

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
KINAU LANAIS
775 Kinalau Place
Honolulu, Hawaii

REGISTRATION NO. 852

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 until

- (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: April 20, 1976

Expires: May 20, 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 SUBMITTED MARCH 29, 1976 AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 15, 1976. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514, HAWAII REVISED STATUTES.

1. KINAU LANAIS (the "Project") is a condominium project consisting of one hundred eighty (180) residential apartments and three (3) commercial apartments in one building with twenty-one (21) floors, plus a mezzanine parking level, a basement parking level, a roof deck picnic and sunbathing area, with recreation areas and

rooms, pool and a poolside cabana on the ground level. Purchasers are advised to study paragraph 15 in the Sales Contract which prohibits assignment of the Sales Contract. There are 190 parking stalls, of which 139 are regular stalls and 51 are compact stalls. Six stalls will be designated visitor parking stalls.

2. The Developer has submitted to the Commission for examination all documents necessary for the issuance of this Final Public Report.
3. Pursuant to Chapter 514 of the Hawaii Revised Statutes and the Rules and Regulations promulgated thereunder by the Real Estate Commission of the State of Hawaii (the "Commission"), no advertising or promotional matter has been submitted.
4. The Declaration of Horizontal Property Regime, together with the By-Laws (the "By-Laws") of Association of Apartment Owners (the "Association") attached thereto, was recorded in the Bureau in Liber 11318 at Page 91, and Condominium Map No. 454 has been assigned to the Project by the Bureau.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514 of the Hawaii Revised Statutes, the Horizontal Property Act and the Condominium Rules and Regulations which relate to Horizontal Property Regimes.
6. This Final Public Report automatically expires thirteen (13) months after the date of issuance, April 20, 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 Final Public Report is made a part of the registration on the "KINAU LANAIS" condominium project. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the Receipt for Horizontal Property Regime Final Public Report from each purchaser and prospective purchaser.

NAME OF PROJECT: KINAU LANAIS

LOCATION: The land submitted to the Regime, approximately 35,877 square feet, is located on the makai side of Kinalau Place at 775 Kinalau Place, Honolulu, Hawaii.

TAX MAP KEY: FIRST DIVISION 2-1-40: Parcel: 3.

ZONING: A-4 (apartment)

DEVELOPER: The KINAU STREET VENTURE, a Hawaii registered joint venture, consisting of HUI HOUSE, INCORPORATED, SMITH DEVELOPMENT CORP. and AMFAC FINANCIAL CORP., all Hawaii corporations, with its principal place of business at 16th Floor, 700 Bishop Street, Honolulu, City and County of Honolulu, State of Hawaii, and its post office address at P. O. Box 2448, Honolulu, Hawaii 96804. Telephone 546-8100.

The officers of the joint venture corporations are:

Smith Development Corp.

Peter S. Smith - President-Treasurer
Robert H. Gerell - Vice President
J. Thomas Van Winkle - Secretary

Hui House, Incorporated

Wallace E. Sanger - President
Frances E. Sanger - Vice President
Cornelio Gorospe - Secretary-Treasurer

Amfac Financial Corp.

Howard Hamamoto - President
David J. Porteus - Vice President
Barbara Gittins - Secretary
John H. Sato - Treasurer

ATTORNEY FOR DEVELOPER: Carlsmith, Carlsmith, Wichman and Case, 190 South King Street, Honolulu, Hawaii 96813 (Attention: Peter Starn), Telephone 524-5112.

DESCRIPTION: The land has been improved, according to the Developer's plans and intention to sell, with the construction of an apartment building containing one hundred eighty (180) residential apartments, three (3) commercial apartments and 190 parking stalls all in accordance with the Condominium Map recorded in the Bureau. The specimen Sales Contract states that the Developer intends to sell the apartments therein to third persons with an Apartment Deed conveying an apartment and an undivided interest in the common elements of the Project (exclusive of the land) and a Ground Lease conveying a leasehold interest in an undivided interest in the land in the common elements, which deed and lease are combined in a Condominium Conveyance Document.

1. Description of the Building.

(a) General Description. The Project consists of an apartment building and various areas and structures portions

of which are hereinafter designated and described as common elements, including a pool, parking areas and a poolside cabana building. In addition to the written description of the Project in the Declaration, the Project is also depicted on the Condominium Map for the Project recorded in the Bureau as Condominium Map No. 454 (hereinafter called the "Condominium Map") which is incorporated by reference herein. The apartment building has twenty-three (23) levels plus a roof deck picnic and sunbathing area. The upper twenty-one (21) levels are designated "floors" and are given numerical designations in ascending order from 1 through 22 (excluding number 13). The lowest level is designated the "Basement", and the parking level between the basement and the first floor is designated "Mezzanine Parking".

(b) Access. Access to the upper levels is provided by two elevators located side by side in the center of the building's west side and running from the basement to the 22nd floor and two stairways one located at the north (Kinalau Place) end of the Building and the other located at the south (Kinau Street) end of the building (and shown as "Stair No. 1" and "Stair No. 2", respectively, on the Condominium Map). These stairways run from the basement to the roof deck picnic and sunbathing area. Both stairways and both elevators have access to every level except the roof level which is only accessible by the stairways and is not serviced by the elevators.

(c) Number of Apartments. The apartment building is divided into 180 residential apartments and three (3) commercial apartments. The three commercial apartments are the three apartments on the first floor of the Project and are convertible to residential apartments in the manner specified in paragraph 15 of the Declaration. The Resident Manager's apartment on the first floor is for the use of the Resident Manager of the Project and is a common element of the Project. Each residential apartment (except the Resident Manager's apartment), and each of the commercial apartments constitute an "apartment", as defined and used in Chapter 514 of the Hawaii Revised Statutes, and constitutes a separate estate.

(d) Construction Materials. The apartment building shall be constructed principally of concrete floor slabs, reinforced concrete bearing walls, concrete roof slabs, concrete masonry, lumber, steel, aluminum, glass and allied building materials.

(e) Basement. The basement level contains sixty-six (66) parking stalls including forty-nine (49) regular and seventeen (17) compact stalls, a lobby adjacent to the

elevators, a pump room, an electric meter room (the "Elect. Mtr. Room" on the Condominium Map), two recreation rooms (designated "Recreation #1" and "Recreation #2" on the Condominium Map) and a restroom. Walkways in the basement connect the lobby, the elevators and Stairways No. 1 and No. 2 and provide access to the parking stalls, recreation rooms and the electrical meter room. Automobile access to the basement level is from Kinau Street by an upramp (designated as the "Basement Up Ramp" on the Condominium Map).

(f) Mezzanine Parking. The mezzanine parking level contains seventy (70) parking stalls including forty-seven (47) regular and twenty-three (23) compact stalls, a lobby adjacent to the elevators, an electric meter room, a bicycle storage area, a transformer room, a pool pump room and a telephone equipment room. Walkways connect the lobby, the elevators and Stairways No. 1 and No. 2 and provide access to the parking stalls and electrical meter room. Automobile access to the mezzanine parking level is from Kinau Street by an upramp (designated as the "Mezzanine Up Ramp" on the Condominium Map).

(g) First Floor Level. The first floor level contains fifty-four (54) parking stalls including forty-three (43) regular and eleven (11) compact stalls, the three (3) commercial apartments and the Resident Manager's apartment. Automobile access to the first floor is from Kinalau Place by two upramps (designated "First Floor Up Ramp #1" and "First Floor Up Ramp #2" on the Condominium Map). In addition to the parking stalls there are two loading stalls (designated "L-1 and L-2" on the Condominium Map) adjacent to a foyer at the north (Kinalau Place) end of the building. A corridor connects the foyer and Stairway No. 1 with a lobby adjacent to the elevators and provides access to the Resident Manager's apartment and the three (3) commercial apartments. A walkway across the parking area provides access to the lobby and corridor from Stairway No. 2. The first floor lobby and corridor area contains mailboxes for the apartments and an "enterphone" system. An electrical room ("Elect. Room" on the Condominium Map) and an equipment room ("Equip. Room" on the Condominium Map) are also situated on the first floor. The equipment room contains a trash bin at the bottom of a trash chute which runs through and serves floors 2 through 22. Also on the first floor level is a recreation area with a pool, pool deck and poolside cabana building. The parking stalls are accessible from the foyer, corridor, lobby and walkway.

(h) Floors 2 through 22. There are nine (9) one-bedroom apartments and an electrical meter room on each of the upper twenty (20) floors numbered from 2 through 22

(excluding number 13) as well as a corridor which runs the length of each level from Stairway No. 1 at the north (Kinalau Place) end of the building to Stairway No. 2 at the south (Kinau Street) end providing access from each apartment to the elevators and both stairways as well as the electrical meter room. The floor plan for each apartment on floors 2 through 22 is identical except that some apartments are mirror images of the others.

(i) Roof Deck Picnic and Sunbathing Area. A machine room, central water heater, trash chute vent and exhaust fans are located on the roof deck picnic and sunbathing area level which is accessible from Stairway No. 1 and Stairway No. 2. A "picnic area" with artificial turf, gas barbecues and deck ("redwood duck board" on the Condominium Map) bounded by a redwood fence and a "sunbathing area" with artificial turf, bounded by a redwood fence are also located on the roof deck picnic and sunbathing area level.

2. Description of Apartments.

(a) Numerical Designation and Location of Apartments. Each apartment has been given a three or four digit numerical designation by which its location in the building can be determined. The numerical designation of each apartment begins with its respective floor number. The last two digits in the numerical designation indicate the location of the unit on the floor. Except for the first floor, the apartment in the southeastern corner on each floor is given a designation ending in 01. The apartment in the southwestern corner of each floor, except the first floor, is given a designation ending in 02. The designation then numerically increases across the corridor and towards the north (Kinalau Place) end of the Project, so that the odd-numbered apartments, in ascending order northward, are located on the eastern side of the corridor and the even-numbered apartments, in ascending order northward, are located on the western side.

On the first floor, commercial apartment 101 is adjacent to the lobby on the eastern side of the corridor and commercial apartment 102 is adjacent to the elevators and electric room on the western side of the corridor. Commercial apartment 104 is on the western side of the corridor north of and adjacent to apartment 102.

The location and numbering scheme for the apartments is further set forth below:

<u>Apartment Number</u>	<u>Location on Floor</u> ¹
(a) <u>FIRST FLOOR:</u>	
101 (Commercial Apartment)	East Side of Corridor, North of Lobby
102 (Commercial Apartment)	West Side of Corridor, North of Elevator
104 (Commercial Apartment)	West Side of Corridor, North of and Adjacent to Apartment 102
(b) <u>FLOORS 2 THROUGH 22:</u> (Residential Apartments)	
<u>LAST TWO DIGITS</u>	
"01": (201 - 2201 inclusive) ²	Southeast Corner
"02": (202 - 2202 inclusive) ²	Southwest Corner
"03": (203 - 2203 inclusive) ²	East Side of Corridor, North of and Adjacent to Apartment "01"
"04": (204 - 2204 inclusive) ²	West Side of Corridor, South of Elevators and Electrical Room
"05": (205 - 2205 inclusive) ²	East Side of Corridor Across from the Elevators
"06": (206 - 2206 inclusive) ²	West Side of Corridor, North of and Adjacent to Elevators
"07": (207 - 2207 inclusive) ²	East Side of Corridor, North of and Adjacent to "05"
"08": (208 - 2208 inclusive) ²	Northwest Corner
"09": (209 - 2209 inclusive) ²	Northeast Corner

NOTES:

1. Directions are as follows: north is the Kinalau Place or mauka end of the Project, south is the Kinau Street or makai end of the Project, east is the Diamond Head side of the Project, and west is the Ewa side of the Project.

2. The numerical designation of each apartment begins with the floor number. Floors with apartments are numbered in ascending order from 1 through 22 (except for number 13 which is excluded). All apartments on floors 2 through 22 numbered with the same last two digits (e.g., 201, 301, 401, . . . 2201) are in the same location on each floor.

(b) Description of Apartments. Each apartment includes: (i) all the walls and partitions within its perimeter walls, (ii) all glass windows, louvers, doors, panels and railings along its perimeter, (iii) the interior half of all northern and southern perimeter walls and the entirety of all other perimeter walls except for the exterior finished surfaces, (iv) the interior finished surfaces of the floors and ceilings, (v) all built-in fixtures including refrigerator, vented hood, range/oven, disposal, dishwasher, washer and dryer, kitchen sink, bathroom fixtures, carpets and drapes, and lanai awning except for the commercial apartments which shall not contain any such built-in fixtures unless they are converted to residential apartments as provided in paragraph 15 of the Declaration, (vi) the adjacent lanai shown on the Condominium Map to the exterior edge of the concrete floor slabs except for any residential or commercial apartments on the first floor level which do not have such lanais, (vii) any utility system or component thereof which is located within any apartment and designed for the exclusive use of such apartment, and (viii) all the air space encompassed within the apartment.

Provided, however, that the apartments shall not include: (a) that portion of any load-bearing interior or perimeter wall within or surrounding any apartment which, except for the inner finished surfaces of any such wall, shall be a common element, (b) the floors and ceilings of any apartment which shall be common elements, except for their inner finished surfaces, and (c) any pipes, shafts, chases, ducts, or other enclosed spaces for wiring, plumbing, air exhaust or ventilation serving or being utilized by more than one apartment which shall be common elements.

Each residential apartment on floors 2 through 22 includes one bedroom, a living-dining room, a kitchen, a bathroom and one lanai. Each commercial apartment consists of one unpartitioned room which is unfinished "loft" space. All apartments have immediate access to a corridor.

Commercial apartments 102 and 104 may be conveyed by the Developer with a partition installed in the party wall between such units to seal the presently existing passageway through their common party wall as shown on the

Condominium Map. Such partition shall be of a quality, finish and appearance substantially similar to the remainder of such party wall. In the event that any such apartment is sold with such partition, the Developer shall make any required amendments to the Declaration, the Exhibits and the Condominium Map as provided in paragraph 16 of the Declaration. If any such apartment is conveyed without such partition, Developer shall have no responsibility for installation of such partition. In no event shall common ownership or use of apartments 102 and 104 be deemed to create or result in a consolidation of such apartments, and each such apartment shall remain a separate apartment with separate appurtenant common interests under the Statute. So long as apartments 102 and 104 are owned by the same owner then such partition may be removed or installed by such owner without any further approval being required from the other apartment owners, the Board of Directors of the Association of Apartment Owners or the Association itself. However, apartments 102 and 104 may not be conveyed to different owners at any time unless such partition has been installed in accordance with the requirements of this paragraph before such sale is consummated.

(c) Approximate Area and Percentage Interest of Apartments. The approximate area of each apartment and the percentage of undivided interests in the common elements appurtenant to each apartment and its owner for all purposes, including voting, is as follows:

(i) For all apartments in the Project other than the apartments located on the first floor:

<u>Type</u>	<u>Floor Area: Interior</u>	<u>Lanai</u>	<u>Total</u>	<u>Common Interest of Each Apartment¹</u>
Residential (1 bedroom, 1 bath)	520 sq. ft.	169 sq. ft.	689 sq. ft.	.54645%

(ii) For the apartments on the first floor:

<u>Apartment Number</u>	<u>Type</u>	<u>Floor Area: Interior</u>	<u>Lanai</u>	<u>Total</u>	<u>Common Interest of Each Apartment¹</u>
101	Commercial ²	445 sq. ft. ³	-0-	445	.54610%
102	Commercial ²	520 sq. ft.	-0-	520	.54645%
104	Commercial ²	520 sq. ft.	-0-	520	.54645%

NOTES:

1. In the event of any conversions under paragraph 15 of the Declaration, the common interest of all apartments will remain unchanged.

2. As provided in paragraph 15 of the Declaration, Apartments 102 and 104 may be converted to one bedroom, one bath residential apartments and Apartment 101 may be converted to either a studio or a one bedroom, one bath residential apartment.

3. In the event Apartment 101 is converted to residential use as a one bedroom, one bath apartment, the area of this apartment will be increased from 455 to 520 square feet. If the area of Apartment 101 is so increased, its common interest will not change.

The areas of the apartments on floors 2 through 22 are computed from the following measurements: (i) interior width is measured on a line connecting the outer, finished surface of the corridor-facing perimeter wall to the outer surface of the sliding glass door and wall separating the lanai from the interior of the apartment and perpendicular to both surfaces, (ii) interior length as well as lanai length is measured on a line connecting the center lines of the north and south perimeter walls and perpendicular to both walls, (iii) lanai width is measured on a line connecting the outer surface of the above-described sliding glass door and the outer edge of the concrete floor slab of the lanai and perpendicular to such surface and edge. Areas for the apartments on the first floor are computed from the following measurements: (i) width is measured on a line connecting the outer-finished surface of the corridor-facing perimeter wall and the outer finished surface of the opposite perimeter wall and perpendicular to both surfaces, (ii) length is measured along a line connecting the center lines of the north and south perimeter walls and perpendicular to both such center lines.

COMMON ELEMENTS. The common elements shall include the common elements described in paragraph 2(b) of the topical heading "DESCRIPTION", the limited common elements set forth below, and all other portions of the Project other than the apartments, including specifically, but not limited to:

- (a) The land in fee simple;
- (b) All foundations, floor slabs, beams, supports, bearing walls (except the inner finished surface

within each unit), roofs, all other structural elements, stairways, walkways, retaining walls, fences and railings;

(c) All driveways, roadways, pavements, parking areas, planters and planted areas, grounds, and sprinkling system;

(d) Two loading stalls at the north end of the first floor level, and six visitor parking stalls to be designated in Exhibit "C" to the Declaration, to be attached thereto by amendment to the Declaration as set forth in paragraph 16 of the Declaration;

(e) The central water heater, trash chute, mailboxes, lobby areas, elevators, elevator machine room, stairwells, corridors, electrical and telephone equipment rooms, all ducts, shafts, chases, wiring, pipes, conduits and other central appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for all services such as power, light, water, sewer, telephone and radio and television signal distribution;

(f) Basement recreation areas including Recreation Room No. 1 (designated "Recreation # 1" on the Condominium Map), the adjacent restroom, Recreation Room No. 2 (designated "Recreation # 2" on the Condominium Map), as well as the recreation and picnic area on the first floor level, including the swimming pool, pool deck and a recreation building of one-story wood and masonry construction, open on the north and east sides with a cedar shake roof and containing a poolside cabana and cooking areas and facilities, heater room and men's and women's restrooms and the pool pump and pump room;

(g) The Resident Manager's unit on the first floor which includes a living-dining room, a bedroom, a kitchen and a bathroom, all perimeter walls of said apartment including their exterior finished surfaces and all fixtures, interior finished surfaces, walls and partitions contained therein and the Resident Manager's parking stall to be designated in Exhibit "C", to be attached to the Declaration as an amendment as provided in paragraph 16 of the Declaration;

(h) The roof deck picnic and sunbathing area on the roof of the building, including the redwood fencing surrounding such area, the artificial turf located therein and the redwood deck ("redwood duck board" on the Condominium Map) in the picnic area;

(i) Any and all other structures, 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.

LIMITED COMMON ELEMENTS. Certain parts of the common elements, herein designated as "limited common elements", have been set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto easements for the use of such limited common elements. All costs of every kind pertaining to each limited common element, including but not limited to the costs of security, maintenance, repair, replacement, additions and improvements, shall be borne entirely by the apartment or apartments to which it is appurtenant. If any limited common element is appurtenant to more than one apartment, each such apartment shall bear a portion of the total costs, as specified in the preceding sentence, for that limited common element equal to the ratio which its common interest bears to the total common interests of all apartments responsible for said cost.

(a) The following are limited common elements appurtenant to and for the use of all residential apartments: (i) The two basement recreation rooms including all the facilities contained therein and portions of the plumbing, electrical wiring and equipment, ventilation ducts and other utility systems serving the said recreation rooms; (ii) The first floor recreation area including the swimming pool, pool deck, poolside cabana and the facilities and fixtures contained therein, the fencing around the pool and recreation area and portions of the plumbing, electrical wiring and equipment and other utility systems serving the swimming pool or first floor recreation area; (iii) The elevators, elevator shaft and housing, elevator machinery and appurtenant electrical wiring and equipment serving the elevators; (iv) All ventilator fans, ducts, shafts and the trash chute;

(b) The following are limited common elements appurtenant to and for the exclusive use of all the commercial apartments: the plumbing, electrical or other utility systems or components thereof serving more than one commercial apartment or any limited common element appurtenant to more than one commercial apartment but excluding any portion of such facilities serving the residential apartments or the limited common elements appurtenant thereto and provided, however, that if at any time there shall be only one commercial apartment in the Project, then such utility systems serving such apartment or limited common elements

appurtenant thereto shall be limited common elements appurtenant to that apartment to the extent that any such system or component thereof is located outside the boundaries of such apartment;

(c) All electrical, plumbing, telephone, cable television or other utility systems or any component thereof serving or for the exclusive use of only one apartment or one or more limited common elements appurtenant to only one apartment, to the extent such system is located outside the boundaries of such apartment as described herein, shall be a limited common element appurtenant to such apartment;

(d) Subject to the crossing easement, one parking stall, as designated in Exhibit "C", to be attached to the Declaration as an amendment as provided in paragraph 16 of the Declaration, shall be appurtenant to and reserved for the exclusive use of each of the apartments. As long as at all times (or, in the case of an exchange of parking stalls between apartments, immediately subsequent to such an exchange) there shall be at least one parking stall appurtenant to each apartment, any exclusive easement for the use of a parking stall may be conveyed to another apartment in the Project by a written instrument expressly identifying the apartment to which the parking stall is appurtenant as well as the apartment to which the parking stall will become appurtenant, which written instrument shall be denominated as an amendment of the Declaration and shall be duly recorded in the Bureau of Conveyances. For this limited purpose only, notwithstanding any other provision regarding amendments contained in the Declaration, the owners of those particular apartments involved in such exchange, acting together may amend this Declaration without the consent of any other apartment owners being required. Developer, Purchaser of Developer's fee simple interest in the land (the "Fee Purchaser"), if any, or any successor or assign thereof need not join in such amendment, but the consent must be obtained of any mortgagees of any apartment to which any such stall is appurtenant prior to such exchange of parking stalls. Such an exchange shall in no way alter the common interest appurtenant to each apartment as specified in paragraph 2(c) of the topical heading "DESCRIPTION". If Chapter 514, Hawaii Revised Statutes, as amended, should be interpreted to require the joinder of all apartment owners, in addition to those exchanging the exclusive use of the stalls affected, in order to validate the Amendment of Declaration, for the limited purpose of transferring such easements, such joinder shall be deemed to have been accomplished by a power of attorney from each of the owners not affected to the affected owners, the acceptance of ownership of an apartment subject to the Declaration being the grant

by each owner of such a power of attorney to the other owners and the grant, being coupled with an interest, being irrevocable. Such Amendment of the Declaration shall be effective upon recording in the Bureau of Conveyances of the State of Hawaii. A copy of said Amendment shall be given by the affected owners to any mortgagee of the affected owners, the Association, the Developer, or the Fee Purchaser, if any, within fifteen (15) days of the recording thereof.

INTEREST TO BE CONVEYED TO PURCHASER: The undivided percentage ownership in the common elements exclusive of the land (the "Common Interest"), appertaining to each apartment and its owner for all purposes including voting shall be as set forth in paragraph 2(c) of the topical heading "DESCRIPTION".

Each apartment and its appurtenant Common Interest shall be conveyed to each purchaser in an Apartment Deed. An undivided percentage interest in the land underlying the Project and included in the common elements equal to the Common Interest shall be appurtenant to each apartment and leased to each purchaser in a Ground Lease to be combined with the Apartment Deed in a Condominium Conveyance Document.

USE: The Declaration provides that (i) the residential apartments shall be occupied and used as permanent or temporary residences and for no other purposes and (ii) the commercial units shall be used for any commercial use permitted by law and the Declaration and By-Laws. The owners of apartments have the right to lease or rent their apartments to third parties.

OWNERSHIP TO TITLE: The Notice of Intention states that title to the land is vested in the KINAU STREET VENTURE, a Hawaii joint venture, whose principal place of business is 16th Floor, 700 Bishop Street, Honolulu, City and County of Honolulu, State of Hawaii, and whose post office address is P. O. Box 2448, Honolulu, Hawaii 96804, by Master Deed dated June 13, 1975, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10729, Page 169.

ENCUMBRANCES AGAINST TITLE: The Developer has filed with the Commission a title search report prepared by Long & Melone, Limited dated March 12, 1976. That report describes the following encumbrances:

1. Title to all mineral and metallic mines reserved to the State of Hawaii.
2. Reservations (by the State of Hawaii and pertaining to mineral and surface water rights in favor of the State of Hawaii) and covenants (regarding use of land which

of Hawaii) and covenants (regarding use of land which supports policies of illegal discrimination and regarding compliance with zoning and subdivision ordinances) as contained in Deeds dated December 27, 1974, recorded in Book 10362, Page 551, dated February 10, 1975, recorded in Book 10503, Page 269 and dated May 30, 1975, recorded in Book 10672, Page 76.

3. MORTGAGE
Mortgagor(s) : The Kinau Street Venture, a Hawaii registered joint venture comprised of Hui House, Incorporated, a Hawaii corporation, Smith Development Corp., a Hawaii corporation, and Amfac Financial Corp., a Hawaii corporation
Mortgagee(s) : Amfac Financial Corp., a Hawaii corporation
Dated : June 13, 1975
To Secure : \$6,840,000.00
Recorded in said Bureau of Conveyances in Book 10729, Page 176.
4. ASSIGNMENT OF MORTGAGE
Assignor(s) : Amfac Financial Corp., a Hawaii corporation
Assignee(s) : Washington Mutual Savings Bank, a Washington corporation
Dated : June 13, 1975
Recorded in said Bureau of Conveyances in Book 10729, Page 192. Assigns Mortgage in Encumbrance No. 3 above.
5. FINANCING STATEMENT
Debtor(s) : The Kinau Street Venture, a Hawaii registered joint venture comprised of Hui House, Incorporated, Smith Development Corp. and Amfac Financial Corp.
Secured Party: Amfac Financial Corp.
Recorded June 25, 1975, in said Bureau of Conveyances in Book 10729, Page 189.
6. FINANCING STATEMENT CHANGE
Debtor(s) : The Kinau Street Venture, a Hawaii registered joint venture comprised of Hui House, Incorporated, Smith Development Corp., and Amfac Financial Corp.
Secured Party: Amfac Financial Corp.
Assignee of
Secured Party: Washington Mutual Savings Bank
Recorded June 25, 1975 in said Bureau of Conveyances in Book 10729, Page 195. Assigns interest of the secured party in the Financing Statement in Encumbrance No. 5 above.

7. SECOND MORTGAGE

Mortgagor(s) : The Kinau Street Venture, a Hawaii registered joint venture comprised of Hui House, Incorporated, a Hawaii corporation, Smith Development Corp., a Hawaii corporation, and Amfac Financial Corp., a Hawaii corporation

Mortgagee(s) : Amfac Financial Corp.

Dated : June 13, 1975

To Secure : \$760,000.00

Recorded in said Bureau of Conveyances in Book 10729, Page 199.

8. Covenants contained in Affidavit dated May 15, 1975, recorded in said Bureau of Conveyances in Book 10640, Page 340, made by Kinau Street Venture, more fully set forth in Exhibit "A" to the Declaration.
9. Real property taxes for fiscal year 1975-1976 have been paid in full.

The Developer has informed the Commission that the mortgage set forth in Encumbrance No. 3 and assigned in Encumbrance No. 4, the Second Mortgage set forth in Encumbrance No. 7 and the security interest lien created by the Financing Statement set forth in Encumbrance No. 5 and assigned in Encumbrance No. 6 will be released and discharged of record as to each condominium apartment prior to its being transferred to a purchaser.

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated March 22, 1976, between Long & Melone Escrow, Ltd. (the "Escrow"), 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 514, Hawaii Revised Statutes, as amended.

The executed Escrow Agreement provides in part that if at any time 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, then Escrow shall return such funds to the purchaser, without interest and less: (1) any mortgagee's cancellation fee, and (2) all other costs, if any, which have been incurred in connection with the Escrow mortgage processing, closing or legal documentation. The Escrow Agreement further provides that in such event, Escrow shall also return to purchaser his sales Contract marked "cancelled" and any Condominium Conveyance Document previously delivered to Escrow shall be returned to Developer and any

mortgage documents which may have been executed shall also be marked cancelled and returned to the mortgagee, if any, and Developer and the purchaser shall be deemed no longer bound by the terms of the Sales Contract; provided, however, that no refund shall be made to purchaser at purchaser's request until Escrow has received written approval of such refund from Developer.

NOTE: Prospective purchasers should be aware that:

1. The Mortgage and other liens securing the Developer's first and second mortgage loans (interim, renewals and extensions) used for the construction of the Project 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 or any reservation agreement in favor of the priority of all such liens.

2. It is incumbent upon the purchaser and the prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter establishes how the proceeds from the sale of apartments are placed in trust, as well as the retention and disbursement of said trust fund.

3. As provided in paragraph 29 of the Sales Contract, the Purchaser acknowledges that minor construction activity may continue on the site, which may result in noise, dust or other annoyances. In addition, as further provided in said paragraph 29, the Developer's sales activities including the use of model units and signs and the use of the first floor lobby area for sales displays and related activities may continue until the last apartment in the Project is sold.

4. The Seller has reserved the right in the Declaration to deed or assign to another party its fee simple interest in the land underlying the Project, the reversionary interest therein and the right to rents arising therefrom, subject always to the Declaration and By-Laws and the aggregate of the common leasehold interests in the land to be leased by the Developer as lessor to each purchaser as lessee at the time of the sale of each apartment in the Project.

5. The Developer has entered into a long-term lease of an automatic refuse compaction system for the Project on behalf of the Association with Hawaii Leasing. The lease term shall be for a period of sixty-five (65) months with a monthly rental of approximately \$233.60,

including tax. The monthly rental shall be a common expense shared by all apartments in the Project according to the percentage common interest appurtenant to each apartment.

6. The Project shall contain three commercial apartments on the first floor level. These apartments may be sold by the Developer for commercial uses which do not violate any law or provision of the Declaration and By-Laws. The purchaser's attention is called to paragraphs 15 and 16 of the Declaration which provide that the Developer may convert one or more of the commercial apartments to residential use and file the amendments to the Declaration necessary to carry out such conversion. As provided in paragraph 6 of the Sales Contract, the purchaser's Condominium Conveyance Document shall contain a grant of a power of attorney by the purchaser to the Developer to carry out such conversions.

7. The purchaser's attention is directed to paragraph 16 of the Declaration, paragraph 6 of the Sales Contract and paragraph V(b) of the Condominium Conveyance Document all of which contain a consent and grant by the purchaser to the Developer of a power of attorney to make certain amendments to the Declaration that may be necessary to comply with provisions of law, the requirements of certain mortgagees or to carry out the changes to the Project set forth in said paragraphs.

8. Under paragraph 20 of the Sales Contract, the Developer reserves the right to sell or lease unsold apartments in the Project free from any restrictions on such sale or lease which may apply to purchaser under the Declaration and By-Laws.

9. The Developer, which is a Hawaii registered joint venture, reserves the right at any time to add or withdraw members from the joint venture; provided, however, that at all times that the joint venture remains in existence, Amfac Financial Corp. shall remain a member of such joint venture.

10. The specimen Sales Contract states if less than 125 apartments are sold prior to December 31, 1976, the Developer may, at its option, cancel all Sales Contracts, return all amounts paid by buyers, and terminate the Project and be released from all liability and obligations thereunder.

MANAGEMENT OF THE PROJECT: The By-Laws vest in the Board of Directors (the "Board") the power and duties necessary for the administration of the overall affairs of the Project.

The By-Laws submitted to the Commission permit the Developer to appoint the initial managing agent for the Project. The Developer has entered into a one-year contract (the "Management Contract") with Aaron M. Chaney, Inc. as the initial managing agent. The provisions of the Management Contract which has been filed with the Commission provide for earlier termination for cause. The managing agent's fee is \$6.51 per month for each unit closed.

HOUSE RULES: Purchasers and prospective purchasers are advised to read with care the House Rules for the Project which among other things prohibit pets, set conditions for the use of waterbeds in the Project, and regulate the installation of air conditioning units.

STATUS OF PROJECT: On January 15, 1975, Developer entered into a Construction Contract with Charles Pankow and Associates to construct the Project. The Developer advises that construction commenced on May 1, 1975 and a "Certificate of Substantial Completion" was issued on March 5, 1976.

PROGRAM OF FINANCING: The Statement of Costs and the Program of Financing submitted by the Developer reflect that the Developer intends to pay the cost of the Project from funds available through a construction loan commitment of \$7,600,000.00.

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 March 29, 1976.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 852 filed with the Commission on March 29, 1976.

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April 20, 1976