

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS

STATE OF HAWAII

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

CROSSPOINTE, INCREMENT F, PHASE F-2

Mananai Place
Halawa, Ewa District, Hawaii

REGISTRATION NO. 1697

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: September 19, 1985
Expires: October 19, 1986

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED AUGUST 12, 1985, AND INFORMATION SUBSEQUENTLY FILED AS OF SEPTEMBER 13, 1985. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL AND SUBMITTING INFORMATION ON THE PROJECT IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIME LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. CROSSPOINTE, INCREMENT F, PHASE F-2 is a proposed leasehold condominium project consisting of a total of thirty-two (32) residential apartment units in four (4) buildings plus a parking apartment containing a total of thirty-seven (37) stalls one (1) of which is for compact cars.

2. The developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Preliminary Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners and approved floor plans) for the Project have not been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii.
4. Advertising or promotional matter have been submitted pursuant to the rules and regulations promulgated by the Commission.
5. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A, Hawaii Revised Statutes, as amended, and the Condominium Rules and Regulations which relate to the Horizontal Property Regime.
6. This Preliminary Public Report automatically expires thirteen (13) months after the date of issuance, September 19, 1985, unless a Supplementary or Final Public Report is issued, or the Commission, upon review of the registration, issues an order extending the effective period of this Report.
7. This Preliminary Public Report is made a part of the registration of the CROSSPOINTE, INCREMENT F, PHASE F-2 condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and attached Disclosure Abstract dated August 1, 1985, in the hands of all purchasers and prospective purchasers and securing a signed receipt therefor.

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

LOCATION: The Project will consist of approximately 1.335 acres currently being subdivided out of those certain parcels of land located at Mananai Place and Kahuapaani Street, Honolulu, State of Hawaii, known as Lots 415 and 179-A-1-A-6, as shown on Maps 186 and 139, respectively, both of which are filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii with Land Court Application No. 966 (amended), and Lot 201-B, being a portion of Exclusion 12 (Map 1) of Land Court Application No. 966.

TAX KEY: First Division, 9-9-76-por.22 (Lot 415).
 First Division, 9-9-76-por.26 (Lot 201-B).
 Lot 179-A-1-A-6 has no tax map designation.

ZONING: A-1 (apartment) (Lot 415).
 Lots 201-B and 179-A-1-A-6 are currently unzoned, but will be administratively zoned by the City and County of Honolulu upon conveyance to The Queen Emma Foundation.

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

(Telephone: 671-6411). The officers and directors of Halawa Park Development, Ltd. are as follows:

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

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

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

A. Description of Buildings. The Project shall consist of four (4) one and two-story buildings with no basements designated as Buildings 45, 46, 47 and 48 (hereinafter referred to as the "Residential Buildings") and one on-grade parking area. The construction of the four Residential Buildings will be wood frame on concrete slab foundations with interior walls constructed of wood studding and gypsum board, exterior walls covered with composition siding and roofs constructed of wood and asphalt shingles. The parking structure will be constructed principally of concrete and steel. All of the Residential Buildings will be two stories in height and shall each contain eight (8) apartments, all as more fully described herein and as shown on the proposed Condominium Map

B. Description of Apartments.

(1) Residential Apartments. Freehold estates will be established within the perimeter and party walls, floors and ceilings of each of the thirty-two (32) residential apartments distributed among the four (4) Residential Buildings of the Project, as shown on the proposed Condominium Map and as set forth in Exhibit "A" attached hereto and incorporated herein by reference.

(2) Parking Apartment. One separate freehold estate consisting of the on-grade parking areas, access driveways and turnaround areas, as shown on the proposed Condominium Map, will be established and designated as the Parking Apartment.

(3) Residential Apartment Numbers and Locations. The residential apartments are numbered and located as shown on the proposed Condominium Map, with apartment designations in each Residential Building being composed of the respective building number followed by an alphabetic designation. Whether a particular Residential Building is one or two stories, the apartment designation sequence always begins with apartments located on the first floor. Beginning with the apartment designated by the number and letter combination of the building number followed by the letter "A" and progressing in a counterclockwise direction, first floor apartments in a particular Residential Building are consecutively designated by changing the letter designation in alphabetic order. The designation sequence for second story apartments begins with the apartment located directly over apartment "A" on the first floor and always begins with the alphabetic designation "R." Thus, for example, Building 46 is numbered as follows: Starting at the north corner of the first floor with Apartment 46-A and progressing counterclockwise, the first floor apartments are consecutively designated 46-B, 46-C, 46-D. On the second story of the building, the apartment designations begin with 46-R in the north corner and progress

counterclockwise to 46-U so that Apartment 46-R is directly over 46-A, Apartment 46-S is directly over 46-B, Apartment 46-T is directly over 46-C, Apartment 46-U is directly over 46-D.

(4) Layout and Area of Individual Residential Apartments. As shown on the proposed Condominium Map, there are four (4) residential apartment unit types: Type 547, Type 716, Type 717 and Type 810. Type 547 is a one-bedroom, one bath apartment; Type 716 is a two-bedroom, one-bath apartment; Type 717 is a two-bedroom, one-bath apartment; and Type 810 is a two bedroom, two-bath apartment. The location and net interior floor area for each of the residential apartments are as shown on Exhibit "A" hereto.

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

(6) Limits of Parking Apartment. The proposed Declaration states that the Parking Apartment shall be deemed to include all of the area and all of the areas designated as the "Parking Apartment" on the proposed Condominium Map, including all access driveways, turnaround areas, curbs and all other improvements located therein or thereon, as shown on said Map.

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

Should the descriptions and divisions of the buildings set forth in the Declaration of Horizontal Property Regime conflict with the depictions and divisions shown on the Condominium Map, the Condominium Map shall control; provided, however, that the Condominium Map is intended only to show the approximate layout, location, apartment numbers and dimensions of the apartments and elevations of the buildings and is not intended and shall not be deemed to contain or make any other representation or warranty.

PARKING APARTMENT AND PARKING STALLS.

(1) Division of the Parking Apartment. As shown on the proposed Condominium Map, there are delineated within the boundaries of the

parking apartment thirty-seven (37) separate parking stalls which are numbered 1 through 37. Parking stall 12 is a compact parking stall.

(2) Easements of Use of Parking Stalls. The proposed Declaration provides that each residential apartment in the Project shall have reserved as appurtenant thereto the exclusive right in the nature of an easement to use one or more parking stalls in the parking apartment. The parking stall easements shall have a permanent character, subject only to such conditions, limitations, restrictions and reservations of right and use as are set forth in the proposed Declaration. The initial assignments of parking stalls, the exclusive use of which are reserved as appurtenant to the respective residential apartments in the Project, shall be as set forth in Exhibit "A" attached hereto. Two unassigned stalls, Nos. 1 and 12, will be available for purchase.

In addition, the exclusive right to use five (5) of those parking stall easements located in the Parking Apartment for the Phase F-1 condominium project (identified on the proposed condominium map for Phase F-1 as Parking Stall Nos. 103 and 106 through 109, inclusive) are reserved for purchasers of residential apartments in this Project.

(3) Visitor Parking Stalls. Parking stalls 2, 3 and 4 are reserved as visitor parking stalls for the non-exclusive use of all owners of residential apartments in the Project, their tenants, employees, invitees and guests.

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

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

- (1) The land on which the Project is situate;
- (2) All structural components, such as foundations, girders, beams, supports, main walls, roofs, entrances, exits, floor slabs, unfinished perimeter, party and load-bearing walls of said residential buildings;
- (3) All yards, grounds, walkways and landscaping areas;
- (4) Installations for services such as pipes, cables, conduits, ducts, electrical equipment, wiring and other central appurtenant transmission facilities and installations over, under or across the Project which serve more than one apartment for services such as power, light, gas, hot water, cold water, sewage, telephone, radio and television signal distribution, if any;
- (5) Any apparatus and installations existing for common use, such as tanks, pumps, motors, fans, compressors, ducts, vents and other such installations and apparatus;
- (6) All other parts of the Project necessary or convenient to its existence, maintenance and safety or normally in common use.

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

apartment shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

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

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

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

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

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

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

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

PURPOSES OF AND RESTRICTIONS ON USE OF BUILDINGS AND INDIVIDUAL APARTMENTS: The purposes for which said buildings and other improvements and each of the apartments (other than the parking apartment) are intended and shall be restricted as to use are as follows:

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

2. The residential apartments in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license," "travel club membership" or "time-interval ownership" arrangement.

Among other provisions, the House Rules provide that: (1) no livestock, poultry, rabbits or other animals shall be allowed on the premises except that dogs, cats and other household pets in reasonable number may be kept by the owners and occupants of

residential apartments; (2) all pets must be registered immediately with the Managing Agent; and (3) occupancy is limited to no more than two persons per bedroom in each apartment, excluding children under the age of five, except that in no event shall the number of occupants per bedroom contained in each apartment exceed three (3) per bedroom, inclusive of children under the age of five.

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

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

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

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

RESTRICTIVE COVENANTS; PHASING OF DEVELOPMENT AND MERGER OF INCREMENTS:

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

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

The Master Declaration and the proposed Declaration of Horizontal Property Regime also provide that the Lessor and Developer shall have

the right at their sole option to expand this Project by developing on an adjoining parcel of land a second project to be known as CROSSPOINTE, INCREMENT F, PHASE F-1, which will consist of four buildings containing thirty-six (36) apartments, together with a parking apartment no later than January 1, 1990, and supporting and servicing common elements, and by merging said Phase F-1 with this Project. Upon merger, the two phases will be legally combined into a single overall project to be known as CROSSPOINTE, INCREMENT F, and as a result, the common interest appurtenant to each apartment in this Project will change and will be calculated pursuant to a formula in which the denominator is the total square footage of all of the residential apartments in both phases, and the numerator is the square footage of the purchaser's apartment (the same formula used to calculate the percentage interest appurtenant to the apartment before merger).

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

Prospective purchasers are advised to carefully examine the proposed Master Declaration of Covenants, Conditions and Restrictions for Crosspointe, copies of which are available for inspection at the sales office of Developer and copies of which are filed with the Real Estate Commission, so that they may familiarize themselves with this Project, and what restrictions and obligations will apply to all purchasers in each project.

OWNERSHIP OF TITLE: Preliminary Title Reports issued June 13, 1985 and July 18, 1985, by Security Title Corporation report that title to a portion of the land on which the Project will be constructed is vested in THE QUEEN EMMA FOUNDATION, a Hawaii eleemosynary corporation. A title report dated May 31, 1985, reflects that title to Lot 179-A-1-A-6 is currently vested with the STATE OF HAWAII. The Developer has filed with the Commission a Memorandum of Lease dated July 1, 1984, with respect to Lot 415; a letter offer from the State of Hawaii agreeing to sell certain land identified therein as Remnant R-18 (Lot 179-A-1-A-6) to The Queen Emma Foundation; and a letter agreement from The Queen Emma Foundation agreeing to lease the remnant land parcels to Gentry-Halawa Park in connection with the Crosspointe development.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Reports issued by Security Title Corporation reflect that the land currently is subject to the following encumbrances:

Lot 415 only (New TMK 9-9-76-22):

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

B. Restriction of access rights, as shown on Map 139, as set forth by Land Court Order No. 49042, filed December 20, 1977 (also affects other property).

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

D. Designation of Restriction of Access Rights, as shown on Map 186, as set forth by Land Court Order No. 71996, filed December 6, 1984; as amended by Land Court Order No. 72615, filed February 4, 1985 (also affects other property).

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

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

G. A concrete ditch along the southwesterly side of the lot fronting Kahuapaani Street encroaches into the lot a distance of 27.25 feet along the north edge of the ditch and 27.50 feet along the property line, as per survey of Harry K. Matsuo, Registered Professional Land Surveyor No. 2717-S, Hawaii.

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

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

J. Real Property Mortgage and Financing Statement dated November 15, 1984, filed in said Office of the Assistant Registrar as Document No. 1267820, made by Gentry-Halawa Park, as Mortgagor, to First Hawaiian Bank, a Hawaii corporation, as Mortgagee, to secure the repayment of the sum of \$5,600,000 (the "Development Loan") and \$6,000,000 (the "Construction Loan"), all interest thereon, any additional advances made thereunder and all other amounts secured thereby, all according to the terms of that certain promissory note of said mortgagor therein referred to. (Also affects other property)

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

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

K. Financing Statement dated November 15, 1984, covering certain fixtures located on the real property, given as security by

Gentry-Halawa Park in favor of First Hawaiian Bank, recorded on November 16, 1984, in the Bureau of Conveyances of the State of Hawaii in Book 18272 at Page 781 (also affects other property).

L. Master Declaration of Covenants, Conditions and Restrictions for the Crosspointe Community Area dated May 9, 1985 and filed in said Office of the Assistant Registrar as Document No. 1299083.

Lot 179-A-1-A-6 (Remnant R-18) only:

A. Taxes are exempt until the property is deeded to The Queen Emma Foundation.

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

C. Grant dated September 1, 1941, filed in said Office of the Assistant Registrar as Document No. 109971, in favor of the United States of America, granting an underground right of way, 40-feet wide, to install, etc., underground tunnel and oil pipe line and appurtenances necessary under said premises, reserving full use of the surface of the ground above said easement for all purposes.

Lot 201-B only (TMK 9-9-2-13):

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

B. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 757.

C. Existing restriction of abutter's rights of access into and from Interstate Highway, Federal Aid Project No. I-H1-1(76) over and across Course 1 of the land pursuant to survey of Community Planning, Inc. by Harry K. Matsuo, Registered Professional Surveyor, Certificate No. 2717, Honolulu, Hawaii, dated May 2, 1985.

D. Access shall not be permitted into and from Interstate Highway, Federal Aid Project No. I-H1-1(76) over and across Course 3 of the land covered by that certain Quitclaim Deed dated April 22, 1985, recorded on June 12, 1985, in the Bureau of Conveyances of the State of Hawaii in Book 18701 at Page 694, and and shown on survey map by Donald H. King, Registered Professional Land Surveyor No. 949, dated November 29, 1984.

E. Reservations to the State of Hawaii, its successors and assigns, as set forth in that certain Quitclaim Deed described in paragraph D above with respect to mineral rights, surface and ground waters and prehistoric and historic remains.

F. Covenants set forth in that certain Quitclaim Deed described in paragraph D above.

PURCHASE MONEY HANDLING: A copy of the Specimen Sales Contract and the executed Escrow Agreement dated June 26, 1984, with Security Title Corporation have been submitted to the Commission as a part of this registration. Upon examination, the Sales Contract and the

executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended.

The Escrow Agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The Escrow Agreement provides that a purchaser shall be entitled to a refund of his funds if one of the following occurs:

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

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

A. A purchaser may elect to cancel his contract to purchase a unit by giving written notice of such election to Developer at any time prior to the earlier of (1) the conveyance of the apartment to the Purchaser; or (2) midnight of the thirtieth (30th) day following the date of delivery of the final public report to the Purchaser. Upon such cancellation, purchaser shall be entitled to a prompt and full refund of all monies paid, less any escrow cancellation fee and other costs associated with the purchase, up to a maximum of \$250.

B. The seller may cancel the Reservation and Sales Agreement and hold the purchaser in default if any material discrepancies are discovered between the financial information furnished by the purchaser and the purchaser's actual financial status. Seller may also cancel if the purchaser's application or eligibility for a mortgage loan is rejected or not given unqualified approval within sixty (60) days after application.

C. The seller's mortgage loan (interim, renewals and extensions used for acquiring the land, constructing the Project, and associated costs) shall be and remain at all times a lien prior to and superior to any and all other liens or charges on the Project, and purchasers intentionally waive, relinquish and subordinate the priority or superiority of any lien or other legal or equitable interest they may have under the Reservation and Sales Agreement in favor of the lien or charge on the Project of the security interest of the lender.

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

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

commencement of the operations of the Project by the Managing Agent and the Association of Apartments Owners.

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

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

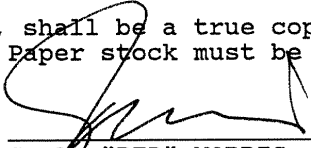
MANAGEMENT AND OPERATIONS: The proposed By-Laws of the Association of Apartment owners provide that the operation of the project shall be conducted for the Association by a responsible Managing Agent who shall be appointed by the Association. The Developer intends to designate Chaney, Brooks & Company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

STATUS OF THE PROJECT. Construction of the Project has not yet commenced, however, the Developer reports that construction of the Project will commence approximately in November, 1985, and will be completed in approximately March, 1986.

The purchaser or prospective purchaser should be cognizant of the fact that this published Preliminary Public Report represents information disclosed by the Developer in the Notice of Intention submitted on August 12, 1985, and information subsequently filed as of September 13, 1985.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of Registration No. 1697 filed with the Commission on August 12, 1985.

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



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

DISTRIBUTION:

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

Registration No. 1697

September 19, 1985

EXHIBIT "A"

<u>Bldg. and Apt.</u>	<u>Apt. Type</u>	<u>Net Interior Floor Area</u>	<u>Initial Parking Stall Assignment</u>
45-A	717	717	9
45-B	716	716	5
45-C	717	717	6
45-D	716	716	11
45-R	717	717	10
45-S	716	716	8
45-T	717	717	7
45-U	716	716	13
46-A	810	810	17
46-B	547	547	15
46-C	547	547	20
46-D	810	810	18
46-R	810	810	16
46-S	547	547	14
46-T	547	547	21
46-U	810	810	19
47-A	717	717	26
47-B	716	716	25
47-C	717	717	23
47-D	716	716	28
47-R	717	717	27
47-S	716	716	24
47-T	717	717	22
47-U	716	716	29
48-A	810	810	36
48-B	547	547	34
48-C	547	547	30
48-D	810	810	32
48-R	810	810	37
48-S	547	547	35
48-T	547	547	31
48-U	810	810	33

DESCRIPTION OF APARTMENT TYPES:

Type 547 (1 Bedroom/1 Bath) (547 sq. ft.)

One bedroom, one bath apartment containing a living room/dining room, kitchen, bathroom and one bedroom. All Type 547 apartments contain 547 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard enclosed with a privacy fence and second story apartments have a limited common element lanai.

Type 716 (2 Bedroom/1 Bath) (716 sq. ft.)

Two bedroom, one bath apartment containing a living room/dining room, kitchen, bathroom and two bedrooms. All Type 716 apartments contain 716 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard enclosed with a privacy fence and second story apartments have a limited common element lanai.

Type 717 (2 Bedroom/1 Bath) (717 sq. ft.)

Two bedroom, one bath apartment containing a living room/dining room, kitchen, bathroom and two bedrooms. All Type 717 apartments contain 717 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard enclosed with a privacy fence and second story apartments have a limited common element lanai.

Type 810 (2 Bedroom/2 Bath) (810 sq. ft.)

Two bedroom, two bath apartment containing a living room/dining room, kitchen, two bathrooms and two bedrooms. All Type 810 apartments contain 810 square feet of NET LIVING AREA. In addition, first story apartments have a limited common element courtyard enclosed with a privacy fence and second story apartments have a limited common element lanai.

SCHEDULE OF COMMON INTERESTS

<u>Model</u>	<u>Percentage Common Interest for Phase F-2</u>	<u>Approximate Percentage Common Interest Upon Merger of Phases F-1 and F-2</u>
547	2.45%	1.22
716	3.21	1.60
717	3.21	1.60
810	3.62	1.81
Parking Apt	.08	.08

BREAKDOWN OF MODEL TYPES
AND PERCENTAGE INTEREST FOR INCREMENT F, PHASE F-2

<u>Model</u>	<u>Percentage Common Interest</u>		<u>Number in Project</u>	<u>Total Percentage of Common Interest</u>
547	2.45%	x	8	19.60
716	3.21	x	8	25.68
717	3.21	x	8	25.68
810	3.62	x	8	28.96
Parking Apt	.08	x	1	<u>.08</u>
				100.00%

As nearly as practicable, the percentage of common interest for each residential apartment is determined by calculating what percentage of the total interior net floor area of all of the residential apartments is represented by the net floor area of the particular apartment and multiplying the percentage thus obtained by one hundred percent (100%). A nominal percentage common interest has been assigned to the parking apartment to meet the requirements of the Horizontal Property Act, Chapter 514A-13, Hawaii Revised Statutes, as amended, that each apartment have appurtenant thereto a common interest.