

**REAL ESTATE COMMISSION**

PROFESSIONAL & VOCATIONAL LICENSING DIVISION

DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

1010 RICHARDS STREET

P. O. BOX 3469

HONOLULU, HAWAII 96801

**PRELIMINARY  
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM)  
PUBLIC REPORT**

on

WAIAKEA VILLAGE

400 Hualani Street

Hilo, Hawaii

REGISTRATION NO. 1563 (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: September 9, 1983

Expires: October 9, 1984

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 25, 1983, AND INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 6, 1983. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. WAIAKEA VILLAGE is a proposed fee simple commercial condominium project consisting of forty-four (44) units in fourteen (14) separate buildings with a total of two hundred twenty-four (224) parking stalls. The buildings were constructed in 1972 (except for Building 23 which has not yet been constructed).

2. The Developer has submitted to the Commission for examination all documents necessary for the issuance of this Preliminary Public Report.
3. No advertising or promotional matter has been submitted pursuant to the Rules and Regulations promulgated by the Commission.
4. The Developer advises that the Declaration of Horizontal Property Regime and Bylaws of Association of Unit Owners have not yet been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, as amended (the "Horizontal Property Act") and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, September 9, 1983, unless a Final Public Report issues, or the Commission, upon review of the registration, issues an order extending the effective period of this report.
7. This Preliminary Public Report is made a part of the registration on the WAIAKEA VILLAGE condominium project. The Developer is responsible for placing a true copy of this Preliminary Public Report (yellow paper stock) and attached Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt therefor.

NAME OF PROJECT: WAIAKEA VILLAGE.

LOCATION: The Project is located at Waiakea, District of South Hilo, Island and County of Hawaii and is accessible from Hualani Street. The land submitted to the Horizontal Property Regime comprises approximately 223,146 square feet.

TAX MAP KEY: THIRD DIVISION 2-2-30-3 (portion).

ZONING: Resort - Hotel - Safety (V-S-.75) (portion); General Commercial (CG 7.5) (portion).

DEVELOPER: Fujiyama Development Corp., a Hawaii corporation, located at 1059 Kilauea Avenue, Hilo, Hawaii 96720; Telephone 935-1017. Its officers are: Kenneth Fujiyama, President; Harry M. Yada, Vice-President; and Lee Ann Straumietis, Secretary-Treasurer.

ATTORNEYS FOR DEVELOPER: Carlsmith, Carlsmith, Wichman and Case, Suite 2200 - Pacific Tower, Bishop Square, 1001 Bishop Street, Honolulu, Hawaii 96813 (Attention: Raymond S. Iwamoto, or John K. Lucey), Telephone 523-2500.

DESCRIPTION OF PROJECT:

A. Description and Numbering of the Buildings:

The Project contains fourteen (14) separate buildings constructed principally of concrete, gypsum board, wood, and aluminum. The buildings are numbered from "11" to "24," as shown on the proposed Condominium Map. Buildings "11" through "24" contain forty-four (44) condominium apartment units (hereinafter "units" or "condominium units"). Buildings "11" through "15," "17," "18," "20," and "21" are single story with mezzanines and without basements. Building "16" is single-story with mezzanine plus a basement, and Buildings "19," "22," and "24" are two stories plus basements. Building "23" is single story without a basement.

B. Description of the Units:

The condominium units are designated in the spaces within the perimeter and party walls, windows, doors, floors, and ceilings of each of the forty-four (44) units of the Project, distributed among fourteen (14) of the buildings in the Project, all of which spaces are referred to herein as "units." The units as designated on the proposed Condominium Map are more particularly described as follows:

(a) Unit Numbers and Locations:

The unit numbers and their locations are shown on the proposed Condominium Map and are further described as follows:

<u>Unit No.</u>	<u>Building No.</u>	<u>Percentage Common Interest</u>
11A	11	.530031
11B	11	.530031
11C	11	1.060062
11D	11	2.120125
12A	12	1.676458
13A	13	1.696100
13B	13	.530031
13C	13	1.441731
13D	13	1.272075
13A2	13	2.355479
14A	14	2.263878
15A	15	1.695125
16I	16	1.696100
16J	16	.636037
16K	16	1.473135
16A	16	1.653743
16B	16	.572387
16C	16	.572387
16D	16	2.014118
16A2	16	2.319979

<u>Unit No.</u>	<u>Building No.</u>	<u>Percentage Common Interest</u>
17A	17	1.599823
17A2	17	2.542151
18A	18	1.590093
19B	19	1.011164
19A	19	1.696100
19A2	19	2.604578
20A	20	.530031
20B	20	.530031
20C	20	1.484087
20D	20	1.378081
21D	21	1.696100
21D2	21	2.870973
22L	22	2.817549
22M	22	2.666262
22A2	22	7.400034
22A	22	11.833481
22B	22	6.625100
22C	22	1.266772
23A	23	3.964702
24N	24	2.041739
24A	24	3.023432
24B	24	4.871298
24C2	24	3.265923
24D2	24	2.581484
		<u>100.000000</u>

(b) Layout and Area: The various units and their respective areas are more particularly described as follows:

Unit 11A: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 320.85 square feet.

Unit 11B: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 320.85 square feet.

Unit 11C: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 641.70 square feet.

Unit 11D: This unit consists of one room on the ground floor plus two mezzanines each of which are connected to the ground floor by a stairway. This unit has a net area of approximately 1283.40 square feet.

Unit 12A: This unit consists of a single non-partitioned room on the ground floor plus two separate mezzanines each of which is connected to the ground floor by a stairway. This unit has a net area of approximately 1014.83 square feet.

Unit 13A: This unit consists of one room on the ground floor. This unit has a net area of approximately 1026.72 square feet.

Unit 13B: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 320.85 square feet.

Unit 13C: This unit consists of one room on the ground floor plus two mezzanines each of which is connected to the ground floor by a stairway. This unit has a net area of approximately 872.74 square feet.

Unit 13D: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 770.04 square feet.

Unit 13A2: This unit consists of one room on the second floor. This unit has a net area of approximately 1425.87 square feet.

Unit 14A: This unit consists of two rooms on the ground floor including a bathroom and a single non-partitioned room plus a mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 1370.42 square feet.

Unit 15A: This unit consists of a non-partitioned room on the ground floor plus a mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 1026.13 square feet.

Unit 16I: This unit consists of a non-partitioned room on the basement level. This unit has a net area of approximately 1026.72 square feet.

Unit 16J: This unit consists of a non-partition room on the basement level. This unit has a net area of approximately 385.02 square feet.

Unit 16K: This unit consists of three rooms on the basement level. This unit has a net area of approximately 891.75 square feet.

Unit 16A: This unit consists of two rooms on the ground floor including a bathroom on a single non-partitioned room. This unit has a net area of approximately 1001.08 square feet.

Unit 16B: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 346.49 square feet.

Unit 16C: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 346.49 square feet.

Unit 16D: This unit consists of one room on the ground floor plus two mezzanines each of which is connected to the ground floor by a stairway. This unit has a net area of approximately 1219.23 square feet.

Unit 16A2: This unit consists of one room on the second floor. This unit has a net area of approximately 1,404.38 square feet.

Unit 17A: This unit consists of one room on the ground floor. This unit has a net area of approximately 968.44.

Unit 17A2: This unit consists of four rooms on the second floor and includes three offices and a record studio plus a desk. This unit has a net area of approximately 1538.87 square feet.

Unit 18A: This unit consists of one room on the ground floor. This unit has a net area of approximately 962.55 square feet.

Unit 19B: This unit consists of one room in the basement level. This unit has a net area of approximately 612.10 square feet.

Unit 19A: This unit consists of two rooms on the ground floor including a storage room and a single non-partitioned room. This unit has a net area of approximately 1026.72 square feet.

Unit 19A2: This unit consists of five rooms on the second floor including a dining room, beverage room, dishwashing room and service bar. This unit has a net area of approximately 1576.66 square feet.

Unit 20A: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 320.85 square feet.

Unit 20B: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 320.85 square feet.

Unit 20C: This unit consists of one room on the ground floor plus one mezzanine which is connected to the ground floor by a stairway. This unit has a net area of approximately 898.38 square feet.

Unit 20D: This unit consists of one room on the ground floor plus two mezzanines each of which is connected to the ground floor by a stairway. This unit has a net area of approximately 834.21 square feet.

Unit 21D: This unit consists of one room on the ground floor. This unit has a net area of approximately 1026.72 square feet.

Unit 21D2: This unit consists of one room on the second floor. This unit has a net area of approximately 1737.92 square feet.

Unit 22L: This unit consists of three rooms on the basement level, including two lavatories and one employee cafeteria. This unit has a net area of approximately 1,705.58 square feet.

Unit 22M: This unit consists of one room on the basement level. This unit has a net area of approximately 1,614.00 square feet.

Unit 22A2: This unit consists of two rooms on the second floor, including a banquet room, and a kitchen. This unit has a net area of approximately 4,479.55 square feet.

Unit 22A: This unit consists of ten rooms on the ground floor and a service dock and includes a restaurant, a kitchen, two offices, three storage rooms, a can wash room, a dishwashing room, and a liquor service room. This unit has a net area of 7,163.30 square feet.

Unit 22B: This unit consists of one room on the ground level and two decks. This unit has a net area of approximately 4,010.45 square feet.

Unit 22C: This unit consists of one room on the ground level with two decks. This unit has a net area of approximately 766.83 square feet.

Unit 23A: This unit consists of three rooms on the ground level. This unit has a net area of approximately 2,400.00 square feet.

Unit 24N: This unit consists of four rooms on the basement level including a maintenance shop, lavatory, storage room and office. This unit has a net area of approximately 1,235.95 square feet.

Unit 24A: This unit consists of six rooms on the ground floor and includes a General cashier office, clerical office, auditor office, PBX office, registration office and general office. This unit has a net area of approximately 1830.21 square feet.

Unit 24B: This unit consists of five rooms on the ground floor and includes a lounge, projection room, baggage storage and storage room. This unit has a net area of approximately 2948.80 square feet.

Unit 24C2: This unit consists of six rooms on the second floor and includes three offices, telephone room, display room and a storage room. This unit has a net area of approximately 1,977.00 square feet.

Unit 24D2: This unit consists of two rooms on the second floor and includes a lounge and a meeting room. This unit has a net area of approximately 1,562.68 square feet.

Note: the "net area" of the enclosed portions of the above units is measured from the interior surface of the perimeter walls of the units.

(C) Access to Common Elements: Each unit in the Project has immediate access either to the adjacent corridor or directly onto the grounds of the Project.

(D) Other Data Identifying and Defining the Units: The respective units shall not be deemed to include: (i) the undecorated or unfinished surfaces of the perimeter (including party) walls, (ii) the floors and ceilings surrounding each unit, or (iii) any pipes, shafts, wires, conduits or other utility or service lines which are utilized for or serve more than one unit, the same being deemed

common elements as hereinafter provided. Each unit shall be deemed to include (i) any pipes, shafts, ducts, pumps, conduits, wires and other utility or service lines running through such unit which are utilized for and serve only that unit, (ii) the inner decorated or finished surfaces of all walls, floors and ceilings, (iii) any doors, windows or panels along the perimeters, and (iv) any fixtures installed therein.

COMMON ELEMENTS: The proposed Declaration reflects that the common elements shall include the limited common elements set forth below and all other portions of the Project other than the units specifically, but not limited to:

A. The land in fee simple.

B. All grounds and landscaping (except for that portion which shall be a limited common element as more particularly described below) including the pond, all refuse facilities, and trash collection areas.

C. All rooms, closets and areas including corridors, stairways, laundry rooms, linen rooms, storage rooms, water heater rooms, laundry chutes, dumbwaiters, and all other rooms or closets within the buildings (except for Buildings 22 and 23) which are not part of any unit located within those buildings.

D. All unfinished, undecorated portions of all perimeter (including party) and load-bearing walls, all structural components, foundations, floor slabs, columns, girders, beams, supports and roofs of the buildings (except for Buildings 22 and 23).

E. All parking areas and driveways and walkways which are rationally of common use by owners of more than one unit.

F. All ducts, electrical equipment, electrical rooms, wiring, pipes and other central and appurtenant transmission facilities over, under and across the project which serve more than one unit for services such as power, light, water, gas, sewer, telephone (except for those telephone lines which are limited common elements as described below) and radio and television signal distribution.

G. Two hundred twenty-four (224) parking stalls, as shown on the proposed Condominium Map, available for use by all unit owners, their tenants, guests, visitors and invitees.

H. Any and all other 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 the "limited common elements", are designated in the proposed Declaration and set aside for the exclusive

use of certain units, and such units shall have appurtenant thereto easements for the use of such limited common elements as set forth in the proposed Declaration. The costs and expenses of every description pertaining to the limited common elements, including but not limited to the costs of maintenance, repair, replacement, improvement or additions to the limited common elements shall be charged to all unit owners in the following equitable manner as set forth in the proposed Declaration: if there is only one unit to which such limited common element is appurtenant, then the owner of that unit shall be charged all of such costs; if there is more than one unit to which such limited common element is appurtenant, then the owners of such units shall be charged all of such costs, which shall be apportioned among such owners according to the proportion that the common interests appurtenant to their respective units bear to the total common interests appurtenant to all of the units to which the limited common element is appurtenant.

A. All rooms, closets and areas including corridors, stairways, laundry rooms, linen rooms, storage rooms, water heater rooms, laundry chutes, dumbwaiters, and all other rooms or closets within Buildings 22 and 23 which are not part of any unit located within those buildings, shall be limited common elements appurtenant to all of the units within the building in which the limited common element is located.

B. All unfinished, undecorated portions of all perimeter (including party) and load-bearing walls, all structural components, foundations, floor slabs, columns, girders, beams, supports and roofs of Buildings 22 and 23 shall be limited common elements appurtenant to that unit or those units located within each of the respective buildings.

C. The telephone lines and equipment which constitutes the hotel telephone system shall be limited common elements appurtenant to the units located in Buildings 12 through 22, and 24.

D. All of the land surrounding Buildings 22 and 23 bounded by a fence, the approximate location of which is more particularly described in Exhibit B attached to the proposed Declaration, shall be a limited common element appurtenant to the units located in Buildings 22 and 23.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided percentage ownership in the common elements (the "Common Interest") appertaining to each unit and its owner for all purposes including voting shall be as set forth in paragraph B(a) entitled "Unit Numbers and Locations" on Page 3 above. Each unit and its appurtenant Common Interest shall be deeded to a purchaser by a Unit Deed.

EASEMENTS: The proposed Declaration of Horizontal Property Regime provides that the units and common elements (including limited common elements) shall have and be subject to a number of easements including but not limited to the following which Purchaser should note:

A. The Association of Unit Owners shall have the right at any time to grant within the common elements, easements and rights-of-way over, across and under the common elements for utilities, sanitary and storm sewers, cable television and other public services and to relocate, realign or cancel the same provided that such easements, their use, relocations, realignment or cancellation shall not materially impair or interfere with the use of any unit.

B. The Developer, its successors, mortgagees and assigns shall have the right to conduct extensive sales activities in the Project, including the use of model units, sales and management offices and extensive sales displays and activities as may be provided in any sales agreements between the Developer and the unit owners, which right will be binding on such unit owners and their successors, grantees and assigns.

C. The Developer, its agents, employees, contractors, licensees, successors, mortgagees and assigns shall have an easement over and upon the Project as may be reasonably necessary for the construction, renovation, and/or repair of the improvements of the Project, and the correction of defects therein.

USES AND RESTRICTIONS: The proposed Declaration provides that the buildings and each of the units are restricted as to use, and shall be used only for permitted purposes under applicable laws, and governmental rules, regulations, and ordinances, including without limitation, residential, commercial, office, rental, or transient apartment rental on a day-to-day basis. Actual permitted uses for any given unit will depend upon such factors as the applicable zoning, available parking, building code requirements, as well as other criteria. Purchasers are advised to consult with their own architect and/or professional consultant concerning the actual permitted uses of any particular unit. The Association shall have the power to enact resolutions, rules and regulations, and have the power to amend and repeal the same from time to time, reasonably restricting and regulating the use of the units and the common elements; provided, that any such resolutions, rules or regulations shall be consistent with the terms of the Declaration, Bylaws, all applicable laws, and all governmental rules, regulations, and ordinances.

The owners of the respective units shall have the absolute right to sell, lease, rent or otherwise transfer their interest in such units subject to all provisions of the Horizontal Property Act, the Declaration and the Bylaws.

No owner of a unit shall, without the written approval and consent of the Board, place or suffer to be placed or maintained any sign, awning or canopy or advertising matter or decoration or lettering within or without the unit which shall be visible from the exterior thereof; provided, that the Developer reserves the right to designate acceptable signs and provided further that the Board of Directors shall establish reasonable and uniform regulations permitting the

placement and maintenance by each owner of identifying signs and insignia of such sizes and material and in such locations as shall be aesthetically suitable and appropriate to the design and function of the Project.

The owner of any two units separated only by a common element (or limited common element) which is a wall, with the prior written approval of the Board of Directors (which approval shall not be unreasonably withheld), may alter or remove all or any portion or portions of the intervening wall, if the structural integrity of the building is not thereby affected and if the finish of the remaining portions is restored to a condition substantially comparable to the finish prior to such alteration; and, upon the termination of the common ownership of such adjacent units, each of the owners of such units shall be obligated to restore such intervening wall to substantially the condition in which the same existed prior to such alteration or removal.

OWNERSHIP TO TITLE: The Preliminary Report of Title issued June 22, 1983, and updated on August 24, 1983 by Title Guaranty of Hawaii, Inc. states that fee simple title to the land is vested in Manaolana Properties, a California limited partnership.

The Developer has submitted to the Commission a copy of the Agreement of Purchase and Sale dated May 11, 1983 under which the Developer has rights to acquire the fee title to Lot 4-A-2-A of Land Court Application 1109. Lot 1, the land that will be submitted to the Horizontal Property Regime for the Project consisting of approximately 223,146 square feet has been subdivided from Lot 4-A-2-A.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Report of Title dated June 22, 1983 and updated on August 24, 1983 describes the encumbrances on Lot 4-A-2-A as set forth below:

1. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
2. -AS TO PARCEL FIRST ONLY:-
  - (A) Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance.
  - (B) Easement "1" (6 feet wide) for utility purposes, as shown on Map 6, as set forth by Land Court Order No. 34243, filed December 3, 1971.
  - (C) Easement "5" (area 1,541 square feet), as shown on Map 8, as set forth by Land Court Order No. 43091, filed October 22, 1975.

Above easement granted to HT&T Federal Credit Union, Federal Charter No. 5628, organized under the laws of

the United States of America, a financial institution, by instrument dated January 19, 1976, filed as Land Court Document No. 757868.

- (D) Easement Grant in favor of Hawaiiana Investment Co., Inc., dated November 23, 1977, filed as Document No. 851812, recorded in Liber 12626 at Page 786; granting "an access easement for ingress to and egress from said cooling tower through the Property, over such ways as the Grantor may from time to time provide. The Grantor and Grantee covenant and agree that, subject to the Grantor's right to effect a relocation, until such a relocation is effected Grantee's right of access will be restricted to access within the area described as Easement "6".
- (E) Any and all unrecorded leases, licenses and/or concession agreements.

3. -AS TO PARCEL SECOND ONLY:-

- (A) Terms, agreements, reservations, covenants, conditions and provisions contained in Grant of Easement No. S-4553.
- (B) Covenant contained in said Grant of Easement No. S-4553, to-wit:

"3. That the use and enjoyment of the said easements shall not be in support of any policy which discriminates against anyone based upon race, creed, color, national origin, or a physical handicap."

- 4. EASEMENT GRANT dated November 23, 1977, filed as Document No. 851809, recorded in Liber 12626 at Page 718, by and between WAIAKEA CORPORATION and HAWAIIANA INVESTMENT CO., INC. for vehicle parking purposes.
- 5. Real Property Taxes as may be due and owing. For further information, check with the County Tax Office.

NOTE:

- 1. Purchasers should be aware that the following units will be sold together with and subject to existing tenant Leases:

<u>Unit</u>	<u>Lessee</u>	<u>Lease Expires</u>
110	Kilauea Art Studio	5/88
13A	Liberty House	6/85
17	Waiakea Village General Store	8/83 subject to an option to renew

- 2. The purchaser of any of these units will become the lessor or landlord of the applicable tenant lease and

will have all of the rights and responsibilities of such landlord. After the closing the Seller and its agents shall have no further responsibility or involvement with such tenant leases.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated August 25, 1983, between Title Guaranty Escrow Services, Inc. as Escrow Agent, and Developer, has been filed with the Commission. On examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

The executed Escrow Agreement provides in part that if at any time (a) Escrow receives written notice from Developer to return to a purchaser under a Sales Contract the funds of such purchaser then held by Escrow under the Escrow 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 of the Hawaii Revised Statutes (unless purchaser's written approval of acceptance of the specific change is obtained, or ninety (90) days have elapsed since the purchaser has accepted in writing the unit or he has first occupied the unit) 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, or (d) the Final Report is not issued within one (1) year from the date of issuance of the Preliminary Report, unless, upon issuance the purchaser receipts for same and the Sales Contract is nevertheless affirmed by the purchaser, then in any such event Escrow shall return such funds to the purchaser, without interest earned unless otherwise instructed by Developer and furthermore unless Developer shall otherwise instruct Escrow, less: (1) Escrow's cancellation fee of not less than \$25.00 nor more than \$125.00, (2) any mortgagee's cancellation fee, and (3) all other costs, if any, which have been incurred in connection with the Escrow mortgage processing, closing or legal documentation. In such event, the Escrow Agreement further provides that Escrow shall hold the Sales Contract and any Unit Deed previously delivered to Escrow and any mortgage documents which may have been executed shall be returned to the mortgagee, and Developer and the purchaser shall be deemed no longer bound by the terms of the Sales Contract.

Among other provisions, the specimen Sales Contract provides:

1. The mortgage which secures the Developer's mortgage loan (renewals and extensions) shall be and remain at all times a superior lien on the Project, and purchasers intentionally waive and subordinate their interests under the Sales Contract in favor of the priority of such lien.

2. The purchaser should be especially aware of Section D.17 of the Sales Contract which provides that the building and the units, which were completed in 1972, are

being sold in an "as is" condition. The Developer is not familiar with the structural quality or integrity of the building or the mechanical soundness of any of the systems of the building or the fixtures contained in individual units. Purchasers should, therefore, realize that they assume all risks of defects, whether latent or otherwise, failure or deterioration with respect thereto. The Developer does not warrant the structural quality or integrity of the building or the mechanical soundness of any of the systems of the building or the individual units.

3. If by December 31, 1983, less than twenty (20) units in the Project have been sold to qualified purchasers, Seller, at its option, may cancel any or all Sales Contracts upon written notice to purchasers.

4. Purchaser should also note that the Sales Contract places restrictions on selling or assigning the Sales Contracts.

5. Purchasers further are advised that Seller has made no representations and has not authorized any representations to be made by any sales agent concerning any services relating to the rental or sale or management of the Purchaser's unit.

It is incumbent upon the prospective purchaser that he read with care the specimen Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of units are placed in trust, as well as the retention and disbursement of the proceeds of said trust fund. The Sales Contract sets forth when purchaser's payments are payable. All payments other than funds from any mortgage lender must be paid to escrow at the times specified in the Sales Contract, and all of Purchaser's deposits must be paid to escrow upon the execution of the Sales Contract.

DISCLAIMER: Nothing in the proposed Declaration and Sales Contract, nor any advertising or other documentation in connection with the Project shall be construed as obligating Developer or any other person to develop any land other than the land described in the Declaration, or to construct any improvements, other than the improvements described in the Declaration; nor as granting to purchasers any membership or other interest in any entity, or facility other than the Project; and any representations to the contrary by Developer's agents are not authorized.

MANAGEMENT OF THE PROJECT: The proposed Bylaws vest in the Board of Directors the power and duties necessary for the administration of the overall affairs of the Project. The proposed Bylaws submitted to the Commission permit the Developer to appoint the initial managing agent for the Project. The Developer anticipates selecting Fujiyama Corporation, whose principal place of business and address is 1059 Kilauea Avenue, Hilo, Hawaii 96720, as the initial Managing Agent. Developer has disclosed that the proposed managing agent is an affiliate of the Developer under Hawaii

Rev. Stat. 514A-84 and that the initial contract shall have a term exceeding one year and may be terminated by either party on 60 days notice.

STATUS OF PROJECT: The construction of the Project was completed in 1972.

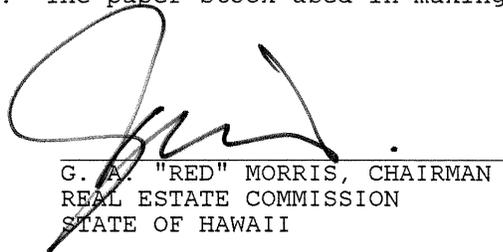
NOTE: A letter dated August 31, 1983, from the Planning Department, County of Hawaii on file with the commission verifies the buildings presently built on the subject premises, are in compliance with all ordinances, codes, rules, regulations or other requirements in force at the time of their construction thereof, and no variance was granted from any ordinance, code, rule, regulation, or other requirements in force at the time of the construction thereof or from any current ordinance, code, rule, regulation or other requirement except that one variance, Variance No. 67 has been granted by the Planning Department, County of Hawaii to allow twenty-four percent (24%) compact parking stalls in lieu of the code allowance of ten percent (10%).

There are no current outstanding notices to the owners of the improvements of uncured violations of building codes or of other municipal violations.

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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 August 25, 1983 and information subsequently filed as of September 6, 1983.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1563, filed with the Commission on August 25, 1983.

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

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

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September 9, 1983