

**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  
KUHIO VILLAGE II  
2450 Prince Edward Street  
Honolulu, Hawaii

REGISTRATION NO. 1121  
**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: August 15, 1979  
Expires: September 15, 1980

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 APRIL 6, 1979, AND INFORMATION SUBSEQUENTLY FILED AS OF AUGUST 8, 1979. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF CHAPTER 514A, HAWAII REVISED STATUTES.

1. KUHIO VILLAGE II is a proposed leasehold condominium project consisting of an existing twelve-story building containing one hundred twelve (112) separate condominium units consisting of one hundred eight (108) residential apartments and four (4) Commercial Units. There are twenty (20) covered parking stalls.
2. The Developer of the Project has filed all documents and materials deemed necessary by the Commission for the registration of this proposed condominium project and the issuance of the Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and a copy of the Floor Plans) have not been filed in the Office of the Recording Officer.
4. The Developer has advised the Commission that advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public exposure.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, and the Rules and Regulations promulgated thereunder which relate to Horizontal Property Regimes.
6. This Preliminary Public Report is made a part of the registration of KUHIO VILLAGE II condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) and Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed copy of the receipt therefor from each such person.
7. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, August 15, 1979, unless a Final or Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this report.

NAME OF PROJECT: KUHIO VILLAGE II

LOCATION: The site, comprising approximately 9,690 square feet is located at 2450 Prince Edward Street, Honolulu, Hawaii.

TAX MAP KEY: 2-6-23:45 (1st Division)

ZONING: Apartment Precinct under Waikiki Special Design District.

DEVELOPER: M. S. Development Company, a Hawaii general partnership, Suite 302, 700 Bishop Street, Honolulu, Hawaii. The General Partners are as follows:

Clarence O. Furuya - 2875 S. King Street, Honolulu, Hawaii  
Lynn W. Donaldson - Suite 1525 Davies Pacific Center, Honolulu  
Hawaii  
Lee W. Erwin - Suite 1525 Davies Pacific Center, Honolulu  
Hawaii  
Patrick Y. K. Lum - 1822 Mott Smith Drive, Honolulu, Hawaii

ATTORNEY REPRESENTING DEVELOPER: Mukai, Ichiki, Raffetto & MacMillan (Attention: Richard G. MacMillan), Suite 800, 345 Queen Street, Honolulu, Hawaii. Phone No. 531-6277.

DESCRIPTION:

1. Building. The proposed Declaration of Horizontal Property Regime and the plans submitted by the Developer reflect that the Project consists of an existing twelve story building with a basement, containing one hundred twelve (112) condominium units, consisting of one hundred eight (108) residential apartment units (hereinafter called "Apartments" or "Residential Apartments") and four (4) commercial apartment units (hereinafter referred to as the "Commercial Units"), together with integrated parking areas and recreational facilities.

2. Location of Units and Project Facilities.

The Basement Parking Level of the Project contains Commercial Units C-II (a laundry room) and D-II (consisting of all of the twenty (20) parking stalls on said level and the driveways and turnaround areas therein). Said level also contains various areas and facilities designated hereinbelow as common elements, including an electrical room, storage room, elevator pit, stairway, a trash bin area and a laundry room.

The second or Ground Floor Level of the Project contains two (2) Commercial Units (A-II and B-II), the elevator lobby, a trash chute, stairways, swimming pool and jacuzzi and garden and planting areas.

Each of the second through the eleventh floors, inclusive, contains ten (10) apartments, exterior access corridors, trash chute, stairways and elevator foyer.

The twelfth (12th) floor of the building contains eight (8) Apartments, exterior access corridors, trash chute, stairways and elevator foyer.

The roof of the building contains a multi-purpose room, mechanical and elevator equipment rooms, decking and stairways.

3. Division of Property. The Project is divided into one hundred twelve (112) separate condominium units consisting of one hundred eight (108) Residential Apartments and four (4)

Commercial Units. The condominium units are more particularly described in Exhibit "A" which is attached hereto and made a part hereof, and on the proposed Condominium File Plan.

4. Access. The Commercial Units on the Ground Floor have direct access to the lobby and street entrance of the Project. The Commercial Unit in the Basement Parking Level also has direct access to the street and lobby by way of ramps and stairways. Each of the Apartments above the Ground Floor has immediate access to its entry after travel by passenger elevator or stairway to its designated floor by the walkways, driveways, and ramps connecting the building to the street entrances to the Project. The building shall be serviced by two (2) elevators and two (2) stairways.

5. Limits of Apartments. Each condominium unit, whether commercial or residential, shall include: (i) All the walls and partitions within its perimeter walls; (ii) all glass windows, louvres, doors, panels and railings along its perimeter; (iii) the undecorated or unfinished surfaces of the perimeter walls or interior load-bearing walls; (iv) the interior finished surfaces of the floors and ceilings; (v) all built-in fixtures and appliances originally installed therein; (vi) the adjacent lanai, if any, as shown on the Condominium File Plan; (vii) any utility system or component thereof which is located within any apartment designed for the exclusive use of such apartments; and, (viii) all of the air space encompassed within the condominium unit.

Notwithstanding the foregoing, the condominium units shall not include: (i) that portion of any load-bearing living or perimeter wall within or surrounding any unit which, (except for the inner finished surfaces of any such wall) shall be a common element; (ii) the floors and ceilings of any apartment which shall be common elements, except for their inner finished surfaces; and (iii) any pipes, shafts, chases, ducts or any other enclosed spaces for wiring, plumbing, air exhaust or ventilation, serving or being utilized by more than one condominium unit, the same being deemed common elements as provided hereinbelow.

Notwithstanding the designation the limits of the respective apartments hereinabove, the approximate gross area of each unit, as set forth in Exhibit "A" attached hereto, is computed by measuring from the center line of exterior walls and from the center line of interior party walls, and no reduction has been made to account for interior walls, ducts, vents, shafts, and the like located within the perimeter walls.

COMMON ELEMENTS: The common elements of the Project will include the limited common elements described below and all portions of the Project other than the condominium units, including specifically, but not limited to:

(a) All the land of the project;

(b) All foundations, columns, girders, beams, floor slabs, supports, unfinished perimeter and load-bearing walls (except for the inner decorated surface within each unit);

(c) all structural elements, stairways, walkways, retaining walls, fences, and railings;

(d) All pedestrian walkways, ramps, and entrances and exits to the building, the main lobby, all yards, grounds and landscaped areas (except any which are contained within any Commercial Unit as shown on said Condominium File Plan);

(e) The central water heater, rooms, stairwells, and all ducts, sewer lines, electrical equipment, pipes, wiring and other central and appurtenant transmission facilities, installations which serve all condominium units for service such as power, light, water, gas, air conditioning, refuse, telephone and radio and television signal distribution; and

NOTE: Except for Commercial Unit A-II, the remaining commercial units will have common electrical and water meters with the residential apartments.

(f) 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 or safety, and normally in common use.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are set aside and reserved for the exclusive use of certain condominium units, and such units shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are listed below. Unless otherwise provided herein, all costs of every kind pertaining to each limited common element, including but not limited to costs of security, maintenance, repair, replacement, additions and improvements, shall be borne entirely by the unit or units to which they are appurtenant. If any cost is charged to more than one unit, each such unit shall bear that portion of the total cost equal to the ratio which its common interest bears to the total common interest of all units responsible for said cost.

(a) The following limited common elements are appurtenant to and for the exclusive use of the Commercial Units: (i) all ducts, waterlines, electrical equipment, pipes, wiring, or other utility system or components thereof serving more than one Commercial Unit, but excluding any portion of such facilities serving the Residential Apartments or the limited common elements for the Project which are rationally related to only the Commercial Units.

(b) The following limited common elements are appurtenant to and for the exclusive use of all Residential Apartments: (i) all recreational areas and facilities of the Project; (ii) the trash chute, laundry room and all components of the hot and cold water circulation system serving only the Residential Apartments, including heaters, pumps, wastelines, conduits and pipes.

(c) The elevators and their appurtenant housings and machinery are appurtenant to and for the exclusive use of all of the Residential Apartments and Commercial Unit C-II.

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

(e) All of the vehicular entrance and exit ramps of the Project shall be appurtenant to and for the exclusive use of Commercial Unit D-II, and the owner of said unit shall have the right to control vehicular ingress and egress by installing, at his sole cost and expense and without the consent or joinder of any other person, signs, coin boxes, gates, and other traffic control devices. Any equipment so installed shall be the sole property of the owner of said Commercial Unit.

(f) The multi-purpose room on the roof of the building and the storage and utility rooms located in the elevator lobby on each of the floors above the Ground Floor shall be appurtenant to and for the exclusive use of Commercial Unit C-II.

EASEMENTS: The Ground Floor Lobby and walkways, and the swimming pool and jacuzzi shall be subject to non-exclusive easement in favor of the owners of Residential Apartments of the KUHIO VILLAGE I Project for the use by said owners of said facilities and for ingress and egress thereto; subject, however, to uniformly applicable rules and regulations governing the use of said facilities which may be enacted from time to time, and subject to the payment by said residential apartment owners of KUHIO VILLAGE I of one-half (1/2) of all expenses, including capital expenditures, attributable to such facilities.

Each Residential Apartment shall have appurtenant thereto a non-exclusive easement for ingress and egress over and across the Ground Floor Lobby and walkways of KUHIO VILLAGE I; subject however, to uniformly applicable rules and regulations governing the use thereof which may be enacted from time to time and subject to the payment by the Residential Apartment owners of KUHIO VILLAGE II of an amount equal to one-half of all capital expenditures hereafter incurred for said Ground Floor Lobby and walkways, which amount shall be borne by each Residential Apartment owner in the same proportion as the common interest appurtenant to each respective residential apartment bears to the total of the common interests appurtenant to all Residential Apartments and which amount shall be assessed by the Association and collected in the same manner as common expenses.

INTEREST TO BE CONVEYED TO PURCHASER: Each apartment shall have appurtenant thereto an undivided interest in the common elements of the Project as set forth herein, for all purposes, including voting and representation in the Association of Apartment Owners, and shall have the same proportionate share

in all common profits and expenses of the Project. The undivided percentage interest appurtenant to each apartment shall be as more particularly set forth in Exhibit "A" attached hereto. It is proposed that all of the individual apartment leases will be initially issued to Developer who will sell the apartments to the ultimate purchasers by way of Agreement of Sale.

RESTRICTIONS AS TO USE: The Residential Apartments shall be occupied and used only as permanent or temporary residences by the respective owners thereof, their tenants, families, domestic servants and social guests, and may be utilized for hotel purposes or long-term or transient rentals. The Commercial Units may be used for any purposes which may from time to time be permitted by law, provided that no Commercial Unit shall be operated as a massage parlor or for the sale or display of pornographic goods, publications or films, or for any other obscene or offensive purposes. The owners of the respective apartments shall have the absolute right to rent or lease such apartments subject to all provisions of the proposed Declaration.

The By-Laws provide, in part, that no livestock, poultry, rabbits, or other pets whatsoever shall be allowed or kept in any part of the Project.

OWNERSHIP OF LAND: A Preliminary Title Public Report dated May 22, 1979, issued by Long & Melone, Ltd. indicates that fee simple title to the land of the Project is vested in Violet Hee Lum Properties, Inc., a Hawaii corporation. Said fee owner has entered into a master lease for the property as described below, which lease is presently held by Kuhio West I Venture, a Hawaii joint venture. By Option Agreement dated May 25, 1979, M.S. Development Company obtained the exclusive option to purchase all of the joint venture interests of Kuhio West I. A copy of the executed option agreement has been furnished to the Commissioner.

ENCUMBRANCES: Said Preliminary Title Report reflects the following encumbrances on the property:

1. For any Real Property Taxes that may be due and owing, reference is made to the Office of the Tax Assessor, First Division.
2. Terms, covenants, conditions, reservations and restrictions contained in Lease dated March 8, 1973 recorded in the Bureau of Conveyances in Book 9027, Page 421. Lease further assigned October 10, 1974 in Book 10455, Page 58. Consent of Assignment recorded in Book 10455, Page 62.
3. Restrictive Covenants as contained in Deeds dated February 21, 1922 and December 17, 1919, recorded in the Bureau of Conveyances in Book 666, Page 372 to-wit:

"That no malt, vinous, spirituous or intoxicating liquors of any kind shall ever be sold or exposed for sale or manufactured on the granted premises, or any part thereof."

4. Five-foot road set back along Prince Edward Street.

5. MORTGAGE

Mortgagor(s): Glenn K. Okada, husband of Irene T. Okada; Clarence O. Furuya, husband of Lona L. Furuya; Jay H. Shidler, husband of Walette Sue Shidler; and Ronald A. Petty, husband of Shirley A. Petty, doing business as Kuhio West, a Joint Venture.

Mortgagee(s): Amfac Financial Corp. dated March 22, 1973 recorded in the Bureau of Conveyances in Book 9027, Page 448 to secure \$1,387,000.00. Mortgage leasehold interest in said premises and other premises. (Wives release their respective dower.) As amended by instrument dated September 20, 1978 recorded in Book 13152, Page 635.

6. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor(s): Kuhio West I Venture, a joint venture

Mortgagee(s): Amfac Financial Corp. dated September 20, 1978 recorded in the Bureau of Conveyances in Book 13152, Page 679 to secure \$250,000.00.

7. SECURITY AGREEMENT dated September 20, 1978, recorded in the Bureau of Conveyances in Book 13152, Page 696, Kuhio West I Venture, a Hawaii general partnership to Imperial Finance Corporation, a Hawaii corporation. To secure the repayment of that certain promissory note dated November 1, 1976 made by Go Financial Corporation, Glenn K. Okada, Irene T. Okada, Michael M. Kimura, Carol J. Kimura, Clarence O. Furuya and Lona L. Furuya, called "Obligors" in favor of Mortgagee in the sum of \$312,704.45.

8. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

Mortgagor(s): Kuhio West I Venture, a joint venture

Mortgagee(s): Go Financial Corp., a Hawaii corporation dated September 20, 1978 recorded in the Bureau of Conveyances in Book 13152, Page 760 to secure \$55,000.00.

9. Title to all mineral and metallic mines reserved to the State of Hawaii.

10. ASSIGNMENT OF INTEREST AS SECURITY dated August 2, 1978, recorded in the Bureau of Conveyances in Book 13153, Page 1, Leslie Stephen Litwin, as Trustee under Trust Agreement dated July 29, 1978 to Go Financial Corp. assigns all right, title and interest in Kuhio West I and Kuhio West II Joint Ventures for the repayment of Promissory Note dated September 20, 1978 in the amount of \$55,000.00.

11. FINANCING STATEMENT

Debtor(s): Leslie Stephen Litwin, as Trustee under Trust Agreement dated July 29, 1978.



Secured Party: Go Financial Corp. recorded September 21, 1978 in said Bureau of Conveyances in Book 13153, Page 11.

12. ASSIGNMENT OF PROMISSORY NOTES AND MORTGAGES AS SECURITY dated September 1, 1978, recorded in the Bureau of Conveyances in Book 13153, Page 12, Go Financial Corp. to Amfac Financial Corp. assigns all its estate, right, title and interest in various Promissory Notes and Mortgages.

13. FINANCING STATEMENT

Debtor(s): Go Financial Corp.

Secured Party: Amfac Financial Corp. recorded September 21, 1978 in said Bureau of Conveyances in Book 13153, Page 20.

14. FINANCING STATEMENT

Debtor(s): Glenn K. Okada; Jay H. Shidler; Ronald A. Petty and Clarence O. Furuya

Secured Party: Amfac Financial Corp. recorded March 27, 1973 in the Bureau of Conveyances in Book 9027, Page 458. As amended by instrument dated September 20, 1978 recorded in Book 13152, Page 635.

15. ASSIGNMENT OF INTEREST IN JOINT VENTURE dated August 28, 1978 recorded in Book 13152, Page 60, GO Financial Corp., a Hawaii corporation to Leslie Stephen Litwin, as Trustee under Trust Agreement dated July 29, 1978. Assigns an undivided fifty percent (50%) interest in Kuhio West I Venture, subject to the terms of the unrecorded Joint Venture Agreement dated January 24, 1973.

16. Terms, covenants, conditions, reservations and restrictions contained in unrecorded Trust Agreement made to Leslie Stephen Litwin, as Trustee dated July 29, 1978.

17. MORTGAGE

Mortgagor(s): M.S. Development Company, a Hawaii general partnership, Kuhio West I Venture and Kuhio West II Venture, both registered joint ventures.

Mortgagee(s): American Security Bank dated May 16, 1979 recorded in the Bureau in Book 13702, Page 786 to secure \$750,000.00.

PURCHASE MONEY HANDLING: An executed Escrow Agreement dated May 23, 1979, identifies Bank of Hawaii as the escrow. Upon examination of the Escrow Agreement it is found to be in consonance with Chapter 514A, Hawaii Revised Statutes.

Among other provisions, the Escrow Agreement provides that a purchaser under a Sales Contract shall be entitled to a return of his funds, without interest and less the \$25.00 escrow cancellation fee, after purchaser has requested such return and

if Escrow shall have received from Developer a written notice that any one of the following has occurred:

(a) Developer shall have requested Escrow to return to purchaser the funds of purchaser then being held by Escrow; or

(b) Developer shall have notified Escrow of Developer's exercise of the option to rescind the Sales Contract pursuant to any right of rescission stated therein or otherwise available to Developer; or

(c) With respect to a purchaser whose funds were obtained prior to the issuance of the Final Report, there shall have been a change in the building plans of the Project which change requires the approval of a county officer having jurisdiction over the issuance of building permits except such changes as are specifically authorized in the Declaration of Horizontal Property Regime or by terms of the Sales Contract or to which said purchaser has otherwise consented in writing; or

(d) The Final Report differs in a material respect from this Preliminary Report unless and purchaser's written approval of such change shall not have been obtained; or

(e) The Final Report shall not have been issued within one (1) year from the date of issuance of this Preliminary Report.

The specimen Deposit Receipt and Sales Contract states in part: (1) all of Buyer's right, title and interest under the Sales Contract are and shall be subject and subordinate to the lien of any mortgage encumbering the Project and executed prior to Buyer's execution of the Sales Contract; and (2) Buyer acknowledges that neither the apartment nor the appliances and fixtures therein are in a new condition and that the same are being purchased "as is". It is understood that Developer makes no warranties or representations, either express or implied, regarding the condition of the building, the common elements, the apartment, or any appliances or furnishings contained therein; (3) sales of apartments are limited to bona fide residents of the State of Hawaii; and (4) Sellers have right to cancel the sales contract if less than seventy (70) units are not sold by December 31, 1979.

It is incumbent upon the purchaser or prospective purchaser to read and understand the Escrow Agreement before executing the Deposit Receipt and Sales Contract, since the Escrow Agreement describes the procedure for receiving and disbursing purchasers' funds, and the Deposit Receipt and Sales Contract specifically provides that the purchaser approves that Escrow Agreement and assumes the benefit and obligations therein provided.

**FINANCING OF PURCHASE:** The sale of individual units in the Project is financed through the Sellers by way of a three (3) years Agreement of Sale Contract at 9-7/8% interest per annum on the unpaid balance, monthly payments based on a 25-year amortization schedule with a balloon payment of all principal

and accrued interest thereon on or before the third anniversary date of closing.

MANAGEMENT OF PROJECT: The By-Laws, which are incorporated in the Declaration, provide that the operation of the Project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws. The initial managing agent is Certified Management, 98-1238 Kaahumanu Street, Pearl City, Hawaii.

STATUS OF PROJECT: The Project was completed in June of 1974 and has been used and occupied since completion as an apartment-hotel building. The hotel operation is expected to continue although no hotel management contract has been entered into or has been proposed to be entered into by the current hotel managers and the Developer acting on behalf of the Association. The hotel is currently being operated by CONDOMINIUM RESORTS HAWAII, LTD. under an interim contract which will terminate upon the first conveyance of an apartment.

The current hotel operators have made certain advanced bookings which it is expected that the hotel will honor in order to protect its reputation in the tourist industry. The proceeds of such bookings (and any other bookings which are made prior to instructions from the Association or the apartment owners), if in fact they materialize, will be the property of apartment owners whose apartments are actually rented. The current hotel operators are expected to endeavor to rent the rooms in an equitable manner in order to distribute the rental income fairly among the apartment owners who wish to have their rooms rented. Such funds, if any, which are in excess of hotel operating expenses and ordinary reserves for expenses will be deposited by the operators into a trust account for the apartment owners. Until the Association or the apartment owners determine a plan of action, each apartment owner who is credited with income may withdraw such income if he so elects.

The Project is expected to be owned virtually exclusively by investors and it is anticipated that few, if any, of the apartments will be owner-occupied. Because of the hotel usage, the Project may not be deemed desirable by some purchasers for residential use. Maintenance costs are expected to be higher than they would be expected to be for a comparable project which is not subjected to hotel usage.

The Developer will not be actively involved in the organization or operation of the Association or participate in any way in the operation of the hotel itself, except to the degree that it may have ownership rights appurtenant to its ownership of unsold units.

The Project has in the past been utilized in conjunction with Kuhio Village I as part of single, integrated hotel operation under the name "Kuhio Village Hotel". Kuhio Village I is located on a separate but adjoining parcel, and is connected to Kuhio Village II at the common property boundary by a covered

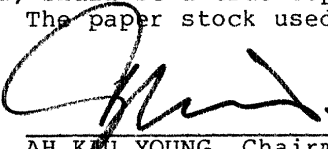
breeze way. The Developer has also acquired an exclusive option to purchase the interests of the joint venture which owns Kuhio Village I, and has concurrently applied to the Commission for the registration of Kuhio Village II as a separate condominium project.

Due to the past relationship and proximity of the two projects, and to certain economics and functional benefits which can be achieved from their joint use, it is likely that Kuhio Village I and Kuhio Village II will continue to share certain common aspects of operation, although the Developer has not made arrangements for such joint use. In any event, the proposed Declarations of Horizontal Property Regime for Kuhio Village I and Kuhio Village II establish various reciprocal easements permitting the owners and guests of apartments in each project to use certain facilities and common areas located in the other project.

NOTE: The existing buildings are non-conforming structures as defined under Section 21-110 Revised Ordinances, meaning "any structure which was previously lawful but which does not comply with the bulk, yard, set-back or height regulations of the district in which it is located, either on the effective date of Chapter 21 Revised Ordinances, or as a result of any subsequent amendment thereto".

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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 April 6, 1979 and information subsequently submitted as of August 8, 1979.

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

  
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AH KIU YOUNG, Chairman  
Real Estate Commission  
State of Hawaii

Distribution:

Department of Taxation  
Bureau of Conveyances  
Department of Land Utilization,  
City and County of Honolulu  
Federal Housing Administration  
Escrow Agent

Registration No. 1121

August 15, 1979

EXHIBIT "A"

1. Description of Commercial Unit.

With the exception of Commercial Unit No. A-II, which consists of three (3) rooms (including men's and women's restroom facilities), each Commercial Unit shall contain a single unpartitioned room. Commercial Units A-II and B-II are located on the Ground Floor. Commercial Units C-II and D-II are located in the Basement Parking level. Commercial Unit D-II consists of twenty (20) parking stalls located on said level and all driveways and turn-around areas therein.

2. Description of Residential Apartments.

a) Each Residential Apartment has been given a three or four digit numerical designation (followed by the letter suffix "A") by which its location 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 Apartment on the floor. The lowest numbered apartment on each floor, ending in 01, is located on the Ewa/Makai corner of the building. The numbering sequence then progressively ascends in a clockwise fashion around the periphery of the building.

b) Subject to variations in their respective floor areas and layout, all of the Residential Apartments, except for apartment numbers 1201A and 1207A, are studio units and contain two (2) rooms, consisting of a general purpose room and a bathroom, with an adjoining lanai. All studio units are equipped with a kitchenette and a wall air-conditioning unit.

c) Apartment Numbers 1201A and 1207A will each contain five (5) rooms, consisting specifically of an entry, living/dining room, kitchen, bedroom, two (2) bathrooms, and adjoining lanai. Each of said units shall also be equipped with a kitchenette and wall air-conditioning unit.

d) The location, unit designation, approximate area, and undivided percentage common interest of the Commercial Units and the Residential Apartments are as follows:

<u>Unit Designation</u>	<u>Approx. Area In Square Feet</u>			<u>Undivided Percentage Interest*</u>
	<u>Interior</u>	<u>Lanai</u>	<u>Gross</u>	
<u>COMMERCIAL</u>				
<u>UNITS</u>				
A-II	3,180	--	3,180	9.98838
B-II	328	--	328	1.03025
C-II	411	--	411	1.29095
D-II	6,137	--	6,137	4.82126
<u>Second Floor</u>				
01,03,08,10 **	232	48	280	.72871
02,04,07,09	257	48	305	.80724
05	265	48	313	.83236
06	276	48	324	.86692
<u>Third through Tenth Floors</u>				
01,03,08,09	286	106	392	.89833
02,04,07,10	206	37	243	.64705
05,06	255	37	292	.80095
<u>Eleventh Floor</u>				
03,08	275	90	365	.86377
01,09	240	125	365	.75384
02,10	155	88	243	.48685
04,07	200	38	238	.62820
05,06	208	38	246	.65333
<u>Twelfth Floor</u>				
01,07	433	138	571	1.36005
03,04,05,06	200	50	250	.62820
02,08	120	88	208	.37692

\* Percentage interests have been generally computed on the basis of approximate apartment interior areas, with the exception of Commercial Unit D-II, the parking apartment. The common interest established for said apartment, because of its limited use and lower appraised value per square foot in relation to other apartments, is approximately one-third of what its common interest would be if it were based solely on square footage. The common interests set forth above shall be valid and effective for all purposes whether or not they have been consistently computed in accordance with the foregoing or are mathematically correct.

\*\* All residential apartment numbers in Kuhio Village II are followed by the letter suffix "A".