

# 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

THE SUMMER VILLA  
737 Olokele Avenue  
Honolulu, Hawaii

REGISTRATION NO. 843

### 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: March 5, 1976

Expires: April 5, 1977

#### 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 FILED WITH THE REAL ESTATE COMMISSION ON FEBRUARY 20, 1976, AND INFORMATION SUBSEQUENTLY FILED AS OF MARCH 1, 1976. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. THE SUMMER VILLA is a proposed leasehold condominium project consisting of eighty-four (84) residential apartments arranged throughout one 15-story building. Eighty-seven (87) covered and/or uncovered, full size and/or compact parking spaces will be available in the parking area of the project, the assignment of these parking spaces being in accordance with the "DESCRIPTION" section herein.
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 the Association of Apartment Owners, and a copy of the approved floor plan) have not been recorded in the Office of the Recording Officer.
4. No advertising or promotional matter has been submitted pursuant to rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of the Horizontal Property Act, Chapter 514, Hawaii Revised Statutes, and the Rules and Regulations promulgated pursuant thereto.
6. This Preliminary Public Report automatically expires thirteen (13) months after date of issuance, March 5, 1976, unless a Supplementary 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 of THE SUMMER VILLA condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt for this report.

NAME OF PROJECT: THE SUMMER VILLA

LOCATION: The project is located at 737 Olokele Avenue, Honolulu, Hawaii, and contains approximately 22,725 square feet of land, in leasehold, which is comprised of three (3) adjoining parcels of real property.

TAX KEYS: FIRST DIVISION: 2-7-35-79 (Lot D)  
2-7-35-80 (Lot A)  
2-7-35-81 (Lot B)

ZONING: A-4 (Apartment District)

DEVELOPER: The Developer of the project is THE ASSOCIATES OF SUMMER VILLA, a Hawaii limited partnership, whose principal place of business and post office address is c/o Ian L. Mattoch, Suite 1401 Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813, Telephone 523-2451. The General Partner is In-Sites: A Land Corporation, which maintains its offices at 23 South Vineyard Boulevard, Suite 301, Honolulu, Hawaii 96813, Telephone 537-4977. Its officers are: Edwin Y. Fujinaga, President/Treasurer, Andrea S. Fujinaga, Vice President/Secretary.

ATTORNEY REPRESENTING DEVELOPER: IAN L. MATTOCH, ESQ., Suite 1401 Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813, telephone 523-2451.

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects that the project is to consist of eighty-four (84) residential apartments contained within a fifteen (15) story building, the floors of which are numbered one (1) through sixteen (16), there being no designation of a "thirteenth" floor, constructed principally of reinforced concrete, glass, monol roof and appropriate trim. There will be eighty-seven (87) parking spaces of which ten (10) are compact stalls, arranged throughout the first three (3) stories of the building and a swimming pool with a recreational area on the first floor, as indicated on Condominium Map.

The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter or interior load-bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits or other utility lines running through such apartment which are utilized for or serve more than one apartment, the same being deemed common elements as hereinafter provided. Each apartment shall include an adjacent balcony. Each apartment shall be deemed to include all walls and partitions which are not loadbearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and fixtures originally installed therein.

(a) Location of Apartments. There are seven (7) apartment units on each of the fourth through sixteenth floors (exclusive of the thirteenth floor). The apartments will be numbered "01", "02", "03", "04", "05", "06", and "07". Each apartment number is preceded by a number denoting the floor on which such apartment is located; e.g., Apartment 601 is the corner apartment on the western end of the building on the sixth floor. The "02" units are to the northeast diagonal of the "01" units with each subsequent unit following in a staggered pattern and concluding with the "07" units which are the corner units on the opposite end of the "01" units.

(b) Area of Apartments. The 84 apartments contained within the building vary in type and number and are described as follows:

TYPE A-2: Twelve (12) one-bedroom apartments, each containing three (3) rooms and a floor area of 537 square feet, excluding the adjacent balcony of approximately 137 square feet and numbered 402, 502, 602, 702, 802, 902, 1002, 1102, 1202, 1402, 1502 and 1602.

- TYPE A-3: Twenty-four (24) one-bedroom apartments, each containing three (3) rooms and a floor area of 531 square feet, excluding the adjacent balcony of approximately 96 square feet and numbered 403, 405, 503, 505, 603, 605, 703, 705, 803, 805, 903, 905, 1003, 1005, 1103, 1105, 1203, 1205, 1403, 1405, 1503, 1505, 1603, and 1605.
- TYPE A-4: Twelve (12) one-bedroom apartments, each containing three (3) rooms and a floor area of 530 square feet, excluding the adjacent balcony of approximately 134 square feet and numbered 404, 504, 604, 704, 804, 904, 1004, 1104, 1204, 1404, 1504, and 1604.
- TYPE A-6: Twelve (12) one-bedroom apartments, each containing three (3) rooms and a floor area of 538 square feet, excluding the adjacent balcony/lanai of approximately 137 square feet and numbered 406, 506, 606, 706, 806, 906, 1006, 1106, 1206, 1406, 1506, and 1606.
- TYPE B: Twelve (12) one-bedroom apartments, each containing three (3) rooms and a floor area of 529 square feet, excluding the adjacent balcony of approximately 102 square feet and numbered 401, 501, 601, 701, 801, 901, 1001, 1101, 1201, 1401, 1501, and 1601.
- TYPE C: Twelve (12) one-bedroom apartments, each containing three (3) rooms and a floor area of 569 square feet, excluding the adjacent balcony of approximately 80 square feet and numbered 407, 507, 607, 707, 807, 907, 1007, 1107, 1207, 1407, 1507, and 1607.

Each apartment has immediate access to a balcony passage on the floor on which it is located, which leads to the elevators (2) and stairways (2), which in turn afford access to the elevator lobby as well as other floors of the building, the elevator lobby floor connecting to the street by walkways and driveways.

The floor area of each respective apartment measured as set forth in the Declaration, including the separately itemized area of each such apartment's appurtenant balcony, the appurtenant individual percentage interest in the common elements and the designated parking space of each such apartment are as follows:

<u>Apt.No.</u>	<u>Unit Type</u>	<u>Square Footage</u>	<u>Square Footage Including Lanai</u>	<u>Parking Stall Assignment</u>	<u>Interest</u>
401	B	529 sq.ft.	631 sq.ft.	B-19 Covered Compact	.011701%
402	A 2	537 sq.ft.	674 sq.ft.	B-20 Covered Compact	.011886%
403	A 3	531 sq.ft.	627 sq.ft.	B-27 Partially Covered	.011753%
404	A 4	530 sq.ft.	664 sq.ft.	A-14 Open	.011731%
405	A 3	531 sq.ft.	627 sq.ft.	C-12 Open Compact	.011753%
406	A 6	538 sq.ft.	675 sq.ft.	C-18 Covered	.011908%
407	C	569 sq.ft.	649 sq.ft.	C-17 Covered	.012594%

<u>Apt.No.</u>	<u>Unit Type</u>	<u>Square Footage</u>	<u>Square Footage Including Lanai</u>	<u>Parking Stall Assignment</u>	<u>% Interest</u>
501	B	529 sq.ft.	631 sq. ft.	C-19 Partially Covered Compact	.011709%
502	A 2	537 sq.ft.	674 sq. ft.	C-16 Covered	.011886%
503	A 3	531 sq.ft.	627 sq. ft.	C-11 Open Compact	.011753%
504	A 4	530 sq.ft.	664 sq. ft.	C-22 Partially Covered	.011731%
505	A 3	531 sq.ft.	627 sq. ft.	C-10 Open Compact	.011753%
506	A 6	538 sq.ft.	675 sq. ft.	C-15 Covered	.011908%
507	C	569 sq.ft.	649 sq. ft.	C-14 Covered	.012594%
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601	B	529 sq.ft.	631 sq. ft.	C-20 Partially Covered Compact	.011709%
602	A 2	537 sq.ft.	674 sq. ft.	C-13 Covered	.011886%
603	A 3	531 sq.ft.	627 sq. ft.	C-28 Open	.011753%
604	A 4	530 sq.ft.	664 sq. ft.	C-21 Partially Covered	.011731%
605	A 3	531 sq.ft.	627 sq. ft.	C-27 Open	.011753%
606	A 6	538 sq.ft.	675 sq. ft.	B-9 Covered	.011908%
607	C	569 sq.ft.	649 sq. ft.	B-8 Covered	.012594%
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701	B	529 sq.ft.	631 sq. ft.	C-26 Partially Covered	.011709%
702	A 2	537 sq.ft.	674 sq. ft.	B-7 Covered	.011886%
703	A 3	531 sq.ft.	627 sq. ft.	C-9 Open	.011753%
704	A 4	530 sq.ft.	664 sq. ft.	C-25 Partially Covered	.011731%
705	A 3	531 sq.ft.	627 sq. ft.	C-8 Open	.011753%
706	A 6	538 sq.ft.	675 sq. ft.	B-6 Covered	.011908%
707	C	569 sq.ft.	649 sq. ft.	B-5 Covered	.012594%
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801	B	529 sq.ft.	631 sq. ft.	C-24 Partially Covered	.011709%
802	A 2	537 sq.ft.	674 sq. ft.	B-4 Covered	.011886%
803	A 3	531 sq.ft.	627 sq. ft.	C-7 Open	.011753%
804	A 4	530 sq.ft.	664 sq. ft.	C-23 Partially Covered	.011731%
805	A 3	531 sq.ft.	627 sq. ft.	C-6 Open	.011753%
806	A 6	538 sq.ft.	675 sq. ft.	B-3 Covered	.011908%
807	C	569 sq.ft.	649 sq. ft.	B-2 Covered	.012594%
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901	B	529 sq.ft.	631 sq. ft.	B-28 Partially Covered	.011709%
902	A 2	537 sq.ft.	674 sq. ft.	B-1 Covered	.011886%
903	A 3	531 sq.ft.	627 sq. ft.	C-5 Open	.011753%
904	A 4	530 sq.ft.	664 sq. ft.	B-11 Covered Compact	.011731%
905	A 3	531 sq.ft.	627 sq. ft.	C-4 Open	.011753%
906	A 6	538 sq.ft.	675 sq. ft.	A-13 Covered	.011908%
907	C	569 sq.ft.	649 sq. ft.	A-12 Covered	.012594%
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1001	B	529 sq.ft.	631 sq. ft.	B-10 Covered Compact	.011709%
1002	A 2	537 sq.ft.	674 sq. ft.	A-11 Covered	.011886%
1003	A 3	531 sq.ft.	627 sq. ft.	C-3 Open	.011753%
1004	A 4	530 sq.ft.	664 sq. ft.	A-1 Open	.011731%
1005	A 3	531 sq.ft.	627 sq. ft.	C-2 Open	.011753%
1006	A 6	538 sq.ft.	675 sq. ft.	A-10 Covered	.011908%
1007	C	569 sq.ft.	649 sq. ft.	A-9 Covered	.012594%

<u>Apt.No.</u>	<u>Unit Type</u>	<u>Square Footage</u>	<u>Square Footage Including Lanai</u>	<u>Parking Stall Assignment</u>	<u>% Interest</u>
1101	B	529 sq.ft.	631 sq. ft.	A-3 Partially Covered	.011709%
1102	A 2	537 sq.ft.	674 sq. ft.	A-8 Covered	.011886%
1103	A 3	531 sq.ft.	627 sq. ft.	B-12 Covered Compact	.011753%
1104	A 4	530 sq.ft.	664 sq. ft.	A-2 Partially Covered	.011731%
1105	A 3	531 sq.ft.	627 sq. ft.	C-1 Open	.011753%
1106	A 6	538 sq.ft.	675 sq. ft.	A-7 Covered	.011908%
1107	C	569 sq.ft.	649 sq. ft.	A-6 Covered	.012594%
1201	B	529 sq.ft.	631 sq. ft.	B-24 Covered	.011709%
1202	A 2	537 sq.ft.	674 sq. ft.	A-4 Covered	.011886%
1203	A 3	531 sq.ft.	627 sq. ft.	B-25 Covered	.011753%
1204	A 4	530 sq.ft.	664 sq. ft.	A-5 Covered	.011731%
1205	A 3	531 sq.ft.	627 sq. ft.	B-26 Covered	.011753%
1206	A 6	538 sq.ft.	675 sq. ft.	A-28 Covered	.011908%
1207	C	569 sq.ft.	649 sq. ft.	A-27 Covered	.012594%
1401	B	529 sq.ft.	631 sq. ft.	B-16 Covered	.011709%
1402	A 2	537 sq.ft.	674 sq. ft.	A-25 Covered	.011886%
1403	A 3	531 sq.ft.	627 sq. ft.	B-17 Covered	.011753%
1404	A 4	530 sq.ft.	664 sq. ft.	A-26 Covered	.011731%
1405	A 3	531 sq.ft.	627 sq. ft.	B-18 Covered	.011753%
1406	A 6	538 sq.ft.	675 sq. ft.	A-24 Covered	.011908%
1407	C	569 sq.ft.	649 sq. ft.	A-23 Covered	.012594%
1501	B	529 sq.ft.	631 sq. ft.	B-21 Covered	.011709%
1502	A 2	537 sq.ft.	674 sq. ft.	A-21 Covered	.011886%
1503	A 3	531 sq.ft.	627 sq. ft.	B-22 Covered	.011753%
1504	A 4	530 sq.ft.	664 sq. ft.	A-22 Covered	.011731%
1505	A 3	531 sq.ft.	627 sq. ft.	B-23 Covered	.011753%
1506	A 6	538 sq.ft.	675 sq. ft.	A-20 Covered	.011908%
1507	C	569 sq.ft.	649 sq. ft.	A-19 Covered	.012594%
1601	B	529 sq.ft.	631 sq. ft.	B-13 Covered	.011709%
1602	A 2	537 sq.ft.	674 sq. ft.	A-17 Covered	.011886%
1603	A 3	531 sq.ft.	627 sq. ft.	B-14 Covered	.011753%
1604	A 4	530 sq.ft.	664 sq. ft.	A-18 Covered	.011731%
1605	A 3	531 sq.ft.	627 sq. ft.	B-15 Covered	.011753%
1606	A 6	538 sq.ft.	675 sq. ft.	A-16 Covered	.011908%
1607	C	569 sq.ft.	649 sq. ft.	A-15 Covered	.012594%

GUEST PARKING STALLS: A-29 Open  
A-30 Open  
A-31 Open

COMMON ELEMENTS: The proposed Declaration reflects that the common elements shall include all of the land and all of the improvements other than the apartments, specifically including but not limited to:

1. Said land in leasehold;
2. All foundations, columns, beams, supports, load-bearing walls, roofs, chases, entry halls, lobbies, stairs, walkways, entrances and exits of said building;
3. All yards, grounds, landscaping, access decks, swimming pool, swimming pool equipment and decking, refuse areas, including the Manager's office, switch room, transformer room, pump room and lobby area, all of which are also located on the ground floor of the building;
4. All driveways, loading areas and parking areas;
5. All pipes, cables, conduits, ducts, electrical equipment, trash chutes, wiring and other central and pertinent transmission facilities and installations over, under and across the project which serve more than one apartment for services such as power, lights, gas, water, sewer, telephone, and television signal distribution, if any;
6. Any and all other apparatus and installations of common use and all other parts of the project necessary or convenient to its existence, maintenance and safety, or normally in common use;
7. The automatic electric passenger elevators with elevator housings and appurtenant equipment;
8. Three (3) guest parking spaces so designated on the plans as numbers A-29 through A-31.

LIMITED COMMON ELEMENTS: The proposed Declaration states that certain common elements shall be limited common elements and shall be set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

1. One (1) automobile parking space designated according to the respective apartment number, all as set out in the "DESCRIPTION" section set forth above.
2. All other common elements of the project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

The proposed Declaration also states that each apartment shall have appurtenant to it a non-exclusive easement for the purpose of ingress and egress.

COMMON INTEREST TO BE CONVEYED TO PURCHASER: The proposed Declaration states that each apartment shall have appurtenant thereto an undivided percentage interest in all the common elements of the project (referred to as the "common interest"), and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting. The various percentages for the respective apartment units are as follows:

<u>Type</u>	<u>Percentage Interest</u>
A-2	.011886
A-3	.011753
A-4	.011731
A-6	.011908
B	.011709
B (#401)	.011701
C	.012594

The purchaser will receive an assignment of ground lease together with apartment lease, demising an apartment together with its aforementioned share of the common interest.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration provides that all apartments shall at all times be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and guests and for no other purpose. The apartments shall not be rented for transient or hotel purposes which is defined as rental for any period less than 30 days or any rental in which the occupants of the apartment are provided customary hotel services. Except for the prohibition against use of the apartments for transient or hotel purposes, the owners of the respective apartments shall have the absolute right to lease or rent their apartment subject to all provisions of the Declaration and By-Laws.

The House Rules states, among other things, that occupancy is limited to no more than two persons per bedroom contained in each apartment, except that this occupancy may be exceeded by members of the immediate family of the owner, tenant or lessee, provided that in no event shall the number of occupants be more than four per bedroom.

OWNERSHIP OF LAND AND ENCUMBRANCES AGAINST TITLE: A preliminary report issued on February 9, 1976, by Long & Melone, Ltd., certifies that fee title to LOT A, LOT B, and LOT D are vested as follows with the respective encumbrances as to each lot:

LOT A: Title to LOT A is vested in Yoshiko Watanabe, a single woman, and Yayoi Watanabe, unmarried, as joint tenants subject to the following encumbrances:

1. Issuance of a lease from the owners to In-Sites: A Land Corporation, a Hawaii corporation, dated October 14, 1975, and recorded in the Bureau of Conveyances of the State of Hawaii in Book 10976, Page 28.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. Terms, covenants, conditions, reservations and



restrictions contained in Lease dated October 14, 1975, and recorded in said Bureau in Book 10976, Page 28.

4. An easement for road purposes in favor of the owners and occupants of Lot D of the resubdivision of Lot 15-A-4 and Lot 15-A-3 of the IAUKEA ESTATE LAND.
5. As to the 1/44th interest in the roadway, a grant of easement in favor of Hawaiian Electric Company, Inc., and Hawaiian Telephone Company for public utilities dated March 8, 1949, and recorded in said Bureau in Book 2225, Page 169; and easement in favor of the City and County of Honolulu for sanitary purposes recorded in said Bureau in Book 5017, Page 118.
6. Mortgage in favor of Oahu Finance Company, Limited, by Yoshiko Watanabe to secure the sum of \$50,000.00 dated June 3, 1974, and recorded in said Bureau in Book 9947, Page 572.
7. Taxes which may become due and owing, reference is hereby made to the County Tax Assessor of the First Division.

LOT B: Title to LOT B is vested in Edwin Yoshihiro Fujinaga and Andrea Shinayo Fujinaga, husband and wife, as tenants by the entirety, subject to the following encumbrances:

1. Issuance of a lease by the owners to In-Sites: A Land Corporation, a Hawaii corporation, dated February 5, 1976, and recorded in said Bureau in Book 11231, Page 514.
2. An easement in favor of Hawaiian Electric Company, Inc., and Hawaiian Telephone Company for utility purposes dated March 8, 1949, and recorded in said Bureau in Book 2225, Page 169; and easement in favor of the City and County of Honolulu, for right of way over and across Parcels 136 and 140-A filed March 22, 1965, in the First Circuit Court of the State of Hawaii, as Civil No. 14900.
3. Title to all mineral and metallic mines reserved to the State of Hawaii.
4. Collateral assignment of lease rents assigned to State Savings and Loan Association dated February 5, 1976, and recorded in said Bureau in Book 11231, Page 550.
5. Taxes which may become due and owing, reference is hereby made to the County Tax Assessor of the First Division.

LOT D: Title to LOT D is vested in Richard Kinoshita, husband of Marjorie Kinoshita, as tenant in severalty, as devisee under the Will and of the Estate of Seigo Kinoshita, deceased, subject to the following encumbrances:

1. Issuance of a lease by the owner to In-Sites: A Land Corporation, a Hawaii corporation, dated June 16, 1975, and recorded in said Bureau in Book 10822, Page 319.
2. Title to all mineral and metallic mines reserved to the State of Hawaii.
3. Terms, covenants, conditions, reservations and restrictions contained in Lease dated June 16, 1975, and recorded in said Bureau in Book 10822, Page 319.
4. As to the 1/44th interest in roadway, a grant of easement in favor of Hawaiian Electric Company, Inc., and Hawaiian Telephone Company for public utilities purpose dated March 8, 1949, and recorded in said Bureau in Book 2225, Page 169; and easement in favor of the City and County of Honolulu, for sanitary purposes over and across Parcels 135 and 140-A, and recorded in said Bureau in Book 5017, Page 118.
5. Taxes which may become due and owing, reference is hereby made to the County Tax Assessor of the First Division.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated January 30, 1976, identifies TITLE GUARANTY ESCROW SERVICES, INC., a Hawaii corporation, as escrow agent. On examination, the Specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514, and particularly Section 514-35 through Section 514-40 of the Hawaii Revised Statutes.

Among other provisions, the executed Escrow Agreement states that a purchaser under the Sales Contract, upon written request, shall be entitled to a refund of all monies deposited with escrow, without interest, if any of the following events shall have occurred:

1. If Developer shall have requested in writing that escrow return to purchaser the funds of purchaser;
2. If funds were obtained from an apartment purchaser prior to the issuance of a final public report upon the project by the Real Estate Commission, and there is a change in the plans for the said building requiring the approval of the official of the City and County of Honolulu having jurisdiction over the issuance of permits for the construction of buildings, unless Developer obtains the written approval or acceptance of such specific change in building plans by such apartment purchaser;
3. 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
4. If the final public report is not issued within one year from the date of issuance of the preliminary public report.

The Escrow Agreement also provides that the escrow agent shall deposit all funds received in a bank or savings and loan institution selected by the Developer and that any interest earned thereon shall be the sole asset of the Developer. The Developer has advised the Commission that pursuant to the terms of the Escrow Agreement, purchasers' escrowed downpayments may, under certain circumstances, be used to defray construction and other costs of the project after the issuance of a Final Report.

The Specimen Sales Contract states that certain of its terms are subject to the terms of the Escrow Agreement. The Specimen Sales Contract also provides that the Developer shall have the option to cancel the Sales Contract if less than 42 apartments are sold prior to April 1, 1976. The Sales Contract authorizes the Developer from time to time prior to closing, for and on behalf of purchaser at his proportionate common expense, to enter into contracts, licenses and concessions as are generally necessary or desirable for the management, operation and maintenance of the project.

The construction mortgage (interim, renewals and extensions) shall be and remain at all times a lien or charge on the project prior to and superior to any and all liens or charges on the project arising under the Sales Contract or any prior reservation agreement.

It is incumbent upon the purchaser or prospective purchaser to read with care the Specimen Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds paid into escrow will be retained and may be disbursed, in some circumstances disbursement being prior to the completion of the project.

MANAGEMENT AND OPERATIONS: The Developer has entered into an agreement dated January 29, 1976, with URBAN MANAGEMENT CORP., a Hawaii corporation, for the employment of its services relating to the maintenance and management of the project, the term of this contract to be for one year. A copy of the Management Agreement has been delivered to the Real Estate Commission and is on file for the purchaser or prospective purchaser to review.

STATUS OF THE PROJECT: The Developer has advised that it expects to begin construction on March 30, 1976.

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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 February 19, 1976, and information subsequently filed as of March 1, 1976.

This PRELIMINARY HORIZONTAL PROPERTY REGIME (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 843, filed with the Commission on February 19, 1976.

The report, when reproduced, shall be a true copy of the Commis-

sion's Public Report. In making facsimiles, the paper stock shall be yellow in color.

*ah Kwan Young*  
MEMBER, REAL ESTATE COMMISSION,  
STATE OF HAWAII

Distribution: DEPARTMENT OF TAXATION  
BUREAU OF CONVEYANCES  
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU  
FEDERAL HOUSING ADMINISTRATION  
ESCROW AGENT

Registration No. 843

March 5, 1976.