

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
"WAIKIKI LANAIS"
2452 Tusitala Street
Honolulu, Hawaii

Registration No. 892

IMPORTANT — Read This Report Before Buying

This Report Is Not an Approval or Disapproval of This Condominium Project

It reflects information obtained by the Real Estate Commission in its investigation of the project. This report, based on a principle of disclosure, is issued by the Commission for the purpose of preventing fraud, misrepresentation or deceit.

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project but may only take reservations therefore after

- (1) A copy of this Report has been given to the prospective purchaser,
- (2) The latter has been given an opportunity to read same, and,
- (3) His receipt taken therefor.

Issued: January 10, 1977

Expires: February 10, 1978

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:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED DECEMBER 20, 1976. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514, HAWAII REVISED STATUTES.

1. "WAIKIKI LANAIS" is a proposed leasehold condominium project consisting of one hundred and sixty (160) residential apartments and one hundred and eighty two (182) parking stalls (of which thirteen (13) are compact stalls), arranged throughout one twenty one (21) story building.

There are eleven (11) types of apartments which consist of either one or two bedroom apartments. Each apartment has appurtenant to it one parking space. In addition to the apartments, fourteen (14) additional parking spaces are available to apartment purchasers from the Developer.

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, Bylaws of Association of Apartment Owners and a copy of the approved Floor Plans) have not yet been filed in the office of the recording officer.
4. No preliminary advertising and promotional materials have been submitted to the Commission pursuant to rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514, Hawaii Revised Statutes, and the rules and regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of the WAIKIKI LANAIS Condominium Project. The Developer is responsible for placing this Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers, and for securing a signed copy of the receipt for Horizontal Property Regime Public Report from each prospective purchaser.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, January 10, 1977, unless a Final or Supplementary Public Report is published or the Commission, upon review of registration, issues an order extending the effective period of this report.

NAME OF PROJECT: "WAIKIKI LANAIS".

LOCATION: The 30,235 square foot parcel of land to be committed to the regime is situated at 2452 Tusitala Street, Waikiki, City and County of Honolulu, State of Hawaii.

TAX KEY: 2-6-24-69.

ZONING: The property to be developed is zoned H-2 under the Comprehensive Zoning Code of the City and County of Honolulu.

DEVELOPER: WAIKIKI LANAIS CORPORATION, a Hawaii corporation, whose business and post office address is 2001 D Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813 (Telephone No. 536-6451). The officers of WAIKIKI LANAIS CORPORATION are RALPH D. CORNUELLE, President and Treasurer and CAROL L. CORNUELLE, Vice President and Secretary.

ATTORNEY REPRESENTING DEVELOPER: Geoffrey Hamilton of HAMILTON & TAYLOR, Suite 1402 Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813 (Telephone No. 524-3824).

DESCRIPTION: The proposed Declaration of Horizontal Property Regime reflects that the Project is to consist of one hundred and sixty (160) apartments arranged throughout one twenty one (21) story building situated on the 30,235 square foot parcel of land hereinbefore described. Each apartment shall consist of the space measured horizontally by the distances between the interior surfaces of the perimeter walls of each apartment, and the space measured by the area of the lanai of each apartment; and measured vertically by the distance between the topside surface of the concrete floor and the underside surface of the ceiling.

The principal materials of which the apartment building shall be constructed are as follows: Reinforced concrete and glass finished with appropriate trim.

Apartment Types. There are eleven (11) types of apartments consisting of the following:

(i) Ewa Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 01. Each has six (6) rooms including a living-dining area, kitchen, two bedrooms, a bathroom and a half bathroom.

(ii) Ocean A Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 02. Each has five (5) rooms including a living-dining area, kitchen, two bedrooms and a bathroom.

(iii) Ocean B Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 03. Each has four (4) rooms, including a living-dining area, kitchen, one bedroom and a bathroom.

(iv) Ocean C Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 04. Each has four (4) rooms, including a living-dining area, kitchen, one bedroom and a bathroom.

(v) Ocean D Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 05. Each has four (4) rooms, including a living-dining area, kitchen, one bedroom and a bathroom.

(vi) Mountain A Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 06. Each has five (5) rooms, including a living-dining area, kitchen, two bedrooms and a bathroom.

(vii) Mountain B Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 07. Each has four (4) rooms including a living-dining area, kitchen, one bedroom and a bathroom.

(viii) Mountain C Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 08. Each has four (4) rooms including a living-dining area, kitchen, one bedroom and a bathroom.

(ix) Mountain D Units. There are sixteen (16) units of this type, each of which is designated by the floor number followed by the number 09. Each has four (4) rooms including a living-dining area, kitchen, one bedroom and a bathroom.

(x) Diamond Head Units. There are fifteen (15) units of this type, each of which is designated by the floor number followed by the numbers 10. Each has 6 rooms, including a living-dining area, kitchen, two bedrooms, a bathroom and a half bathroom.

(xi) Diamond Head-Pool Unit. There is one (1) unit of this type designated number 610. It has four (4) rooms, including a living-dining area, kitchen, one bedroom and a bathroom.

The floor area of each apartment, together with the area of the appurtenant lanai, (measured as set forth in the Declaration) and its appurtenant individual percentage interest in the common elements, is as follows:

Limits of Apartments. The respective apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls 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 the adjacent lanai, shown on said Condominium Map. Each apartment shall be deemed to include all walls and partitions which are not load-bearing within its perimeter walls, the inner decorated or finished surfaces of all walls, floors and ceilings, and the fixtures originally installed therein, including, without limitation, all electrical and plumbing fixtures, range with hood, refrigerator/freezer, garbage disposal unit, dishwasher, wall-to-wall carpeting in the living room, bedroom(s) and hallway areas, tile in the kitchen and bathroom(s), and drapes at all windows and sliding glass doors.

COMMON ELEMENTS: The proposed Declaration provides that the Common elements are to include all of the land and improvements other than the apartments, specifically including:

- (a) Said land in fee simple;
- (b) All foundations, floor slabs, columns, girders, beams, supports, unfinished perimeter and load-bearing walls, roofs, stairways, corridors, elevators, elevator lobbys, shafts and walls and walkways around said building;
- (c) All yards, grounds, landscaping, garden areas, mail boxes, refuse facilities, restrooms for common use; and the transformer vault room, switch room, waiting room, delivery corridor, maintenance equipment room, laundry room, mail room, and all recreation facilities;
- (d) All parking spaces (which include one hundred sixty (160) spaces appurtenant to the apartments as described below, eight (8) spaces which shall be available for such use as the Association may determine and fourteen (14) additional spaces to be used as described in subparagraph (b) of "Limited Common Elements", below), driveways, ramps and loading areas;
- (e) All ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities and installations over, under and across the Project which serve more than one apartment for services such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution;
- (f) Any and all other apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance or safety, or normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements are set aside and reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The proposed Declaration provides that the limited common elements so set aside and reserved are as follows:

APARTMENT NUMBER	APARTMENT TYPE	LIVING AREA	LANAI AREA	TOTAL AREA	COMMON INTEREST PERCENTAGE
601	Ewa	760	191	951	.727
602	Ocean A	839	125	964	.802
603	Ocean B	558	98	656	.534
604	Ocean C	514	98	612	.492
605	Ocean D	654	74	728	.625
606	Mountain A	807	125	932	.772
607	Mountain B	558	98	656	.534
608	Mountain C	523	98	621	.500
609	Mountain D	593	74	667	.567
610	Diamond Head-Pool	510	131	641	.487
701	Ewa	760	191	951	.727
702	Ocean A	839	125	964	.802
703	Ocean B	558	98	656	.534
704	Ocean C	514	98	612	.492
705	Ocean D	654	74	728	.625
706	Mountain A	807	125	932	.772
707	Mountain B	558	98	656	.534
708	Mountain C	523	98	621	.500
709	Mountain D	593	74	667	.567
710	Diamond Head	743	191	934	.711
801	Ewa	760	191	951	.727
802	Ocean A	839	125	964	.802
803	Ocean B	558	98	656	.534
804	Ocean C	514	98	612	.492
805	Ocean D	654	74	728	.625
806	Mountain A	807	125	932	.772
807	Mountain B	558	98	656	.534
808	Mountain C	523	98	621	.500
809	Mountain D	593	74	667	.567
810	Diamond Head	743	191	934	.711
901	Ewa	760	191	951	.727
902	Ocean A	839	125	964	.802
903	Ocean B	558	98	656	.534
904	Ocean C	514	98	612	.492
905	Ocean D	654	74	728	.625
906	Mountain A	807	125	932	.772
907	Mountain B	558	98	656	.534
908	Mountain C	523	98	621	.500
909	Mountain D	593	74	667	.567
910	Diamond Head	743	191	934	.711

APARTMENT NUMBER	APARTMENT TYPE	LIVING AREA	LANAI AREA	TOTAL AREA	COMMON INTEREST PERCENTAGE
1001	Ewa	760	191	951	.727
1002	Ocean A	839	125	964	.802
1003	Ocean B	558	98	656	.534
1004	Ocean C	514	98	612	.492
1005	Ocean D	654	74	728	.625
1006	Mountain A	807	125	932	.772
1007	Mountain B	558	98	656	.534
1008	Mountain C	523	98	621	.500
1009	Mountain D	593	74	667	.567
1010	Diamond Head	743	191	934	.711
1101	Ewa	760	191	951	.727
1102	Ocean A	839	125	964	.802
1103	Ocean B	558	98	656	.534
1104	Ocean C	514	98	612	.492
1105	Ocean D	654	74	728	.625
1106	Mountain A	807	125	932	.772
1107	Mountain B	558	98	656	.534
1108	Mountain C	523	98	621	.500
1109	Mountain D	593	74	667	.567
1110	Diamond Head	743	191	934	.711
1201	Ewa	760	191	951	.727
1202	Ocean A	839	125	964	.802
1203	Ocean B	558	98	656	.534
1204	Ocean C	514	98	612	.492
1205	Ocean D	654	74	728	.625
1206	Mountain A	807	125	932	.772
1207	Mountain B	558	98	656	.534
1208	Mountain C	523	98	621	.500
1209	Mountain D	593	74	667	.567
1210	Diamond Head	743	191	934	.711
1401	Ewa	760	191	951	.727
1402	Ocean A	839	125	964	.802
1403	Ocean B	558	98	656	.534
1404	Ocean C	514	98	612	.492
1405	Ocean D	654	74	728	.625
1406	Mountain A	807	125	932	.772
1407	Mountain B	558	98	656	.534
1408	Mountain C	523	98	621	.500
1409	Mountain D	593	74	667	.567
1410	Diamond Head	743	191	934	.711

APARTMENT NUMBER	APARTMENT TYPE	LIVING AREA	LANAI AREA	TOTAL AREA	COMMON INTEREST PERCENTAGE
1501	Ewa	760	191	951	.727
1502	Ocean A	839	125	964	.802
1503	Ocean B	558	98	656	.534
1504	Ocean C	514	98	612	.492
1505	Ocean D	654	74	728	.625
1506	Mountain A	807	125	932	.772
1507	Mountain B	558	98	656	.534
1508	Mountain C	523	98	621	.500
1509	Mountain D	593	74	667	.567
1510	Diamond Head	743	191	934	.711
1601	Ewa	760	191	951	.727
1602	Ocean A	839	125	964	.802
1603	Ocean B	558	98	656	.534
1604	Ocean C	514	98	612	.492
1605	Ocean D	654	74	728	.625
1606	Mountain A	807	125	932	.772
1607	Mountain B	558	98	656	.534
1608	Mountain C	523	98	621	.500
1609	Mountain D	593	74	667	.567
1610	Diamond Head	743	191	934	.711
1701	Ewa	760	191	951	.727
1702	Ocean A	839	125	964	.802
1703	Ocean B	558	98	656	.534
1704	Ocean C	514	98	612	.492
1705	Ocean D	654	74	728	.625
1706	Mountain A	807	125	932	.772
1707	Mountain B	558	98	656	.534
1708	Mountain C	523	98	621	.500
1709	Mountain D	593	74	667	.567
1710	Diamond Head	743	191	934	.711
1801	Ewa	760	191	951	.727
1802	Ocean A	839	125	964	.802
1803	Ocean B	558	98	656	.534
1804	Ocean C	514	98	612	.492
1805	Ocean D	654	74	728	.625
1806	Mountain A	807	125	932	.772
1807	Mountain B	558	98	656	.534
1808	Mountain C	523	98	621	.500
1809	Mountain D	593	74	667	.567
1810	Diamond Head	743	191	934	.711

APARTMENT NUMBER	APARTMENT TYPE	LIVING AREA	LANAI AREA	TOTAL AREA	COMMON INTEREST PERCENTAGE
1901	Ewa	760	191	951	.727
1902	Ocean A	839	125	964	.802
1903	Ocean B	558	98	656	.534
1904	Ocean C	514	98	612	.492
1905	Ocean D	654	74	728	.625
1906	Mountain A	807	125	932	.772
1907	Mountain B	558	98	656	.534
1908	Mountain C	523	98	621	.500
1909	Mountain D	593	74	667	.567
1910	Diamond Head	743	191	934	.711
2001	Ewa	760	191	951	.727
2002	Ocean A	839	125	964	.802
2003	Ocean B	558	98	656	.534
2004	Ocean C	514	98	612	.492
2005	Ocean D	654	74	728	.625
2006	Mountain A	807	125	932	.772
2007	Mountain B	558	98	656	.534
2008	Mountain C	523	98	621	.500
2009	Mountain D	593	74	667	.567
2010	Diamond Head	743	191	934	.711
2101	Ewa	760	191	951	.727
2102	Ocean A	839	125	964	.802
2103	Ocean B	558	98	656	.534
2104	Ocean C	514	98	612	.492
2105	Ocean D	654	74	728	.625
2106	Mountain A	807	125	932	.772
2107	Mountain B	558	98	656	.534
2108	Mountain C	523	98	621	.500
2109	Mountain D	593	74	667	.567
2110	Diamond Head	743	191	934	.711
PH 1	Ewa	760	191	951	.727
PH 2	Ocean A	839	125	964	.802
PH 3	Ocean B	558	98	656	.534
PH 4	Ocean C	514	98	612	.492
PH 5	Ocean D	654	74	728	.625
PH 6	Mountain A	807	125	932	.772
PH 7	Mountain B	558	98	656	.534
PH 8	Mountain C	523	98	621	.500
PH 9	Mountain D	593	74	667	.567
PH 10	Diamond Head	743	191	934	.711

(a) One (1) automobile parking space shall be appurtenant to and for the exclusive use of each apartment. The Owners and Developer reserve the right to designate by amendment to the Declaration the particular parking space or spaces appurtenant to each apartment. Each apartment shall always have at least one (1) parking space appurtenant to it but otherwise any parking space easement may be transferred from apartment to apartment in the Project upon the written consent of the Owners and the apartment owners involved. Such transfer shall be effective only upon the recording of instruments in said Office of the Assistant Registrar of the Land Court setting forth such transfer.

(b) In addition to the parking spaces designated in subparagraph (a), above, fourteen (14) exclusive easements to use fourteen (14) additional parking spaces are set aside and reserved as hereinbelow described. The Owners and the Developer reserve the right to designate by amendment to the Declaration the parking spaces so set aside and designated. The easement to use any such space shall be transferred only to an owner of an apartment on such terms and conditions as may be agreed upon by such owner and Developer. Upon any such transfer, the parking space shall become an exclusive appurtenance to the apartment held by the owner thereto and may be transferred only as provided in the Declaration. The Developer reserves the right at any time and from time to time to transfer any or all of such easements which have not been transferred by the Developer to the Association for its use and upon such transfer, all such spaces shall be deemed to be a common element of the Project. All apartment owners who purchase apartments subject to the Declaration agree to any such transfer of easements to the Association and grant to the Developer a power of attorney to execute any and all instruments which may be necessary in order to effectuate such transfer, which power of attorney, being coupled with an interest, is irrevocable.

(c) 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.

INTEREST TO BE CONVEYED TO PURCHASER: The proposed Declaration reflects that the undivided percentage interests, referred to above, established and to be conveyed with the respective apartments cannot be changed, that the undivided interests in the common areas and facilities and the leasehold titles to the respective apartments to be conveyed shall not be separate or separately conveyed, and that each of such undivided interests shall be deemed to be conveyed or encumbered with its respective apartment even though the description in the instrument of conveyance or encumbrance may refer only to the leasehold title to the apartment. The additional parking spaces may be separately transferred as indicated above but only to the owner of an apartment. The proportionate shares of the separate owners of the respective apartments in the profits and common expenses in the common areas and facilities as well as their proportionate representation for voting purposes in the Association of Apartment Owners shall be the undivided percentage interest shown above.

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The proposed Declaration reflects that the apartments are to be used for any lawful condominium use subject to all provisions of the Declaration.

OWNERSHIP OF TITLE: A Preliminary Report issued on November 5, 1976, by Title Guaranty of Hawaii, Incorporated, certifies that the following persons have title to the land committed to the Project: Edward Tai Kim Au, husband of Olivia Sing Pang Au; Francis Tai Chung Au and Cora Mae Lee Au, husband and wife; Margaret Leong Lau and Olivia Sing Pang Au, as Successor Trustees for Leslie Au, Alissa Au, Vincent Au and Maylene Au, under Trust Indenture dated December 28, 1967, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Document No. 434719; Euclid Cox and Ronald Yat Cheong Yee, as Successor Trustees for Frank Au, under Trust Indenture dated December 28, 1967, filed in said Office as Document No. 434719, Ronald Kuei Jung Au, unmarried; and Lee Kuei Wen Au, unmarried.

ENCUMBRANCES AGAINST TITLE: The Preliminary Report issued on November 5, 1976, indicates the following encumbrances on the property as of that date:

1. For any taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. Terms and provisions of that certain trust indenture dated December 28th, 1967 and filed as Land Court Document No. 434719, made by and between Tai How Au, husband of Alice Yuk Lung Dung Au, Francis Tai Chung Au, husband of Cora Mae Lee Au, and Edward Tai Kim Au, husband of Olivia Sing Pang Au, "Grantors", and Francis Tai Chung Au and Cora Mae Lee Au, Trustees for Leslie Au, Alissa Au, Vincent Au, and Maylene Au, all children of said Edward and Olivia Au; and Edward Tai Kim Au and Olivia Sing Pang Au, as Trustees for Ronald Au, Lee Au, and Frank Au, all children of said Francis and Cora Au, "Grantees". (Covered by Transfer Certificates of Title Nos. 124,653, 124,654, 126,332, 126,333, 135,567, and 184,479)
3. Lease

Lessor: Edward Tai Kim Au, husband of Olivia Sing Pang Au; Francis Tai Chung Au and Cora Mae Lee Au, husband and wife; Margaret Leong Lau and Olivia Sing Pang Au, as Successor Trustees for Leslie Au, Alissa Au, Vincent Au and Maylene Au, under Trust Indenture dated December 28th, 1967, filed as Document No. 434719; Euclid Cox and Ronald Yat Cheong Yee, as Successor Trustees for Frank Au, under Trust Indenture dated December 28th, 1967, filed as Document No. 434719, as amended; Ronald Kuei Jung Au, unmarried; and Lee Kuei Wen Au, unmarried

Lessee: Ross-Tusitala Associates, Inc., a
Hawaii corporation
Dated: August 2nd, 1976, effective July 1st, 1976
Filed: Land Court Document No. 775822
Term: 66 years and 6 months from July 1st, 1976

4. That certain unrecorded development agreement dated August 2, 1976, by and between Francis Tai Chung Au, et al, as Seller, and Ross-Tusitala Associates, Inc., a Hawaii corporation, as Buyer, and that certain unrecorded agreement dated August 12, 1976, between Ross-Tusitala Associates, Inc., and Stark Realty, Inc., concerning the sale of any such apartment units.

5. Mortgage and security agreement

Mortgagor: Ross-Tusitala Associates, Inc., a
Hawaii corporation
Mortgagee: Crocker National Bank, a national
banking association
Dated: August 2nd, 1976
Filed: Land Court Document No. 775823
Amount: \$6,500,000.00 on said lease
Consent: By said Lessors, dated August 2nd, 1976,
filed as Document No. 775824

6. Additional security mortgage and security agreement

Mortgagor: Edward Tai Kim Au, husband of Olivia
Sing Pang Au, et al
Mortgagee: Crocker National Bank, a national bank-
ing association
Dated: August 2nd, 1976
Filed: Land Court Document No. 775825
Re: As additional security for the repay-
ment of the above mortgage

7. Mortgage and security agreement

Mortgagor: Ross-Tusitala Associates, Inc., a
Hawaii corporation
Mortgagee: Charles Pankow Associates, a California
corporation
Dated: August 2nd, 1976
Filed: Land Court Document No. 775826
Amount: \$1,467,592.00 on said lease
Consent: By said Lessors, dated August 2nd, 1976,
filed as Document No. 775827

8. Additional security mortgage and security agreement

Mortgagor: Edward Tai Kim Au, husband of Olivia
Sing Pang Au, et al
Mortgagee: Charles Pankow Associates, a California
corporation
Dated: August 2nd, 1976
Filed: Land Court Document No. 775828
Re: As additional security for the repayment
of the above mortgage Document No. 775826

PURCHASE MONEY HANDLING: A copy of the executed Escrow Agreement dated December 16, 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 Hawaii Revised Statutes, Chapter 514, and particularly Hawaii Revised Statutes, Section 514-35 through Section 514-40.

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, less Escrow's cancellation fee of \$25.00, if any of the following events shall have occurred: (1) 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; (2) 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; (3) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report; or (4) If Seller has requested Escrow in writing to return to Purchaser the funds of such purchaser then held by Escrow.

The Specimen Sales Contract states that the terms of the Escrow Agreement, Declaration, Bylaws and Apartment Lease, are made a part of the Sales Contract by reference. The Sales Contract also provides that (1) the purchaser is responsible for the costs of obtaining financing or a financing commitment for any portion of the purchase price, the expenses of credit reports, the drafting of mortgages, etc. (which costs shall be paid directly to purchaser's mortgagee and shall in no event be reimbursed by Seller), acknowledgements of the purchaser on all instruments, recording fees, any costs incurred for title insurance or certificates of title and the escrow fee; (2) purchaser agrees that the Seller may from time to time prior to closing, for and on behalf of the purchaser at his proportionate common expense, to enter into such contracts, licenses and concessions as are generally necessary or desirable for the management, operation or maintenance of the Project; and (3) purchaser agrees that all of the rights of purchaser are and shall be subject and subordinate to the lien of the interim mortgage made to finance the cost of construction and other costs during construction, and to any and all sums which may become a lien pursuant to the terms of such mortgage and any related agreement.

It is incumbent upon the purchaser or prospective purchaser that he read with care the Sales Contract and the executed Escrow Agreement. The Escrow Agreement establishes how the proceeds from the dwelling units and all sums received from any sources are placed in trust, as well as the retention and disbursement of said trust funds.

MANAGEMENT AND OPERATIONS: Hawaiiana Management Company, a Hawaii corporation, has been named initial managing agent.

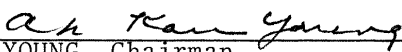
STATUS OF PROJECT: The Developer advises that construction of the project commenced August 15, 1976, and that construction is expected to be completed July 1, 1977.

NOTE: This condominium project was previously submitted on February 11, 1975 and a Preliminary Public Report issued on February 12, 1975 as Registration No. 754, which Preliminary Public Report has since expired. The Developer has advised the Commission that all contracts of sale pursuant to the Preliminary Public Report of February 12, 1975 have been canceled and are of no force and effect.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted December 20, 1976.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 892 filed with the Commission on December 20, 1976.

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AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

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COUNTY OF HONOLULU
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ESCROW AGENT

Registration No. 892
January 10, 1977