

# 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  
WILDER-KEEAUMOKU APARTMENTS  
1335 Wilder Avenue  
Honolulu, Hawaii 96822

REGISTRATION NO. 1379 (CONVERSION)

### 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: January 21, 1981  
Expires: February 21, 1982

#### 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 DECEMBER 23, 1980 AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 16, 1981. 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. WILDER-KEEAUMOKU APARTMENTS is a proposed leasehold condominium conversion project consisting of a 3-story residential building, containing twenty-six (26) apartments, and twenty-two (22) parking stalls. The building was completed in 1965.

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 have not been filed 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 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 WILDER-KEEAUMOKU APARTMENTS 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, January 21, 1981, 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: WILDER-KEEAUMOKU APARTMENTS

LOCATION: The project is located at 1335 Wilder Avenue, Honolulu, Hawaii, and contains 16,735 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, 2-4-21-1 & 59

ZONING: A-4

DEVELOPER: The Notice of Intention reveals the Developer to be PARK-WILDER, INC., a Hawaii corporation, whose principal business and post office address is Suite 600, 567 South King Street, Honolulu, Hawaii 96813, Tel. No. 524-8567. The officers of the corporation are: Yoon Cho Chung, President/Treasurer and James K. Trask, Jr., Vice President/Secretary.

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 building on said land is a 3-story "U"-shaped reinforced concrete building with an open courtyard located within the "U". There are twenty-two (22) uncovered parking stalls, numbered 1 through 22, inclusive, on the grounds of the project. Six (6) of the 22 parking stalls are compact stalls and are designated by the letter C after the number. Parking Stalls 12C, 13C, 14C, 15C, 16C and 19C are compact stalls. The first floor of the building contains eight (8) apartments and the second and third floors of the building each contain nine (9) apartments, for a total of twenty-six (26) apartments.

Twenty-six (26) freehold estates are designated in the spaces within the perimeter walls, floors and ceilings of each of the 26 apartments of the project. The eight (8) apartments on the first floor of the building are numbered 01 through 08 preceded by the number of the floor, starting with the apartment nearest to the corner of Wilder Avenue and Keeaumoku Street and proceeding clockwise. The nine (9) apartments on each of the second and third floors of the building are numbered 01 through 09 preceded by the number of the floor, starting with the apartment nearest to the corner of Wilder Avenue and Keeaumoku Street and proceeding clockwise. The 26 apartments are one of nine (9) types as follows:

(a) Type A Apartment. Each Type A apartment consists of a living room, kitchen, bathroom and one bedroom with a total area of approximately 476 square feet and a lanai of approximately 53 square feet. Apartments 101, 201 and 301 are Type A apartments.

(b) Type B Apartment. Each Type B apartment consists of a living room, kitchen, bathroom and one bedroom with a total area of approximately 467 square feet and a lanai of approximately 67 square feet. Apartments 102, 202 and 302 are Type B apartments.

(c) Type C Apartment. Each Type C apartment consists of a living room, kitchen, bathroom and two bedrooms with a total area of approximately 695 square feet and a lanai of approximately 106 square feet. Apartments 103, 203 and 303 are Type C apartments.

(d) Type D Apartment. Each Type D apartment consists of a living room, kitchen, bathroom and two bedrooms with a total area of approximately 665 square feet and a lanai of approximately 107 square feet. Apartments 104, 204 and 304 are Type D apartments.

(e) Type E Apartment. Each Type E apartment consists of a living room, kitchen, 1-1/2 bathrooms and two bedrooms with a total area of approximately 748 square feet and a lanai of approximately 133 square feet. Apartments 105, 205 and 305 are Type E apartments.

(f) Type F Apartment. Each Type F apartment consists of a living room, kitchen, bathroom and two bedrooms with a total area of approximately 677 square feet and a lanai of approximately 125 square feet. Apartments 106, 206 and 306 are Type F apartments.

(g) Type G Apartment. Each Type G apartment consists of a living room, kitchen, bathroom and two bedrooms with a total area of approximately 664 square feet and a lanai of approximately 103 square feet. Apartments 107, 207 and 307 are Type G apartments.

(h) Type G-R Apartment. Each Type G-R apartment consists of a living room, kitchen, bathroom and two bedrooms with a total area of approximately 664 square feet and a lanai of approximately 104 square feet. Apartments 108, 208 and 308 are Type G-R apartments.

(i) Type H Apartment. Each Type H apartment consists of a living room, kitchen, bathroom and one bedroom with a total area of approximately 513 square feet and a lanai of approximately 71 square feet. Apartments 209 and 309 are Type H apartments.

Each apartment on the first floor has immediate access to the walkways leading to the two stairways of the building. Each apartment on the second and third floors has immediate access to the balconies leading to the two stairways of the building.

The twenty-six (26) apartments shall not include the undecorated or unfinished surfaces of the perimeter walls or of the interior loadbearing 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 loadbearing and which are within its perimeter walls; doors and door frames; windows and window frames; lanais, if any; and the inner decorated or finished surfaces of walls, floors and ceilings, adjoining or connected thereto. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment 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 loadbearing walls, ducts, vent shafts and the like, located within the perimeter walls.

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, columns, girders, beams, supports, main walls, roofs, lobbies, corridors, balconies, hallways, stairways, entrances and exits of said building.
- (c) The open courtyard, all driveways, yards and parking spaces.
- (d) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations which serve more than one apartment for services such as power, light, water, gas, refuse, telephone, radio and television signal distribution.

(e) All tanks, pumps, motors, fans, compressors, ducts, and, in general, all apparatus and installations existing for common use.

(f) Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance or safety, and normally in common use.

(g) The laundry room, located on the first floor of the building adjacent to Apartment 108, consisting of a laundry area with coin-operated washers and dryers, a storage room and restroom, with a total area of approximately 513 square feet.

NOTE: The coin-operated laundry is restricted to the use of tenants of the project.

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 the parking stalls. Each of the twenty-two (22) parking stalls in the project shall be a limited common element appurtenant to and reserved for the exclusive use of Apartment 209; PROVIDED, HOWEVER, that any or all of such parking stalls may be transferred and assigned as limited common elements appurtenant to other apartments by way of amendment to the Declaration as provided therein.

INTEREST TO BE CONVEYED TO PURCHASER: Each of the twenty-six (26) apartments shall have appurtenant thereto an undivided percentage interest in all the common elements of the project (the "common interest"), and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting, as follows:

<u>Type of Apartment</u>	<u>Common Interest</u>		<u>Total No.</u>		
Type A apartments (Apts. 101, 201 and 301)	2.820%	x	3	=	8.46%
Type B apartments (Apts. 102, 202 and 302)	2.850%	x	3	=	8.55%
Type C apartments (Apts. 103, 203 and 303)	4.280%	x	3	=	12.84%
Type D apartments (Apts. 104, 204 and 304)	4.120%	x	3	=	12.36%
Type E apartments (Apts. 105, 205 and 305)	4.700%	x	3	=	14.10%
Type F apartments (Apts. 106, 206 and 306)	4.280%	x	3	=	12.84%
Type G apartments (Apts. 107, 207 and 307)	4.100%	x	3	=	12.30%

Type G-R apartments (Apts. 108, 208 and 308)	4.100%	x	3	=	12.30%
Type H apartments (Apts. 209 and 309)	3.125%	x	<u>2</u>	=	<u>6.25%</u>
			26		100.00%

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The purposes for which said building 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 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. PROVIDED, that any 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) Each apartment shall be used for residential purposes only, and the owners of such apartments shall not use or allow the use of their apartments as a tenement or boarding house or for or in connection with the carrying on of any business or trade whatsoever.

(d) The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of the Declaration and By-Laws of the project; provided, however, that no apartment owner may sell, lease, rent or otherwise transfer less than the entire apartment.

(e) The apartments shall not be used, leased, rented or any undivided interest therein conveyed for time-sharing purposes or under any time-sharing plan, agreement or arrangement. For the purpose of this paragraph, a time sharing plan, agreement or arrangement means any arrangement, plan, scheme or similar device, whether by membership agreement, tenancy in common, sale, lease, deed, rental, agreement, license, use agreement, security, trust, or by any other means, whereby an individual in exchange for advanced consideration receives a right to use the apartment estate and facilities on a recurring basis for a specific period of time less than a full year during any given year, but not necessarily for consecutive years, and which extends for a period of more than one year. Nothing herein contained shall prohibit an apartment estate from being owned by two or more individuals as tenants in common, provided that such tenancy in common shall not be

for the purpose of establishing a time sharing plan or agreement.

The proposed House Rules states in part: (1) The apartments shall be occupied by no more than two persons per bedroom 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) No water beds are allowed without prior written approval of the Board of Directors.

OWNERSHIP OF TITLE: The Preliminary Title Report dated November 20, 1980 by Security Title Corporation confirms that title to the land is vested in Wilfred Y. B. Kam and Richard C. Lo, Trustees under Trust Indenture dated December 29, 1969. (Effective as of October 1, 1980 Robert Albert McFarlane replaced Richard C. Lo as Trustee.) The Developer has entered into an exchange agreement with said fee owners. Pursuant to such exchange, said fee owners have issued a Master Lease in favor of James K. Trask, Jr. and Yoon Cho Chung who have assigned their interest in the lease to the Developer. A purchaser's interest in an apartment will be by way of a direct apartment lease issued by said fee owners, as Landlord, to the purchaser, as Tenant, and a cancellation of the Master Lease.

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. Assessment under Improvement District No. 231 - Keeaumoku Station - Assessment Lot No. 5. Balance \$2,060.20.
3. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Grant No. 3137.
4. The terms and provisions of that certain Trust Deed dated December 29, 1969, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 6828 at Page 262.
  - a) By instrument dated July 10, 1973, recorded in said Bureau of Conveyances in Liber 9535 at Page 538, the foregoing Trust Deed was amended.
  - b) By instrument dated April 13, 1974, recorded in said Bureau of Conveyances in Liber 11243 at Page 333, the foregoing Trust Deed was further amended.
  - c) By instrument dated February 24, 1977, recorded in said Bureau of Conveyances in Liber 12096 at Page 415, the foregoing Trust Deed was further amended.
  - d) By instrument dated December 7, 1977, recorded in said Bureau of Conveyances in Liber 12621 at Page 185, Mildred F. Chang resigned as one of the

Trustees under said Trust Agreement, and Richard C. Lo accepted his appointment as Successor Trustee, as of January 1, 1978.

- e) By instrument dated December 22, 1978, recorded in said Bureau of Conveyances in Liber 13375 at Page 257, the foregoing Trust Deed was further amended.

5. Mortgage dated August 10, 1978, recorded in said Bureau of Conveyances in Liber 13107 at Page 245, in favor of Bishop Trust Company, Limited, and Assignment of Rents and Management dated August 10, 1978, recorded in said Bureau of Conveyances in Liber 13107 at Page 255 to secure repayment of the sum of \$320,000.00.

PURCHASE MONEY HANDLING. A copy of the Specimen Sales Contract and the executed Escrow Agreement dated December 11, 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 Escrow 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, less cancellation fee of \$25.00 and costs incurred 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. Seller shall impose a late charge of one per cent (1%) per month on the amount of any payment due which is not paid in the manner specified under the Sales Contract.

2. Purchaser acknowledges that the project was completed in 1965 and accepts said Apartment and the common elements in an "as is" condition. Purchaser further acknowledges that Purchaser has had an opportunity to inspect the Apartment and common elements and that the purchase price takes into consideration the fact that the building and fixtures and appliances are 15 years old. Purchaser acknowledges that Seller has made no 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 for correction of defects agreed upon and, if so, Purchaser agrees to inspect Purchaser'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. Purchaser 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 Purchaser in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter. This agreement shall survive the closing. Purchaser 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 Purchaser shall make any such refusal, Purchaser shall be deemed to be in default under this contract and Seller at its option shall be entitled to cancel this agreement and keep all payments made under the Sales Contract as liquidated damages. Purchaser waives all rights of inspection and rights to Seller's cooperation and assistance if Purchaser fails to inspect Purchaser's Apartment on the date and time specified by Seller and Purchaser acknowledges that such waiver shall not in any way affect Purchaser's obligations under the Sales Contract, including without limitation the making of Payments B, C and D and performance of Purchaser's closing obligations.

3. Purchaser's interest under the Sales Contract shall be subordinate to any interim financing.

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

5. 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 Purchaser.

6. PURCHASER 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. PURCHASER SHALL BE SOLELY RESPONSIBLE FOR THE USE OF PURCHASER'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 PURCHASER OF AN APARTMENT. THE TAX TREATMENT AND ECONOMIC BENEFITS VARY WITH INDIVIDUAL CIRCUMSTANCES AND SELLER AND ITS AGENTS RECOMMEND THAT THE PURCHASER 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, PURCHASER AGREES THAT PURCHASER 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 PURCHASER, 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 PURCHASER 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 PURCHASER WITH RESPECT TO THE APARTMENT ARE DETERMINED BY THE SELLER IN ITS SOLE DISCRETION TO GIVE RISE TO ANY VIOLATION (WHETHER BY PURCHASER 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 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 AGREE THAT SELLER MAY OBTAIN AN INJUNCTION FROM ANY COURT OF COMPETENT JURISDICTION ENJOINING ANY ACTS OF PURCHASER 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 PURCHASER'S ACTIONS IN VIOLATION OR ALLEGED

TO BE IN VIOLATION OF FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS SHALL BE BORNE BY THE PURCHASER.

(f) IN THE EVENT THAT THE PURCHASER, OR ANYONE CLAIMING THROUGH OR UNDER THE PURCHASER OR THE PURCHASER'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 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 AGREE AND THE PURCHASER DOES COVENANT THAT THE PURCHASER SHALL NEITHER SEEK NOR HAVE ANY REMEDY OTHER THAN TO SUE FOR A REFUND TO PURCHASER 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 DO FURTHER AGREE THAT SAID AMOUNT SHALL BE DEEMED LIQUIDATED DAMAGES, AND NOT A PENALTY, AND PURCHASER DOES SPECIFICALLY AGREE THAT ADDITIONAL CHARGES PAID BY PURCHASER WITH RESPECT TO THE APARTMENT, INCLUDING, BUT NOT LIMITED TO, MAINTENANCE FEES, REAL PROPERTY TAXES, AND MORTGAGE FEES AND INTEREST, SHALL BE ABSORBED BY PURCHASER AS THE REASONABLE USE VALUE OF THE APARTMENT TO THE PURCHASER FROM THE TIME OF FINAL CLOSING TO THE DATE OF REPAYMENT.

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

7. (a) Notwithstanding any other provision of the Sales Contract to the contrary, it is expressly understood and agreed that if at the time of execution of the Sales Contract by the Purchaser and the Seller, a Final Public Report for the project has not been issued by the Real Estate Commission of the State of Hawaii, the Sales Contract shall not be legally binding upon either the Purchaser or Seller. In such event, the Sales Contract shall constitute a "reservation", not a binding contract, and Seller shall have no obligation to sell and Purchaser shall have no obligation to buy the property. A reservation agreement cannot become a binding sales agreement unless and until a Final Public Report is issued on the project, the Purchaser has receipted or is deemed to have receipted therefor, and the Seller and Purchaser execute a separate confirmation letter in which they agree to render the Sales Contract a binding contract. A RESERVATION MAY BE TERMINATED AT ANY TIME BEFORE IT IS RENDERED A BINDING CONTRACT, WITH OR WITHOUT CAUSE, AT THE OPTION OF EITHER PARTY, BY WRITTEN NOTICE OF SUCH TERMINATION TO THE OTHER PARTY.

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. Bob Tanaka, Inc., a Hawaii corporation, whose business and post office address is 1820 Algaroba Street, Honolulu, Hawaii 96826, has been named as the initial Managing Agent. Any officer of Park-Wilder, Inc. (Developer herein), whose business and post office address is Suite 600, 567 South King Street, Honolulu, Hawaii 96813, Tel. No. 524-8567, has been designated as the agent to receive service of process until such time as the Board of Directors of the Association is elected.

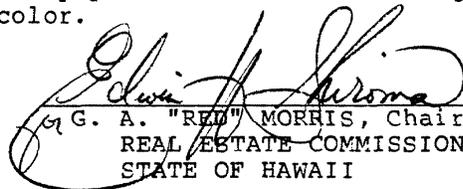
STATUS OF PROJECT: The project was completed in 1965 and has been used as apartment rentals.

To the best of Developer's information and belief, the building presently built on the subject premises is in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of its construction thereof, and no variance was granted from any ordinance, code, rule, regulation or other requirement in force at the time of the construction thereof or from any current ordinance, code, rule, regulation or other requirement. Any change to the structure in the future would be subject to any zoning requirements in effect at that time including Section 21-1.7, Non-Comforming Uses, of the Comprehensive Zoning Code. The Developer makes no representations as to the expected useful life of structural components and mechanical and electrical intallations material to the use and enjoyment of the condominium.

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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 December 23, 1980 and information subsequently submitted as of January 16, 1981.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1379 filed December 23, 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. 1379

Dated: January 21, 1981