

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

CROSSPOINTE, INCREMENT A, PHASE A-2
Kahuapaani Street at Mananai Place
Halawa, Ewa District, Hawaii

Registration No. 1717

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: December 13, 1985
Expires: January 13, 1987

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED NOVEMBER 12, 1985, AND INFORMATION SUBSEQUENTLY FILED AS OF NOVEMBER 14, 1985. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. CROSSPOINTE, INCREMENT A, PHASE A-2 is a proposed leasehold condominium project consisting of a total of thirty-four (34) residential apartment units in three (3) buildings plus a separate building comprising a parking apartment. The latter contains seventy-seven (77) parking stalls, twenty-four (24) of which are for compact cars. There will be eight (8) guest stalls.
2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and approved floor plans) for the Project have not been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
4. Advertising or promotional matter have been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, December 13, 1985, unless a Supplementary or Final Public Report is issued, 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 of the CROSSPOINTE, INCREMENT A, PHASE A-2 condominium project. The Developer has the responsibility of 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 securing a signed receipt therefor.

NAME OF PROJECT: CROSSPOINTE, INCREMENT A, PHASE A-2

LOCATION: The Project is located on Lot 408, as shown on Map 186 and a portion of Lot 475, as shown on Map 191 filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 966 (amended).

TAX KEY: First Division, 9-9-76-15 (as to Lot 408 only).
First Division, 9-9-76-___ (as to Lot 475, the parcel number is currently pending issue).

ZONING: A-1 (apartment)

DEVELOPER: Gentry-Halawa Park, a Hawaii registered limited partnership, whose principal place of business and post office address is at 94-539 Puahi Street, Waipahu, Hawaii 96797. The general partner of Gentry-Halawa Park is Halawa Park

Development, Ltd., a Hawaii corporation, whose principal place of business and post office address 94-539 Puahi Street, Waipahu, Hawaii 96797 (Telephone: 641-6411). The officers and directors of Halawa Park Development, Ltd. are as follows:

Thomas Henry Gentry, President and Director
Joseph J. Ramia, Vice President and Director
A. J. Fadrowsky, III, Vice President and Director
Harry D. Huffman, Treasurer
Harvey Jay Migdal, Secretary and Assistant Vice President

ATTORNEY REPRESENTING DEVELOPER: Harvey Jay Migdal, 94-539 Puahi Street, Waipahu, Hawaii 96797, Telephone No. 671-6411.

DESCRIPTION OF PROJECT: The proposed Declaration of Horizontal Property Regime describes the Project as follows:

A. Description of Buildings. The Project shall consist of three (3) one and two-story buildings with no basements designated as Buildings 3, 4 and 5 (hereinafter referred to as the "Residential Buildings") and a two-level parking structure. The construction of the three Residential Buildings will be wood frame on concrete slab foundations with interior walls constructed of wood studding and gypsum board, exterior walls covered with composition siding and roofs constructed of wood and asphalt shingles. The parking structure will be constructed principally of concrete and steel. Residential Buildings "3" and "4" will be two stories in height and shall each contain fourteen (14) apartments; Building "5" will be one story in height and shall contain six (6) apartments, all as more fully described in the proposed Declaration of Horizontal Property Regime and Condominium Map for the Project.

B. Description of Apartments.

(1) Residential Apartments. Freehold estates will be established within the perimeter and party walls, floors and ceilings of each of the thirty-four (34) residential apartments distributed among the three (3) Residential Buildings of the Project, as shown on the proposed Condominium Map and as set forth in Exhibit "A" attached hereto and incorporated herein by reference.

(2) Parking Apartment. One separate freehold estate consisting of the two-level parking structure, as shown on the proposed Condominium Map, will be established and designated the Parking Apartment.

(3) Residential Apartment Numbers and Locations. The residential apartments are numbered and located as shown on the proposed Condominium Map, with apartment designations in each Residential Building being composed of the respective building number followed by an alphabetic designation. Whether a particular Residential Building is one or two stories, the apartment designation sequence always begins with apartments located on the first floor. Beginning with the apartment designated by the number and letter combination of the building number followed by the letter "A" and progressing in a counterclockwise direction, first floor apartments in a particular Residential Building are consecutively designated by changing the letter designation in alphabetic order. The designation sequence for second story apartments begins with the

apartment located directly over apartment "A" on the first floor and always begins with the alphabetic designation "R." Thus, for example, Building 3 is numbered as follows: Starting at the northwesterly corner of the first floor with Apartment 3-A and progressing counterclockwise, the first floor apartments are consecutively designated 3-A, 3-B, 3-C, 3-D, 3-E, 3-F and 3-G. On the second story of the building, the apartment designations begin with 3-R in the northwesterly corner and progress counterclockwise to 3-W so that Apartment 3-R is directly over 3-B, Apartment 3-S is directly over 3-C, Apartment 3-T is directly over 3-D, Apartment 3-U is directly over 3-E, Apartment 3-V is directly over 3-F and Apartment 3-W is directly over 3-G (Apartments 3-A and 3-H occupy both the first and second story levels).

(4) Layout and Area of Individual Residential Apartments. As shown on the proposed Condominium Map, there are five (5) residential apartment unit types: Type 577, Type 813, Type 848, Type 874 and Type 1005. Type 577 is a one bedroom, one bath apartment; Type 813 is a two bedroom, one and one-quarter bath apartment; Type 848 is a one bedroom, two bath apartment with a loft; Type 874 is a two bedroom, two bath apartment; and Type 1005 is a two bedroom two and one-half bath apartment. The location, net apartment interior floor area and lanai area and the number of rooms for each of the residential apartments are as shown on Exhibit "A" hereto.

(5) Limits of Residential Apartments. The proposed Declaration states that each residential apartment shall be deemed to include all the walls and partitions within its perimeter or party walls which are not load bearing, the inner decorated or finished surfaces of all walls, floors and ceilings, any doors, door frames, windows and window frames along the perimeters, the airspace within the perimeters, and all the fixtures and appliances originally installed in the apartment. The respective apartments shall not be deemed to include the perimeter or party walls or the undecorated or unfinished surfaces thereof; the exterior surfaces of all doors, door frames, windows and window frames; the interior load-bearing walls; awnings (if any); the undecorated or unfinished surfaces of the floors and ceilings surrounding each apartment; any pipes, wires, conduits or other utility or service lines which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided.

(6) Limits of Parking Apartment. The proposed Declaration states that the Parking Apartment shall be deemed to include all of the area and all of the structures designated as the "Parking Apartment" on the Condominium Map, including all walls, roofs, gutters, curbs and all other structures and improvements located therein or thereon, as shown on the Condominium Map, and fixtures attached to such structures and improvements.

(7) Access to Common Elements. Each first story residential apartment has access to the grounds of the Project through a private courtyard and each second story residential apartment has access to the grounds of the Project by means of an exterior lanai and stairway.

Should the descriptions and divisions of the buildings set forth in the Declaration of Horizontal Property Regime conflict with

the depictions and divisions shown on the Condominium Map, the Condominium Map shall control; provided, however, that the Condominium Map is intended only to show the approximate layout, location, apartment numbers and dimensions of the apartments and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

PARKING APARTMENT AND PARKING STALLS.

(1) Division of the Parking Apartment. As shown on the proposed Condominium Map, there are delineated within the boundaries of the parking apartment seventy-seven (77) separate parking stalls which are numbered 70-90, 92-106, 157-180 and 182-198. (There are no parking stalls numbered 91 or 181.) Parking stalls 157-180 are compact parking stalls.

(2) Easements of Use of Parking Stalls. The proposed Declaration provides that each residential apartment in the Project shall have reserved as appurtenant thereto the exclusive right in the nature of an easement to use one or more parking stalls in the parking apartment. The parking stall easements shall have a permanent character, subject only to such conditions, limitations, restrictions and reservations of right and use as are set forth in the proposed Declaration. The initial assignments of parking stalls, the exclusive use of which are reserved as appurtenant to the respective residential apartments in the Project, shall be as set forth in Exhibit "A" attached hereto. Easement rights to the thirty-five (35) unassigned, non-visitor parking stalls are presently available for purchase from the Developer.

(3) Visitor Parking Stalls. Parking stalls 173-180, inclusive, are reserved as visitor parking stalls for the non-exclusive use of all owners of residential apartments in the Project, their tenants, employees, invitees and guests.

NOTE: It is the Developer's intention that the Parking Apartment will be conveyed to the Crosspointe Community Area Association subject to the easements of use described above.

COMMON ELEMENTS. The proposed Declaration states that one freehold estate is designated in all of the remaining portions of the Project called the "common elements," including specifically, but not limited to:

- (1) The land on which the Project is situate;
- (2) All structural components, such as foundations, girders, beams, supports, main walls, roofs, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls of said residential buildings;
- (3) All yards, grounds, walkways and landscaping areas;
- (4) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central appurtenant transmission facilities and installations over, under or across the Project which serve more than one apartment for services such as power, light, gas, hot water, cold water, sewage, telephone, radio and television signal distribution, if any;

(5) Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents and other such installations and apparatus;

(6) All other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use.

LIMITED COMMON ELEMENTS. The proposed Declaration sets aside certain parts of the common elements, called the "limited common elements", to be reserved for the exclusive use of certain apartments, and such apartment 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:

(1) Each residential apartment shall have for its exclusive use the mailbox bearing the same designation as such apartment;

(2) Each ground floor residential apartment shall have for its exclusive use and enjoyment the fenced yard area which adjoins it;

(3) Each second floor residential apartment shall have for its exclusive use and enjoyment the lanai immediately adjacent to such apartment;

(4) The exterior stairways and railings which serve the various second story residential apartments and the fences which surround the fenced courtyard areas and serve the first story residential apartments shall be limited common elements respectively appurtenant to and for the exclusive use of the apartment which they serve.

(5) All other common elements of the Project which are rationally related to less than all of such residential apartments shall be limited to the use of such apartments.

INTEREST TO BE CONVEYED TO PURCHASER. The residential apartments shall be conveyed to purchasers by means of an apartment lease along with an appurtenant undivided percentage interest in the common elements. The percentage interest appurtenant to each apartment is set forth in Exhibit "A" attached hereto and shall be the same proportionate share in all common profits and expenses of the Project, including voting, except that the owner of the parking apartment shall not have any right to vote in the affairs of the Association of Apartment Owners for the Project. Each purchaser of an apartment will be issued an Apartment Lease by the Trustees of The Queen Emma Foundation ("Lessor").

Upon merger of this Project with Crosspointe, Increment A, Phase A-1, the common interest for each apartment shall change in accordance with the proposed Declaration and the paragraph herein with respect to Merger of Increments in Crosspointe, Increment A, Phase A-1 and Crosspointe, Increment A, Phase A-2.

PURPOSES OF AND RESTRICTIONS ON USE OF BUILDINGS AND INDIVIDUAL APARTMENTS: The purposes for which said buildings and other

improvements and each of the apartments (other than the parking apartment) are intended and shall be restricted as to use are as follows:

1. A residential apartment shall be occupied and used only for residential purposes.

2. The residential 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.

3. Among other provisions, the House Rules provide that: (1) no livestock, poultry, rabbits or other animals shall be allowed on the premises except that dogs, cats and other household pets limited to a total of two (2) in number may be kept by the owners and occupants of residential apartments, but shall not be kept, bred, or used therein for any commercial purpose; (2) all pets must be registered immediately with the Managing Agent; and (3) occupancy is limited to no more than two persons per bedroom in each apartment, excluding children under the age of five, except that in no event shall the number of occupants per bedroom contained in each apartment exceed three (3) per bedroom, inclusive of children under the age of five.

NOTE: Purchasers and prospective purchasers of apartments are hereby specifically informed that all apartment owners, their tenants, families, servants and guests, and any other persons who may in any manner use the Project, shall be bound by and strictly comply with the provisions of the Declaration of Horizontal Property Regime, the By-Laws of the Association, and all agreements, decisions and determinations of the Association (including the House Rules for the Project). Purchasers and prospective purchasers are therefore advised to read and fully understand the Declaration of Horizontal Property Regime, the By-Laws of the Association of Apartment Owners, and the House Rules for the Project, prior to executing any Sales Contract for the Project.

EASEMENTS: The proposed Declaration of Horizontal Property Regime provides that the owners of apartments shall have the following easements:

1. Non-exclusive rights of access and use in and of all areas and facilities of the parking apartment, including the parking stalls set aside and reserved as visitor parking stalls, but excepting the parking stalls designated as private parking stalls, the exclusive use of which has been reserved, or may be reserved, as appurtenant to the residential apartments.

2. The apartment owners shall have a non-exclusive easement shared with all members of the Crosspointe Community Association to use those certain common areas of the Crosspointe Community Area as such areas shall be established from time to time pursuant to Article IX of the proposed Master Declaration of Covenants, Conditions and Restrictions for Crosspointe, subject to those certain specific uses and restrictions set forth in Section 9.03 of said Master Declaration.

RESTRICTIVE COVENANTS; PHASING OF DEVELOPMENT AND MERGER OF INCREMENTS:

The Developer has placed on the record a Master Declaration of Covenants, Conditions and Restrictions for Crosspointe (referred to herein as the "Master Declaration"), which will affect the Project and all other residential projects and common areas which are planned to be developed on approximately twenty-two (22) acres of additional property and which together will be known as the CROSSPOINTE COMMUNITY AREA.

The Master Declaration provides, among other things, that each purchaser will automatically become a member of the Crosspointe Community Association, which Association will be primarily responsible for the management, maintenance, protection, preservation, architectural control and development of the common areas of the Crosspointe Community Area, but will also provide water, sewer, general maintenance and administrative services to all residential projects to be developed in the Crosspointe Community Area.

The proposed Master Declaration and the proposed Declaration of Horizontal Property Regime also provide that the Lessor and Developer shall have the right at their sole option to expand this Project by merging it with a project on an adjoining parcel of land known as CROSSPOINTE, INCREMENT A, PHASE A-1, which consists of fifty-eight (58) residential apartments, together with a parking apartment and supporting and servicing common elements no later than January 1, 1990. Upon merger, the two phases will be legally combined into a single overall project to be known as CROSSPOINTE, INCREMENT A, and as a result, the common interest appurtenant to each apartment in this Project will change and will be calculated pursuant to a formula in which the denominator is the total square footage of all of the residential apartments in both phases, and the numerator is the square footage of the purchaser's apartment (the same formula used to calculate the percentage interest appurtenant to the apartment before merger). The approximate percentage interest which will be appurtenant to the respective apartment types after merger of Phases A-1 and A-2 are set forth in Exhibit "A" attached hereto.

In addition, the Master Declaration and Declaration of Horizontal Property Regime provide that any two or more of the condominium projects in the Crosspointe Community Area may be administratively merged such that the use of the respective common elements, the respective common expenses and the management of the respective affairs of the projects so merged will be shared, and such that the administration of the merged projects will be unified under one association of apartment owners. In the event of an administrative merger of projects, the ownership interests of the apartment owners in the respective condominium projects (including appurtenant common interests) will not be altered or affected.

Prospective purchasers are advised to carefully examine the Master Declaration of Covenants, Conditions and Restrictions for Crosspointe, copies of which are available for inspection at the sales office of Developer and copies of which are filed with the Real Estate Commission, so that they may familiarize themselves

with this Project, and what restrictions and obligations will apply to all purchasers in each project.

OWNERSHIP OF TITLE: A Preliminary Title Report issued November 7, 1985, by Security Title Corporation reports that the fee to the land is held by The Queen Emma Foundation, and leasehold title to the land is vested in GENTRY-HALAWA PARK, a Hawaii limited partnership, pursuant to that certain unrecorded Lease dated July 1, 1984, as amended, made by and between The Queen Emma Foundation, as Lessor and Gentry-Halawa Park, as Lessee.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report issued by Security Title Corporation reflects that the land is subject to the following encumbrances:

As to Lot 408:

A. Real Property Taxes as may be due and owing; reference is made to the Office of the Finance Director, City and County of Honolulu.

B. Abutter's rights of vehicle access in favor of the State of Hawaii, as set forth by Final Order of Condemnation dated June 4, 1974, filed in said Office of the Assistant Registrar as Document No. 688927, under Civil No. 31504; as amended by instrument dated December 26, 1974, filed in said Office of the Assistant Registrar as Document No. 711816.

C. Unilateral Agreement and Declaration of Conditional Zoning dated October 19, 1982, recorded in the Bureau of Conveyances of the State of Hawaii in Book 16649 Page 107. (Not noted on Transfer Certificate of Title No. 220,615)

D. Conditions and agreements contained in that certain "Agreement for Issuance of Special Use Permit Under Section 21-2.71, Revised Ordinances of Honolulu, 1978, as Amended," dated August 22, 1984, filed in said Office of the Assistant Registrar as Document No. 1254140.

E. The terms and provisions of that certain unrecorded Halawa Low Density Apartment Sub-Development Agreement, dated and effective December 30, 1983, made by and between 745 Fort Street Corp., a Hawaii corporation, and Gentry-Halawa Park, a Hawaii limited partnership, consented thereto by unrecorded Consent and Agreement dated December 30, 1983, a Memorandum of Agreement of which is dated June 25, 1984, and filed in said Office of the Assistant Registrar as Document No. 1267819. (Also affects other property)

F. Unrecorded and unregistered Construction Lease dated July 1, 1984, and effective as of July 1, 1984, as disclosed by that certain Memorandum of Lease filed in said Office of the Assistant Registrar as Document No. 1263551. (Also affects other property)

G. Real Property Mortgage and Financing Statement dated November 15, 1984, filed in said Office of the Assistant Registrar as Document No. 1267820, made by Gentry-Halawa Park, as Mortgagor, to First Hawaiian Bank, a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of \$5,600,000 (the "Development Loan") and \$6,000,000 (the "Construction Loan"),

all interest thereon, any additional advances made thereunder and all other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor therein referred to. (Also affects other property)

Amendment to Real Property Mortgage and Financing Statement dated June 24, 1985, filed in said Office of the Assistant Registrar as Document No. 1306780, increasing the Construction Loan by \$4,000,000.

(1) Lessor's Consent to Mortgage, Estoppel Certificate and Agreements dated November 14, 1984, filed in said Office of the Assistant Registrar as Document No. 1267821.

(2) 745's Consent to Mortgage and Estoppel Certificate dated January 7, 1985, filed in said Office of the Assistant Registrar as Document No. 1277149.

(3) Lessor's Consent to Mortgage, Estoppel Certificate and Agreements dated June 26, 1985, filed in said Office of the Assistant Registrar as Document No. 1306782.

(4) Lessor's Consent to Mortgage and Estoppel Certificate dated June 25, 1985, filed in said Office of the Assistant Registrar as Document No. 1306782.

H. Financing Statement dated November 15, 1984, covering certain fixtures located on the real property, given as security by Gentry-Halawa Park in favor of First Hawaiian Bank, recorded on November 16, 1984, in the Bureau of Conveyances of the State of Hawaii in Book 18272 at Page 781. (Also affects other property)

I. Master Declaration of Covenants, Conditions and Restrictions for Crosspointe dated May 8, 1985, filed as aforesaid as Document No. 1299083.

As to Lot 475 only:

A. Real Property Taxes as may be due and owing; reference is made to the Office of the Finance Director, City and County of Honolulu.

B. Easement 6, as shown on Map 3, Land Court Application No. 966 (amended), as set forth by Land Court Order No. 3639, filed August 8, 1939.

C. Designation of restriction of access rights, as shown on Map 190, Land Court Application No. 966 (amended), as set forth by Land Court Order No. 75633, filed October 10, 1985.

D. Grant dated February 6, 1951, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 126580, in favor of the United States of America, granting a right of way and easement and the right of ingress and egress thereto for the purpose of laying, operating, maintaining, etc., an underground communication cable (also affects other property).

E. Grant dated September 1, 1941, filed in said Office of the Assistant Registrar as Document No. 109971, in favor of the United States of America, granting an underground right of way,

40-feet wide, to install, etc., underground tunnel and oil pipe line and appurtenances necessary under said premises, reserving full use of the surface of the ground above said easement for all purposes (also affects other property).

F. Reservations unto the State of Hawaii, its successors and assigns, as set forth in that certain Quitclaim Deed dated October 22, 1985, filed in said Office of the Assistant Registrar as Document No. 1330155.

G. Covenants as set forth in that certain Quitclaim Deed dated October 22, 1985, filed in said Office of the Assistant Registrar as Document No. 1330155.

H. Unrecorded and unregistered Construction Lease dated July 1, 1984, and effective as of July 1, 1984, as amended by that certain unrecorded and unregistered First Amendment of Lease dated October 25, 1985, of which a Memorandum of Lease dated and effective July 1, 1984, filed in said Office of the Assistant Registrar as Document No. 1263551, made by and between The Queen Emma Foundation, as Lessor and Gentry-Halawa Park, as Lessee; as amended by that certain Memorandum of Amendment to Lease dated October 25, 1985, filed in said Office of the Assistant Registrar as Document No. 1333064 (also affects other property).

PURCHASE MONEY HANDLING: A copy of the Specimen Sales Contract and the executed Escrow Agreement dated June 26, 1984, with Security Title Corporation have been submitted to the Commission as a part of this registration. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

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. The Escrow Agreement provides that a purchaser shall be entitled to a refund of his funds if one of the following occurs:

- (a) the Developer asks Escrow to refund the purchaser's funds;
- (b) the Developer notifies Escrow of Developer's exercise of option to rescind the Reservation and Sales Agreement;
- (c) the conditions provided in Sections 514A-62 or 514A-63 of the Horizontal Property Act, as amended, have been met and written notice thereof has been provided to the Developer.

In addition, the specimen sales contract provides, in part, that:

A. The seller may cancel the Reservation and Sales Agreement and hold the purchaser in default if any material discrepancies are discovered between the financial information furnished by the purchaser and the purchaser's actual financial status. Seller may also cancel if the purchaser's application or eligibility for a mortgage loan is rejected or not given unqualified approval within fifty (50) days after application.

B. The seller's mortgage loan (interim, renewals and extensions used for acquiring the land, constructing the

Project, and associated costs) shall be and remain at all times a lien prior to and superior to any and all other liens or charges on the Project, and purchasers intentionally waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest they may have under the Reservation and Sales Agreement in favor of the lien or charge on the Project of the security interest of the lender.

C. The purchaser will pay the following closing costs: (1) one-half of all escrow fees; (2) acknowledgment fees for purchaser; (3) appraisal fees; (4) recording fees; (5) fees for purchaser's credit report; (6) costs for drafting of the mortgage and note and any assignment thereof; and (7) costs of any title insurance. All applicable mortgage costs shall be paid by purchaser, and purchaser shall pay the nonrefundable start-up fee for commencement of the operations of the Project by the Managing Agent and the Association of Apartments Owners.

Notwithstanding the provisions of paragraph C hereinabove, a purchaser whose mortgage is guaranteed by the Veterans Administration shall only be responsible for the following closing costs: (1) costs of title insurance; (2) credit report fees; and (3) recording fees for the purchaser's mortgage.

It is incumbent upon prospective purchasers that they read with care the specimen Reservation and Sales Agreement and the executed Escrow Agreement since the Escrow Agreement establishes the procedures for receiving and disbursing purchaser's funds, and the Reservation and Sales Agreement specifically provides that the Purchaser approves the Escrow Agreement and assumes the benefit and obligations therein provided.

Seller and its agent have no program at this time nor is any program planned or contemplated to offer a rental service of any kind to the owners of apartments in the Project, either individually or in any form of pooling arrangement, or by a third party designated or arranged for by seller or its agent as to the feasibility of renting the apartment, or otherwise generating income or deriving any other economic benefit from ownership of the apartment.

MANAGEMENT AND OPERATIONS: The proposed By-Laws of the Association of Apartment Owners provide that the operation of the Project shall be conducted for the Association by a responsible corporate managing agent who shall be appointed by the Association. The Developer intends to designate Chaney, Brooks & Company as its initial managing agent.

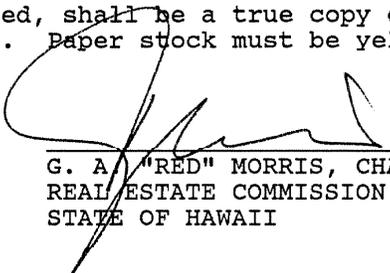
STATUS OF THE PROJECT. Construction of the Project commenced November 1, 1985, and will be completed approximately January 31, 1986.

The purchaser or prospective purchaser should be cognizant of the fact that this published Preliminary Public Report represents information disclosed by the Developer in the Notice

of Intention submitted on November 12, 1985, and information subsequently filed as of November 14, 1985.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1717 filed with the Commission on November 12, 1985.

This Report, when reproduced, shall be a true copy of the Commission's Public Report. Paper stock must be yellow in color.



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

DISTRIBUTION:

Department of Finance, City and County of Honolulu
Office of the Assistant Registrar of
the Land Court
Planning Department, City and County of Honolulu
Federal Housing Administration
Escrow Agent

Registration No. 1717

December 13, 1985

EXHIBIT "A"

<u>Building and Apt. No.</u>	<u>Apt. Type</u>	<u>Net Interior Floor Area</u>	<u>Initial Parking Stall Assignment</u>
3-A	1005	1005	101*
3-B	813	813	104*
3-C	577	577	103*
3-D	874	874	102*
3-E	874	874	72*
3-F	577	577	71*
3-G	813	813	99*
3-H	1005	1005	100*
3-R	813	813	106*
3-S	848	848	105*
3-T	874	874	95*
3-U	874	874	70*
3-V	848	848	97*
3-W	813	813	98*
4-A	1005	1005	86*
4-B	813	813	73*
4-C	577	577	82*
4-D	874	874	96*
4-E	874	874	94*
4-F	577	577	75*
4-G	813	813	76*
4-H	1005	1005	78*
4-R	813	813	80*
4-S	848	848	81*
4-T	874	874	79*
4-U	874	874	74*
4-V	848	848	92*
4-W	813	813	93*
5-A	874	874	85*
5-B	848	848	87*
5-C	874	874	77*
5-D	874	874	90*
5-E	848	848	89*
5-F	874	874	88*

Note: * indicates covered parking

DESCRIPTION OF APARTMENT TYPES:

Type 577

One bedroom, one bath apartment located on the first level of a two-story twelve-plex building consisting of a living room/dining room, kitchen, one bedroom and one bath. All Type 577 apartments contain 577 square feet of NET INTERIOR FLOOR AREA and, additionally, a limited common element courtyard of 195 square feet enclosed with a privacy fence.

Type 848

One bedroom, two bath apartment located on either the first or second level of a two-story eight-plex building consisting of a living room/dining room, kitchen, one bedroom, two bathrooms and a loft. All Type 848 apartments contain 848 square feet of NET INTERIOR FLOOR AREA. In addition, first story apartments have a limited common element courtyard of 195 square feet enclosed with a privacy fence and second story apartments have a limited common element lanai of 100 square feet.

Type 813

Two bedroom, one and one-quarter bath apartment located on the first or second level of a two-story fourteen-plex building consisting of a living room/dining room, kitchen, two bedrooms and one and one-quarter bathrooms. All Type 813 apartments contain 813 square feet of NET INTERIOR FLOOR AREA. In addition, Type 813 first story apartments have a limited common element courtyard of 310 square feet enclosed with a privacy fence and second story apartments have a limited common element lanai of 190 square feet.

Type 874

Two bedroom, two bath apartment located on either the first or second level of a two-story twelve-plex building consisting of a living room/dining room, kitchen, two bedrooms and two bathrooms. All Type 874 apartments contain 874 square feet of NET INTERIOR FLOOR AREA. In addition, first story apartments have a limited common element courtyard of 300 square feet enclosed with a privacy fence and second story apartments have a limited common element lanai of 160 square feet.

Type 1005

Two bedroom, two and one-half bath apartment located on both first and second level of a two-story fourteen-plex building consisting of a living room/dining room, kitchen, two bedrooms and two and one-half bathrooms. All Type 1005 apartments contain 1005 square feet of NET INTERIOR FLOOR AREA. In addition, all type 1005 apartments have a limited common element courtyard of 210 square feet enclosed with a privacy fence.

SCHEDULE OF COMMON INTERESTS

<u>Model</u>	<u>Phase A-2</u>	<u>Upon Merger of Phases of A-1 and A-2</u>
Type 577	2.03	.0075
813	2.86	.0106
848	2.98	.0111
874	3.07	.0114
1005	3.54	.0131
Parking Apartment	.12	.0028

Total Number of Models in Phase A-2

<u>Model</u>		<u>Percentage Common Interest for Phase A-2</u>	<u>Total Percentage Common Interest</u>
Type 577	4 x	2.03	8.12
813	8 x	2.86	22.88
848	6 x	2.98	17.88
874	12 x	3.07	36.84
1005	4 x	3.54	14.16
Parking Apt.	<u>1</u>	.12	<u>.12</u>
	35		100.00%