1-32-29

F. FINANCING STATEMENT

DEBTOR: WILLIAM WESLEY SAUNDERS
SECURED PARTY: FINANCE FACTORS, LIMITED
RECORDED: September 4, 1979
LIBER 13965, PAGE 226
COVERING: all furniture, fixtures and appliances located upon the premises "Diamond Head Apts", 2947 Kalakaua Ave., TMK 3-1-32-29