

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

RIDGEVIEW
98-282 Kaonohi Street
Aiea, Hawaii 96701

REGISTRATION NO. 1343

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: September 9, 1980
Expires: October 9, 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 and prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 20, 1980. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. RIDGEVIEW is a proposed leasehold condominium project consisting of a 17-story residential building, containing thirty-two (32) apartments, and forty (40) parking stalls. Each apartment shall have at least one (1) parking space appurtenant to it.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached and a copy of approved floor plans) have not been recorded.
4. Advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public dissemination.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to Horizontal Property Regime.
6. This Preliminary Public Report is made a part of the registration on RIDGEVIEW condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and Developer's Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor.
7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, September 9, 1980, unless a Supplementary or Final Public Report is published, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: RIDGEVIEW

LOCATION: The project is located at 98-282 Kaonohi Street, Aiea, Hawaii, and contains 23,421 square feet or thereabouts. The description of the land and the reserved easements, rights, powers and privileges of the owners are more fully set forth in the proposed Declaration.

TAX KEY: First Division, 9-8-39-07

ZONING: A-3

DEVELOPER: The Notice of Intention reveals the Developer to be RK PARTNERS, a Hawaii limited partnership, whose principal business and post office address is Suite 1885, Pacific Trade Center, 190 South King Street, Honolulu, Hawaii 96813, Tel. No. 524-5211, and whose general partner is RK Development, Inc., a Hawaii corporation.

ATTORNEY REPRESENTING DEVELOPER: OKUMURA TAKUSHI FUNAKI & WEE, ATTORNEYS AT LAW, A LAW CORPORATION (Alfred M. K. Wong), Suite 1400, Grosvenor Center, 733 Bishop Street, Honolulu, Hawaii 96813, Tel. No. 543-9800.

DESCRIPTION OF PROJECT: The proposed Declaration states that the 17-story residential building to be constructed on said land, as shown on the Condominium Map for the project, will be constructed principally of reinforced concrete and will contain thirty-two (32) apartments. The ground floor will consist of an elevator lobby, bulk storage room, trash room, a generator and switch room, booster pump room and fire pump room. There will be forty (40) parking stalls (numbered 1 through 40, inclusive), a swimming pool, jacuzzi, pool equipment and heater room, and loading zone located outside of the building. The 2nd through 17th floors each consists of an elevator lobby and two apartments. The apartment floors will be numbered "2" through "17" with the top floor designated as "PH" and the number "13" omitted.

The apartments in the project are more particularly described as follows:

a. There will be thirty-two (32) freehold estates in the spaces within the perimeter walls, floors and ceilings of the 32 apartments in said building. The 32 apartments shall not include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in the Declaration. Each apartment shall include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; lanai; and all fixtures originally installed therein. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment as enumerated below is measured from the exterior face of exterior walls and the center line of party walls, and no reduction is made to account for interior load bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

b. There will be two (2) apartments on each of the 2nd through 17th floors, numbered "01" and "02" preceded by the number of the floor ("2" through "17" with the top floor designated as "PH" and the number "13" omitted), as shown on the Condominium Map for the project.

c. Each of the 32 apartments will have immediate access to an elevator lobby which leads to the elevator and stairway.

d. Each of the 32 apartments will be identical with the "01" apartments being the reverse floor plan of the "02" apartments.

e. Each of the thirty-two (32) apartments consist of two (2) bedrooms, two (2) baths, kitchen and dining-living room, with an area of approximately 906.6 square feet and a lanai of approximately 70.3 square feet, for a total area of approximately 976.9 square feet.

COMMON ELEMENTS: The proposed Declaration states that the owners of apartments will have an undivided interest in the common elements, including specifically but not limited to:

- a. Said land in fee simple.
- b. All foundations, floor supports, columns, girders, beams, supports, lobbies, elevators, stairways, exits, unfinished perimeter walls and loadbearing walls and roof of the building.
- c. All yards, grounds and landscaping, roads, walkways, loading areas, parking areas, driveways and all refuse facilities.
- d. All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities, installations 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.
- e. The swimming pool and jacuzzi located on the ground level.
- f. All tanks, pumps, motors, fans, compressors and ducts.
- g. Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, called "limited common elements", are 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 so set aside and reserved are as follows:

- a. All of the forty (40) parking stalls in the project shall be a limited common element appurtenant to and reserved for the exclusive use of Apartment No. PH-1; provided, however, that Developer reserves the right to sell to owners of other apartments any or all of such parking stalls as limited common elements appurtenant to such other apartments and, by way of amendment to the Declaration as provided therein, to redesignate such parking stalls to be appurtenant to other apartments.
- b. Each apartment shall have an assigned storage locker on the ground floor to be used by such apartment as a limited common element.

INTEREST TO BE CONVEYED TO PURCHASER: Each of the thirty-two (32) apartments shall have appurtenant thereto an undivided 1/32 interest or 3.125 percentage interest in all the common elements of the project, such interest being defined and referred to as the "common interest", and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The purposes for which said buildings and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

a. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby and Lessors as expressed in an amendment to the Declaration duly recorded, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument; excepting, however, the exclusive easements for the use of parking stalls. As long as at all times (or, in the case of an exchange of parking stalls between apartments, immediately subsequent to such an exchange) there shall be at least one (1) parking stall appurtenant to each apartment, any such exclusive easement for the use of a parking stall may be conveyed to another apartment owner by a written instrument expressly identifying the apartment to which the parking stall is appurtenant as well as the apartment to which the parking stall will become appurtenant, which written instrument shall be denominated as an amendment of the Declaration.

b. The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Horizontal Property Act.

c. The apartments shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The respective apartments shall not be rented by the owners thereof for transient or hotel purposes, which shall be defined as (a) rental for any period less than thirty (30) days; or (b) any rental in which the occupants of the apartment are provided customary hotel services, such as room service for food and beverage, maid service, furnishing laundry and linen, and bellboy service. Other than the foregoing obligations and the restriction set forth in Paragraph d. below, the owners of the respective apartments shall have the absolute right to lease same provided that said lease is made subject to the covenants and restrictions contained in the Declaration and the By-Laws.

d. The apartments in the project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time sharing" shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise.

The proposed House Rules states in part: (1) The apartments shall be occupied by no more than four persons in each apartment; (2) No pets are allowed in the project; (3) Cooking and fires of any kind are prohibited on lanais; (4) Fireworks are prohibited in the project; and (5) Restrictions on water beds.

OWNERSHIP OF TITLE: Title to the land is vested in the Trustees of the Estate of Bernice Pauahi Bishop. The Preliminary Title Report dated July 18, 1980 by Security Title Corporation confirms such ownership.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report reports that title to the land is subject to the following:

1. For real property taxes that may be due and owing, reference is hereby made to the Office of the Tax Assessor, First Taxation Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 4475.

3. The terms and provisions of that certain Master Lease No. 24,600 dated April 14, 1976, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 11364 at Page 252, made by and between the Trustees of the Estate of Bernice Pauahi Bishop, as Lessors, to Central Oahu Land Corporation, a Hawaii corporation, and Lear Siegler Properties, Inc., a Delaware corporation authorized to do business in Hawaii, which corporations are associated in a joint venture known as CENTRAL-TROUSDALE, as Lessees.

4. The terms and provisions of that certain Lease No. 24,600-A dated April 9, 1980, recorded in said Bureau of Conveyances of the State of Hawaii in Liber 14819 at Page 34, made by and between the Trustees of the Estate of Bernice Pauahi Bishop, "Owners", and Central Oahu Land Corporation, a Hawaii corporation, and Lear Siegler Properties, Inc., a Delaware corporation authorized to do business in Hawaii, which corporations are associated in a joint venture known as CENTRAL-TROUSDALE, "Tenants", as Lessors, and RK Partners, a Hawaii registered limited partnership, as Lessee.

5. Easement A, six (6) feet wide, for electrical purposes.

6. Grant dated March 29, 1971, recorded on April 14, 1971 in said Bureau of Conveyances in Liber 7489 at Page 418, made by the Trustees of Bishop Estate, as Grantors, and Hawaiian Electric Company, Inc., a Hawaii corporation, as Grantee, granting easement for transformer vault within Easement A, encumbering Lot C.

PURCHASE MONEY HANDLING. A copy of the Specimen Sales Contract and the executed Escrow Agreement dated July 24, 1980 have been submitted as part of the registration. The Escrow Agreement identifies Security Title Corporation as the Escrow. Upon examination, the specimen Sales Contract and the executed

Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds.

Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest, if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

1. Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser then held by Escrow; or
2. If a Purchaser's funds were obtained prior to the issuance of a final public report and if there is any change in the condominium building plans, subsequent to the execution of Purchaser's Sales Contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the Purchaser has given written approval or acceptance of the specific change; or
3. If a Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time the final public report is issued; or
4. If the final public report differs in any material respect from the preliminary public report, unless the Purchaser has given written approval or acceptance of the difference; or
5. If the final public report is not issued within one year from the date of issuance of the preliminary public report.

The specimen Sales Contract provides in part:

1. In the event the Sales Contract is executed prior to the issuance of a Final Horizontal Property Regimes Public Report for the project, then the Sales Contract shall constitute a "reservation" and shall not be a binding contract unless both Buyer and Seller execute a separate confirmation letter after a Final Public Report for the project is issued.
2. A late charge of one per cent (1%) per month shall be imposed on the amount of any payment due under the Sales Contract which is not paid in the manner specified therein.
3. Payments made under the Sales Contract may be disbursed by Escrow Agent prior to the designated date of occupancy to pay the costs of RIDGEVIEW condominium project.
4. The execution, delivery and recordation of the Buyer's Apartment Lease or assignment thereof shall

constitute the assignment by Seller to Buyer of any and all warranties given the Seller by the general contractor for the project, and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the Apartment, as that term is defined in the construction contract for the project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any such warranties in asserting any claims based on such warranties. Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the Apartment. Buyer acknowledges that Seller has made no other warranties, express or implied, with respect to the property or any common element or anything installed therein. At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's Apartment on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the property, if any. Buyer agrees to accept possession of the property despite the existence of such defects or damages to the property regardless of extent, including but not limited to any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter by the general contractor or other warrantor. This guarantee shall survive the closing. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorney's fee, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the property upon request by Seller and if Buyer shall make any such refusal, Buyer shall be deemed to be in default under the Sales Contract and Seller at its option shall be entitled to cancel the Sales Contract and keep all payments made under the Sales Contract as liquidated damages. Buyer waives all rights of inspection and rights to Seller's cooperation and assistance with the general contractor or other warrantors if Buyer fails to inspect Buyer's Apartment on the date and time specified by Seller and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations under the Sales Contract, including without limitation the making of the payments required under the Sales Contract and performance of Buyer's closing obligations.

5. All security interests obtained by Seller's Lender in connection with its construction loan as well as any extensions, renewals and modifications thereof shall be and remain at all times, until the final closing and delivery by Seller of an Apartment Lease to Buyer, a lien or charge on the Project, including the property covered by the Sales Contract, prior to and superior to any and all liens or charges on the Project arising from the Sales Contract or any prior agreement.

6. Any interest payable on monies deposited with escrow shall belong to and be payable to Seller.

7. Seller shall complete construction of the project so as to permit normal occupancy within two (2) years from the date the Sales Contract becomes a binding contract; provided, however, that such two (2) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in beginning or completing construction if said delay is caused by fire, earthquake, acts of god, the elements, war or civil disturbances, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, litigation concerning the project or other matters or conditions beyond the control of Seller.

8. In the event development and construction of the Project is delayed due to governmental restrictions or regulations enacted after the date of the Sales Contract, or by occurrence of a contingency, the non-occurrence of which was a basic assumption which the Sales Contract was made, and Seller determines that increases in development and construction costs because of such delay require increases in sales prices to maintain financial feasibility of the Project, then and in any such event Seller may increase the total purchase price of the apartment only to the extent necessitated by said increases in development and construction costs and Seller shall notify Buyer in writing of any such increase in the total purchase price. After receipt of such notice, Buyer shall have fifteen (15) days within which to affirm or terminate the Sales Contract. If, within said fifteen-day period, Buyer does not notify Seller in writing that Buyer elects to terminate the Sales Contract, Buyer shall be deemed to have affirmed the Sales Contract at the increased purchase price. If Buyer elects to terminate the Sales Contract, Seller shall cause escrow to refund to Buyer all deposits made pursuant to the Sales Contract, without interest and less any escrow cancellation fee. Nothing in this paragraph shall be deemed to excuse Seller from the performance of Seller's obligations under the Sales Contract if Buyer timely affirms the Sales Contract at the increased purchase price.

9. Seller expressly reserves the right to sell or lease unsold apartments free from any restrictions on such sale or lease which may under the By-Laws apply to Buyer.

10. All apartments are to be used for residential purposes.

11. BUYER ACKNOWLEDGES THAT: (a) SELLER OR ITS AGENTS HAVE MADE NO REPRESENTATIONS OR REFERENCES CONCERNING RENTALS OF THE APARTMENTS AND THAT NO RENTAL MANAGEMENT ARRANGEMENTS ARE AVAILABLE BY THE ASSOCIATION MANAGING AGENT, SELLER OR ANY PERSON CONNECTED WITH SELLER. BUYER SHALL BE SOLELY RESPONSIBLE FOR THE USE OF BUYER'S UNIT INCLUDING THE RENTAL OR OTHER DISPOSITION THEREOF. (b) NEITHER SELLER NOR ITS AGENTS MAKE ANY REPRESENTATION REGARDING EITHER ECONOMIC BENEFITS TO BE DERIVED FROM RENTALS OR TAX TREATMENT OF THE BUYER OF AN

APARTMENT. THE TAX TREATMENT AND ECONOMIC BENEFITS VARY WITH INDIVIDUAL CIRCUMSTANCES AND SELLER AND ITS AGENTS RECOMMEND THAT THE BUYER CONSULT WITH HIS OR HER OWN ATTORNEY, ACCOUNTANT OR OTHER TAX COUNSEL FOR ADVICE REGARDING TAX TREATMENT. (c) UNTIL SUCH TIME WHEN SELLER SHALL HAVE SOLD ALL APARTMENTS IN THE PROJECT, BUYER AGREES THAT BUYER SHALL NOT ENTER INTO OR OFFER TO ENTER INTO ANY ARRANGEMENT WITH ANY OTHER APARTMENT OWNER IN THE PROJECT WHEREBY ANY RENTAL POOL OF APARTMENTS OR ANY OTHER SHARING OF RENTAL INCOME OF APARTMENTS IS ESTABLISHED. (d) THE SELLER MAY, AS A CONDITION OF THE CLOSING, REQUIRE OF THE BUYER, ANY BROKERS INVOLVED IN THE SALE OR AGENTS OF SUCH BROKERS, OR ANYONE ELSE CONNECTED IN ANY WAY WITH THE OFFER TO SELL AND THE BUYER OF THE APARTMENT, THE EXECUTION AND DELIVERY TO SELLER OF SUCH WAIVERS, AFFIDAVITS OR OTHER DOCUMENTS AS MAY FROM TIME TO TIME BE REQUIRED BY SELLER TO SATISFY SELLER THAT THE OFFER TO SELL AND THE PURCHASE OF THE APARTMENT IS NOT IN VIOLATION OF ANY FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS. (e) IN THE EVENT THAT THE OFFER TO SELL, OR THE PURCHASE OF THE APARTMENT, OR THE ACTIVITIES OF THE BUYER WITH RESPECT TO THE APARTMENT ARE DETERMINED BY THE SELLER IN ITS SOLE DISCRETION TO GIVE RISE TO ANY VIOLATION (WHETHER BY BUYER OR SELLER OR ANY THIRD PARTIES) OF ANY FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS, OR ARE ALLEGED TO GIVE RISE TO ANY SUCH VIOLATION BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER GOVERNMENTAL AGENCY, FEDERAL OR STATE, OR IN THE COURSE OF ANY LEGAL PROCEEDINGS, THE PARTIES HERETO UNDERSTAND AND AGREE THAT THE INJURY TO SELLER BY VIRTUE OF SUCH VIOLATION OR THE ALLEGATION THEREOF WILL BE UNCERTAIN AS TO NATURE AND AMOUNT AND DIFFICULT AND EXPENSIVE TO ASCERTAIN. THEREFORE, IN SUCH EVENT, THE PARTIES HERETO AGREE THAT SELLER MAY OBTAIN AN INJUNCTION FROM ANY COURT OF COMPETENT JURISDICTION ENJOINING ANY ACTS OF BUYER WHICH ARE OR MAY BE OR ARE ALLEGED TO GIVE RISE TO A VIOLATION OF ANY FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS. SELLER MAY, IN ADDITION TO OR AS AN ALTERNATIVE TO OBTAINING INJUNCTIVE RELIEF, PURSUE ANY OTHER REMEDIES CAUSED BY SUCH VIOLATIONS, AS ADMITTED IN LAW OR IN EQUITY. ALL COSTS, INCLUDING REASONABLE ATTORNEYS' FEES, INCURRED BY SELLER IN CONNECTION WITH BUYER'S ACTIONS IN VIOLATION OR ALLEGED TO BE IN VIOLATION OF FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS SHALL BE BORNE BY THE BUYER. (f) IN THE EVENT THAT THE BUYER, OR ANYONE CLAIMING THROUGH OR UNDER THE BUYER OR THE BUYER'S APARTMENT, ALLEGES THAT THE OFFER TO SELL OR THE PURCHASE OF THE APARTMENT GIVES RISE TO ANY VIOLATION OF ANY FEDERAL OR STATE DISCLOSURE LAWS OR REGULATIONS (INCLUDING, BUT NOT LIMITED TO, THE HORIZONTAL PROPERTY ACT), THEN THE PARTIES HERETO UNDERSTAND AND AGREE THAT THE INJURY CAUSED BY SUCH VIOLATION SHALL BE DIFFICULT OR IMPOSSIBLE TO ACCURATELY ESTIMATE AND EXPENSIVE TO ASCERTAIN. THEREFORE IN THE EVENT OF SUCH VIOLATION OR THE ALLEGATION THEREOF, THE PARTIES HERETO AGREE AND THE BUYER DOES HEREBY COVENANT THAT THE BUYER SHALL NEITHER SEEK NOR HAVE ANY REMEDY OTHER THAN TO SUE FOR A REFUND TO BUYER OF THE PURCHASE PRICE AND CLOSING COSTS ACTUALLY PAID, PLUS INTEREST AT THE RATE OF SIX PER CENT PER ANNUM FROM THE FINAL CLOSING UNTIL THE DATE OF REPAYMENT. THE PARTIES HERETO DO FURTHER AGREE THAT SAID AMOUNT SHALL BE DEEMED LIQUIDATED DAMAGES, AND NOT A PENALTY, AND BUYER DOES

HEREBY SPECIFICALLY AGREE THAT ADDITIONAL CHARGES PAID BY BUYER WITH RESPECT TO THE APARTMENT, INCLUDING, BUT NOT LIMITED TO, MAINTENANCE FEES, REAL PROPERTY TAXES, AND MORTGAGE FEES AND INTEREST, SHALL BE ABSORBED BY BUYER AS THE REASONABLE USE VALUE OF THE APARTMENT TO THE BUYER FROM THE TIME OF FINAL CLOSING TO THE DATE OF REPAYMENT.

THE TERMS OF THE FOREGOING PARAGRAPH SHALL SURVIVE THE CLOSING AND OCCUPANCY BY BUYER AND THE DELIVERY OF THE APARTMENT LEASE AND RECORDING THEREOF, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SALES CONTRACT.

12. Except as otherwise provided by law, Escrow shall give each Buyer entitled to a refund of his funds notice thereof by certified or registered mail, addressed to such Buyer at his address shown in the Sales Contract or any address later made known in writing to Escrow by such Buyer. IF SUCH BUYER SHALL NOT HAVE CLAIMED SUCH REFUND WITHIN SIXTY (60) DAYS, ESCROW SHALL THEREAFTER TREAT ALL FUNDS OF SUCH BUYER AS THE ESCROWED FUNDS OF SELLER AND NOT OF BUYER, and shall disburse such funds as directed by Seller. After having sent the Seller written notice of the foregoing acts, Escrow shall thereupon be released from further liability with respect to such funds and such Buyer.

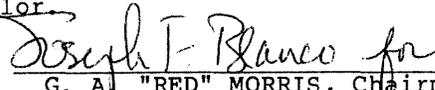
MANAGEMENT AND OPERATIONS: The proposed Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. Aaron M. Chaney, Inc., a Hawaii corporation, whose business and post office address is 841 Bishop Street, Honolulu, Hawaii 96813, has been named as the initial Managing Agent. Rex Kuwasaki, whose business and post office address is Suite 1885, Pacific Trade Center, 190 South King Street, Honolulu, Hawaii 96813, Tel. No. 524-5211, has been designated as the agent to receive service of process until such time as the Board of Directors of the Association is elected.

STATUS OF PROJECT: The Developer advises that building construction will commence on or about October 1, 1980 and the estimated date of completion of the project is on or about September 30, 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 August 20, 1980.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1343 filed August 20, 1980.

This report when reproduced shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be yellow in color.



G. A. "RED" MORRIS, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

Registration No. 1343

Dated: September 9, 1980