

CONDOMINIUM PUBLIC REPORT

Prepared &
Issued by:

Developer Lloyd Lim, Successor Trustee and Trustee (see pg. 2a.)

Business Address 1525 Wilder Avenue, #1008, Honolulu, Hawaii 96822

Project Name (*): Big Surf (Apartments 305, 405, 701, 805, 1501, Bar Area only)

Address: 1690 Ala Moana Boulevard, Honolulu, Hawaii 96815

Registration No. 456

Effective date: September 3, 2014

Expiration date: October 3, 2015

Preparation of this Report:

This report has been prepared by the Developer pursuant to the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, as amended. This report is not valid unless the Hawaii Real Estate Commission has issued a registration number and effective date for the report.

This report has not been prepared or issued by the Real Estate Commission or any other government agency. Neither the Commission nor any other government agency has judged or approved the merits or value, if any, of the project or of purchasing an apartment in the project.

Buyers are encouraged to read this report carefully, and to seek professional advice before signing a sales contract for the purchase of an apartment in the project.

Expiration Date of Reports: Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the effective date unless a Supplementary Public Report is issued or unless the Commission issues an order, a copy of which is attached to this report, extending the effective date for the report.

Exception: The Real Estate Commission may issue an order, a copy of which shall be attached to this report, that the final public report for a two apartment condominium project shall have no expiration date.

Type of Report:

- PRELIMINARY:**
(yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued by the developer when complete information is filed.
- FINAL:**
(white) The developer has legally created a condominium and has filed complete information with the Commission.
 - No prior reports have been issued.
 - This report supersedes all prior public reports.
 - This report must be read together with _____
- SECOND**
SUPPLEMENTARY:
(pink) This report updates information contained in the:
 - Preliminary Public Report dated: 10/12/1979
 - Final Public Report dated: 12/18/1980
 - Supplementary Public Report dated: 12/23/1983
- And
 - Supersedes all prior public reports.
 - Must be read together with _____
 - This report reactivates the _____ public report(s) which expired on _____

(*) Exactly as named in the Declaration

This material can be made available for individuals with special needs. Please call the Senior Condominium Specialist at 586-2643 to submit your request.

FORM: RECO-30 286/986/189/1190/892/0197/1093/0800/0203/0104/0107

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required and attached to this report Not Required - Disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

No prior reports have been issued by the developer.

Changes made are as follows:

See pg. 2a.

Summary of Changes from Earlier Reports:

A Preliminary Public Report for this Project was issued on October 12, 1979 (the “Preliminary PR”). The Final Public Report for this Project was subsequently issued on December 18, 1980 (“FPR”). The Final Public Report was supplemented by a Supplementary Public Report issued on December 23, 1983 (“Supplemental PR”). The Preliminary PR, FPR and the Supplemental PR are collectively referred to herein as the “Public Report”.

Since the issuance of the Public Report, 26 of the 32 apartments in the Project have been sold. Developers continue to own 6 apartments, i.e. apartments 305, 405, 701, 805, 1501 and the Bar Area which Developers now wish to sell. The Public Report for the Project expired on July 17, 1984. This Second Supplementary Final Public Report (“Second Supplementary FPR”) shall cover, where appropriate, only the aforementioned apartments. The purpose of this Second Supplementary FPR is to update the Public Report since July 17, 1984.

Changes to the Public Report are as follows:

1. Section I. (page 5) – Changes to the parties connected to this Project as follows:
 - a. Developers – Changed from the original Developers of Max Sung Hi Lim and Lily Sook Myeng Lim to Lloyd Lim, Successor Trustee of the Lily Sook Myeng Lim Self Trusteed Trust Agreement dated February 26, 1990, as amended, and Trustee of the Family Trust created under that certain unrecorded Max Sung Hi Lim Self Trusteed Trust dated February 26, 1990, as amended.
 - b. Real Estate Broker – Information not in original Public Report. Identification of Prudential Locations Inc. as Real Estate Broker.
 - c. Condominium Management Agent (previously referred to as Project Manager) – Changed from Chaney Brooks & Company to Hawaiiana Management Company, Ltd.
 - d. Attorney – Changed from Vernon T. Tashima to Char Sakamoto Ishii Lum & Ching.
2. Section III.C.6. (page 11) – Revised description of the Apartments to reflect amendments to the Declarations, including but not limited to the square footage.
3. Section III.C.7. (page 12) – Changed from 28 parking stalls to 30 parking stalls, with description of type of stall and whether it is covered or open.
4. Section III.E. (page 14) – Date of the title report for the 6 apartments is updated to July 10, 2014.

5. Exhibit "A" to the Public Report identifying the parking stall assignments is deleted. Also, the Real Estate Branch form of the Public Report has changed since 1987. In order to accommodate the current form, Exhibits "A" through "K" have been added to this Second Supplementary FPR. These Exhibits, for the most part, incorporate the information contained in the original Public Report, Declaration, Bylaws or House Rules. Changes as noted on this page 2a. are also reflected, as appropriate, in the Exhibits. The Exhibits are as follows:
 - a. Exhibit "A" – Special Use Restrictions
 - b. Exhibit "B" – Boundaries of Each Apartment
 - c. Exhibit "C" – Alterations to Apartments
 - d. Exhibit "D" – Common Elements
 - e. Exhibit "E" – Limited Common Elements
 - f. Exhibit "F" – Common Interest (Updated)
 - g. Exhibit "G" – Encumbrances Against Title (updated and identifies only the encumbrances affecting each of the 6 apartments)
 - h. Exhibit "H" – Maintenance Fees and Maintenance Disbursements (Updated)
 - i. Exhibit "I" – Summary of Purchase Contract
 - j. Exhibit "J" – Summary of Escrow Agreement (New Agreement)
 - k. Exhibit "K" – Summary of Deed (Warranty Deed)
6. Specimen Purchase Contract changed to the Purchase Contract Standard Form used by the Hawaii Association of Realtors.

Special Notice:

The Developer's Supplementary Public Report expired on December 9, 1986. Pursuant to Section 16-107-19, Hawaii Administrative Rules, sales contracts executed during the period that the Public Report was not in effect may be rescinded at the option of the purchaser and all monies refunded to the purchaser. The purchaser's right to rescind under this rule shall be void thirty (30) calendar days after receipt of written notification of these rights from the Developer or his real estate agent.

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General Information On Condominiums

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of the Condominium Property Act, Chapter 514A, Hawaii Revised Statutes, must be complied with. In addition, certain requirements and approvals of the County in which the project is located must be satisfied and obtained.

Some condominium projects are leasehold. This means that the land or the building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owners/tenants) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements at the lessee's expense. Leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

"Common elements" are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called "limited common elements" and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged or encumbered, and may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the project's Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without the vote of the owners. For example, the board may hire and fire employees, increase or decrease maintenance fees, borrow money for repair and improvements and set a budget. Some of these actions may significantly impact the apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is important to all apartment owners that the transition of control from the developer to the apartment owners be accomplished in an orderly manner and in a spirit of cooperation.

I. PERSONS CONNECTED WITH THE PROJECT

Developer: Lloyd Lim, Successor Trustee/Trustee** Phone: (808) 949-1142
Name*
1525 Wilder Avenue, #1008
Business Address
Honolulu, Hawaii 96822

Names of officers and directors of developers who are corporations; general partners of a partnership; partners of a Limited Liability Partnership (LLP); or manager and members of a Limited Liability Company (LLC) (attach separate sheet if necessary):

Real Estate Broker*: Prudential Locations LLC Phone: (808) 739-4154
Name
614 Kapahulu Avenue, #200
Business Address
Honolulu, Hawaii 96815

Escrow: Title Guaranty Escrow Services, Inc. Phone: (808) 521-0211
Name
235 Queen Street
Business Address
Honolulu, Hawaii 96813

General Contractor*: N/A Phone: _____
Name

Business Address

Condominium Managing Agent*: Hawaiiana Management Company, Ltd. Phone: (808) 593-9100
Name
711 Kapiolani Boulevard, #700
Business Address
Honolulu, Hawaii 96813

Attorney for Developer: Char Sakamoto Ishii Lum & Ching Phone: (808) 522-5133
Name
841 Bishop Street, Suite 850
Business Address
Honolulu, Hawaii 96813

* For Entities: Name of corporation, partnership, Limited Liability Partnership (LLP), or Limited Liability Company (LLC)

** See page 2a for complete identification of Developer.

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Condominium Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners. The Condominium Property Act (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the project and the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

A. **Declaration of Condominium Property Regime** contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 969932

The Declaration referred to above has been amended by the following instruments [state name of document, date and recording/filing information]:

See pg. 6a.

B. **Condominium Map (File Plan)** shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded - Bureau of Conveyances Condo Map No. _____
 Filed - Land Court Condo Map No. 394

The Condominium Map has been amended by the following instruments [state name of document, date and recording/filing information]:

See pg. 6a.

C. **Bylaws of the Association of Apartment Owners** govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the manner in which meetings will be conducted, whether pets are prohibited or allowed and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded - Bureau of Conveyances: Document No. _____
Book _____ Page _____
 Filed - Land Court: Document No. 969932

The Bylaws referred to above have been amended by the following instruments [state name of document, date and recording/filing information]:

See pg. 6a.

A. Declaration of Condominium Property Regime Amendments:

Document Name	Date	Document No.
Amended Declaration Submitting Property to the Horizontal Property Regime and Amended By-Laws	October 20, 1980	1038939
Second Amendment of Declaration of Horizontal Property Regime of "Big Surf"	November 15, 1983	1203059
Third Amendment of Declaration of Horizontal Property Regime of "Big Surf"	December 12, 1983	1207856
Fourth Amendment of Declaration of Horizontal Property Regime of "Big Surf"	October 5, 1984	1282640
Amendment to the Declaration of Condominium Property Regime of the Big Surf and Condominium Map No. 394	March 25, 2003	2908761
Seventh Amendment of Declaration of Horizontal Property Regime of "Big Surf"	December 23, 2005	3371519
Eighth Amendment of Declaration of Horizontal Property Regime of "Big Surf"	August 13, 2007	3647616
Ninth Amendment to the Declaration Submitting Property to the Horizontal Property Regime "Big Surf"	September 13, 2013	T-8667153
Tenth Amendment to the Declaration Submitting Property to the Horizontal Property Regime "Big Surf"	May 27, 2014	T-8920125

B. Condominium Map (File Plan) Amendments:

Document Name	Date	Document No.
Third Amendment of Declaration of Horizontal Property Regime of "Big Surf"	December 12, 1983	1207856
Fourth Amendment of Declaration of Horizontal Property Regime of "Big Surf"	October 5, 1984	1282640
Seventh Amendment of Declaration of Horizontal Property Regime of "Big Surf"	December 23, 2005	3371519

C. Bylaws Amendments:

Document Name	Date	Document No.
Amended Declaration Submitting Property to the Horizontal Property Regime and Amended By-Laws	October 20, 1980	1038939
First Amendment of Bylaws of the Association of Apartment Owners of "Big Surf"	March 18, 2003	2975712
Third Amendment to By-Laws of the Association of Apartment Owners of "Big Surf"	September 13, 2013	T-8667154

D. **House Rules.** The Board of Directors may adopt House Rules to govern the use and operation of the common elements and limited common elements. House Rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais and requirements for keeping pets. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial House Rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted Developer does not plan to adopt House Rules

E. **Changes to Condominium Documents** Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of common interest which must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%*	<u>75%</u>
Bylaws	65%	<u>75%</u>
House Rules	---	<u>Majority of the Board of Directors</u>

* The percentages for individual condominium projects may be more than the minimum set by law for projects with five or fewer apartments.

2. **Developer:**

No rights have been reserved by the developer to change the Declaration, Condominium Map, Bylaws or House Rules.

Developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws or House Rules:

Other:

IMPORTANT INFORMATION ON LEASEHOLD CONDOMINIUM PROJECTS

The information contained in this report is a summary of the terms of the lease. For more detailed information, you should secure a copy of the lease documents and read them thoroughly.

If you have any legal questions about leasehold property, the lease documents or the terms of the lease and the consequences of becoming a lessee, you should seek the advice of an attorney.

There are currently no statutory provisions for the mandatory conversion of leasehold condominiums and there are no assurances that such measures will be enacted in the future.

In leasehold condominium projects, the buyer of an apartment will acquire the right to occupy and use the apartment for the time stated in the lease agreement. The buyer will not acquire outright or absolute fee simple ownership of the land. The land is owned by the lessor or the leased fee owner. The apartment owner or lessee must make lease rent payments and comply with the terms of the lease or be subject to the lessor's enforcement actions. The lease rent payments are usually fixed at specific amounts for fixed periods of time, and are then subject to renegotiation. Renegotiation may be based on a formula, by arbitration set in the lease agreement, by law or by agreement between the lessor and lessee. The renegotiated lease rents may increase significantly. At the end of the lease, the apartment owners may have to surrender the apartments, the improvements and the land back to the lessor without any compensation (surrender clause).

When leasehold property is sold, title is normally conveyed by means of an assignment of lease, the purpose of which is similar to that of a deed. The legal and practical effect is different because the assignment conveys only the rights and obligations created by the lease, not the property itself.

The developer of this condominium project may have entered into a master ground lease with the fee simple owner of the land in order to develop the project. The developer may have then entered into a sublease or a new lease of the land with the lessee (apartment owner). The developer may lease the improvements to the apartment owner by way of an apartment lease or sublease, or sell the improvements to the apartment owners by way of a condominium conveyance or apartment deed.

B. Underlying Land:

Address: 1690 Ala Moana Boulevard Tax Map Key (TMK): (1) 2-6-011-021

Address TMK is expected to change because _____

Land Area: 6,839 square feet acre(s) Zoning: ApartmentMix
(more or less)

Fee Owner: Lloyd Lim, Successor Trustee and Trustee**
Name

Lessor: _____
Name

Business Address

C. **Buildings and Other Improvements:**

1. New Building(s)
 Conversion of Existing Building(s)
 Both New Building(s) and Conversion
2. Number of Buildings: 1 Floors Per Building: 16
 Exhibit _____ contains further explanations.

3. **Principal Construction Material:**

Concrete Hollow Tile Wood
 Other steel, glass.

4. **Uses Permitted by Zoning:**

	<u>No. of Apts.</u>	<u>Use Permitted By Zoning</u>	
<input checked="" type="checkbox"/> Residential	<u>30</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input checked="" type="checkbox"/> Commercial	<u>2</u>	<input checked="" type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Mix Res/Comm	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Hotel	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Timeshare	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Ohana	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Industrial	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Agricultural	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Recreational	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No
<input type="checkbox"/> Other	_____	<input type="checkbox"/> Yes	<input type="checkbox"/> No

Is/Are this/these use(s) specifically permitted by the project's Declaration or Bylaws?
 Yes No

* Total number of Apartments in the Project is 32, but this Second Supplementary FPR covers the 6 Apartments identified on page 2a.

** See page 2a for complete identification of Developer.

5. Special Use Restrictions:

The Declaration and Bylaws may contain restrictions on the use and occupancy of the apartments. Restrictions for this condominium project include but are not limited to:

Pets: See Exhibit "A".

Number of Occupants: See Exhibit "A".

Other: See Exhibit "A".

There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Elevators: 1 Stairways: 1 Trash Chutes: 0

<u>Apt. Type</u>	<u>Quantity</u>	<u>BR/Bath</u>	<u>Net Living Area (sf)*</u>	<u>Net Other Area (sf)</u>	<u>(Identify)</u>
<u>01</u>	<u>15</u>	<u>3/3</u>	<u>1,174</u>	<u>182</u>	<u>lanai</u>
<u>05</u>	<u>15</u>	<u>2/2</u>	<u>916</u>	<u>182</u>	<u>lanai *</u>
<u>Bar</u>	<u>1</u>	<u>0/0</u>	<u>602</u>	<u>142</u>	<u>storage</u>
<u>Office</u>	<u>1</u>	<u>0/0</u>	<u>80</u>		

Total Number of Apartments: 32 **

* Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

Boundaries of Each Apartment:

See Exhibit "B".

Permitted Alterations to Apartments:

See Exhibit "C".

Apartments Designated for Owner-Occupants Only:

Fifty percent (50%) of residential apartments must be so designated; developer has a right to substitute similar apartments for those apartments already designated. Developer must provide this information either in a published announcement or advertisement as required by section 514A-102, HRS; or include the information here in this public report and in the announcement (see attachment 11a). Developer has ----- elected to provide the information in a published announcement or advertisement.

* Apartment 205's lanai area is 163 square feet.

** Total number of Apartments in the Project is 32, but this Amended PR only covers the 6 Apartments identified on page 2a.

7. Parking Stalls:

Total Parking Stalls:	<u>30</u>				
	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>
	<u>Covered</u>	<u>Open</u>	<u>Covered</u>	<u>Open</u>	<u>Covered</u>
	<u>Open</u>				<u>Open</u>
Assigned (for each unit)	<u>12</u>	<u>10</u>	<u>8</u>		<u>30*</u>
Guest	_____	_____	_____	_____	_____
Unassigned	_____	_____	_____	_____	_____
Extra for Purchase	_____	_____	_____	_____	_____
Other: _____	_____	_____	_____	_____	_____
Total Covered & Open:	<u>22</u>		<u>8</u>		<u>30**</u>

Each apartment will have the exclusive use of at least _____ parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool Storage Area Recreation Area
- Laundry Area Tennis Court Trash Chute/Enclosure(s)
- Other: centralized mailbox area in lobby and refuse bin area.

9. Compliance With Building Code and Municipal Regulations; Cost to Cure Violations

- There are no violations. Violations will not be cured.
- Violations and cost to cure are listed below: Violations will be cured by _____
(Date)

10. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations (For conversions of residential apartments in existence for at least five years):

* Pursuant to the law in existence at the time the Project was created, each Apartment in the Project was not required to have a parking stall. However, each of the Apartments noted on page 2.a. have a parking stall. See Declaration to identify the Apartments that have parking stalls and the parking stall numbers.

** Total number of parking stalls in the Project is 30, but this Amended PR only covers the 6 apartments identified on page 2a.

11. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/were granted as follows:

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	<u> x </u>	<u> </u>	<u> </u>
Structures	<u> </u>	<u> x </u>	<u> </u>
Lot	<u> x </u>	<u> </u>	<u> </u>

If a variance has been granted or if uses, improvements or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project other than the individual apartments. Although the common elements are owned jointly by all apartment owners, those portions of the common elements which are designated as limited common elements (see paragraph 2 below) may be used only by those apartments to which they are assigned. The common elements for this project, as described in the Declaration, are:

described in Exhibit "D" .

as follows:

2. **Limited Common Elements:** Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which use them, as described in the Declaration, are:

described in Exhibit "E".

as follows:

3. **Common Interest:** Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium project. It may also be used for other purposes, including voting on matters requiring action by apartment owners. The common interests for the apartments in this project, as described in the Declaration, are:

described in Exhibit "F".

as follows:

- E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property or a document affecting the title or use of the property. Encumbrances may have an adverse effect on the property or your purchase and ownership of an apartment in the project.

Exhibit "G" describes the encumbrances against the title contained in the title report dated July 10, 2014 and issued by Title Guaranty of Hawaii, Inc.

Blanket Liens:

A blanket lien is an encumbrance (such as a mortgage) on the entire condominium project that secures some type of monetary debt (such as a loan) or other obligation. A blanket lien is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

There are no blanket liens affecting title to the individual apartments.

There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. The buyer's interest will be affected if the developer defaults and the lien is foreclosed prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest and Deposit if Developer Defaults or Lien is Foreclosed Prior to Conveyance</u>
---------------------	---

F. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements: None.

2. Appliances: None.

G. **Status of Construction and Date of Completion or Estimated Date of Completion:**

Construction on Project completed in March 1971.

H. **Project Phases:**

The developer has has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's plans or right to perform for future development (such as additions, mergers or phasing):

V. MISCELLANEOUS

A. Sales Documents Filed With the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

- Notice to Owner Occupants
- Specimen Sales Contract
Exhibit "I" contains a summary of the pertinent provisions of the sales contract.
- Escrow Agreement dated December 20, 2012
Exhibit "J" contains a summary of the pertinent provisions of the escrow agreement.
- Other _____

B. Buyer's Right to Cancel Sales Contract:

1. Rights Under the Condominium Property Act (Chapter 514A, HRS):

Preliminary Report: Sales made by the developer are not binding on the prospective buyer. Sales made by the developer may be binding on the developer unless the developer clearly states in the sales contract that sales are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report or Supplementary Report to a Final Report: Sales made by the developer are binding if:

- A) The Developer delivers to the buyer a copy of:
 - 1) Either the Final Public Report **OR** the Supplementary Public Report which has superseded the Final Public Report for which an effective date has been issued by the Real Estate Commission; **AND**
 - 2) Any other public report issued by the developer prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
- B) The buyer is given an opportunity to read the report(s); **AND**
- C) One of the following has occurred:
 - 1) The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - 2) Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - 3) The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

- A) There is a material change in the project which directly, substantially, and adversely affects (1) the use or value of the buyer's apartment or its limited common elements; or (2) the amenities available for buyer's use; **AND**
- B) The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

2. Rights Under the Sales Contract: Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the project. If these documents are not in final form, the buyer should ask to see the most recent draft. These include but are not limited to the:
- A) Condominium Public Reports issued by the developer which have been issued an effective date by the Hawaii Real Estate Commission.
 - B) Declaration of Condominium Property Regime, as amended.
 - C) Bylaws of the Association of Apartment Owners, as amended.
 - D) House Rules, if any.
 - E) Condominium Map, as amended.
 - F) Escrow Agreement.
 - G) Hawaii's Condominium Property Act (Chapter 514A, HRS, as amended) and Hawaii Administrative Rules, (Chapter 16-107, adopted by the Real Estate Commission, as amended).
 - H) Other _____

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer or through the developer's sales agent, if any. The Condominium Property Regime law (Chapter 514A, HRS) and the Administrative Rules (Chapter 107) are available online. Please refer to the following sites:

Website to access official copy of laws: www.capitol.hawaii.gov
 Website to access unofficial copy of laws: www.hawaii.gov/dcca/hrs
 Website to access rules: www.hawaii.gov/dcca/har

This Public Report is a part of Registration No. 456 filed with the Real Estate Commission on October 12, 1979.

Reproduction of Report. When reproduced, this report must be on:

YELLOW paper stock WHITE paper stock PINK paper stock

C. **Additional Information Not Covered Above**

Pursuant to Tenth Amendment to the Declaration Submitting Property to the Horizontal Property Regime "Big Surf", the common interests as set forth in the Declaration have been amended. Effective as of October 1, 2014, the amount of the maintenance fees will be adjusted. See Exhibit "H" for both the current maintenance fees and the maintenance fees as of October 1, 2014 for each Apartment.

LEAD WARNING STATEMENT. Pursuant to federal law, 42 U.S.C. 4852(d), the Residential Lead-Based Paint Reduction Act, "Every purchaser of any interest in residential real property on which a residential dwelling was built prior to 1978 is notified that such property may present exposure to lead from lead-based paint that may place young children at risk of developing lead poisoning. Lead poisoning in young children may produce permanent neurological damage, including learning disabilities, reduced intelligence quotient, behavioral problems, and impaired memory. Lead poisoning also poses a particular risk to pregnant women. The seller of any interest in residential real property is required to provide the buyer with any information on lead-based paint hazards from risk assessments or inspections in the seller's possession and notify the buyer of any known lead-based paint hazards. A risk assessment or inspection for possible lead-based paint hazard is recommended prior to purchase". The Developer discloses that he does not have an assessment or inspections relating to lead-based paint.

HAZARDOUS MATERIALS. The Developer neither prepared nor commissioned a Phase 1 Environmental Site Assessment and makes no representations or warranties whatsoever. The Developer has made no independent investigation as to asbestos or other hazardous substances in the apartments or in, under or around the Project, including but not limited to, radioactive materials, organic compounds known as polychlorinated biphenyls, chemicals known to cause cancer or reproductive toxicity, pollutants, contaminants, hazardous wastes, toxic substances, and any and all other substances or materials defined as or included in the definition of "hazardous substances", "hazardous wastes", "hazardous materials" or "toxic substances" under, or for the purposes of hazardous materials laws. Buyer acknowledges that in light of the age of the Project, there may be asbestos and other hazardous substances in the apartments, or in, under or around the Project. Because of the possible presence of such substances, Buyer should have the apartment inspected to determine the extent (if any) of such contamination and any necessary remedial action. The Developer will not correct any defects in the apartment or in the Project or anything installed or contained therein and Buyer expressly releases the Developer from any liability to Buyer if any hazardous materials are discovered.

AS IS CONDITION. Each prospective purchaser will be purchasing the apartment in as-is, where-is condition with all faults. Accordingly, Developer recommends that a purchaser obtain an inspection report from a qualified inspector.

- D. The developer declares subject to the penalties set forth in section 514A-49(b) that this project is in compliance with all county zoning and building ordinances and codes, and all other county permitting requirements applicable to the project, pursuant to Act 251 (SLH 2000) [Section 514A-1.6] (The developer is required to make this declaration for issuance of an effective date for a final public report.)
- E. The developer hereby certifies that all the information contained in this Report and the Exhibits attached to this Report and all documents to be furnished by the developer to buyers concerning the project have been reviewed by the developer and are, to the best of the developer's knowledge, information and belief, true, correct and complete.

Lloyd Lim, Successor Trustee and Trustee

Printed Name of Developer

By:


Duly Authorized Signatory*

8/28/14

Date

Lloyd Lim, Successor Trustee and Trustee

Printed Name & Title of Person Signing Above

Distribution:

Department of Finance, City and County of Honolulu

Planning Department, City and County of Honolulu

****Must be signed for a: corporation by an officer; partnership or Limited Liability Partnership (LLP) by the general partner; Limited Liability Company (LLC) by the manager or member; and for an individual by the individual.***

EXHIBIT "A"

Special Use Restrictions

Among other restrictions, the following are certain special use restrictions with respect to the Project which are more particularly set forth in the Declaration, Bylaws and House Rules. Capitalized terms have the same meaning ascribed to such terms in the Declaration, Bylaws and House Rules.

1. **Use.** The residential apartment units shall be occupied and used only as single family residence dwellings by the respective owners thereof, their tenants, families, and domestic servants and for no other purpose and the commercial units for business use authorized by law. In addition to and without limitation of the foregoing:
 - a. Spaces designated for the parking of motor vehicles shall be used solely for such purpose, in accordance with such reasonable regulations as shall be established by the Board of Directors from time to time.
 - b. No owner of any unit shall do, or suffer or permit to be done, anything in any apartment which would impair the soundness or safety of the project, or which would increase the rate or result in the cancellation of insurance applicable to the project, or which would be noxious or offensive or an interference with the peaceful possession and proper use of other apartments, or which would require any alteration of or addition to any of the common elements which would fail to comply with any applicable law or regulation, or which would otherwise be in violation of law.
 - c. The apartments may be rented on a temporary basis. In addition thereto the owners of the respective apartments shall have the absolute right to lease such apartment as a whole provided that all such leases shall be in writing and shall provide therein that the terms thereof shall be subject in all respects to the provisions of this Declaration, the Bylaws and House Rules and that any failure by the lessee to comply with the terms of such document shall be a default under said lease.

2. **Pets.** No livestock, poultry, rabbits or other animals whatsoever shall be allowed or kept in any part of the project except that apartment owners may keep dogs, cats and other household pets as long as they do not become nuisance to other owners, subject to rules and regulations adopted by the Board of Directors.

EXHIBIT "B"

Boundaries of Each Apartment

There are thirty (30) residential units and two (2) commercial units. The following are excerpts from the Declaration recorded by the Developer. Capitalized terms have the same meaning ascribed to such terms in the Declaration.

1. Residential units. There will be fifteen (15) 3-bedroom units, and fifteen (15) 2-bedroom units. (1) The 3-bedroom units contain 8 rooms, including 3 bathrooms, and are approximately 1,174 square feet each; which includes 3 lanais (two on the mauka side of the unit, each being approximately 48 and 43 square feet; and one on the makai side of the unit, being approximately 91 square feet), (2) The 2-bedroom units contain 6 rooms, including 2 bathrooms, and are approximately 916 square feet, each; which includes 3 lanais (two on the mauka side of the unit, each being approximately 48 and 43 square feet, and one on the makai side of the unit, being approximately 91 square feet).

Unit No. 205 is a typical 2-bedroom unit, however, it has a lanai of approximately 98 square feet outside of the bedrooms and a lanai in the front, off the living room, of approximately 65 square feet. The canopy over the front entrance, and the open deck beyond the front lanai are not part of Unit 205.

The floor area of each apartment is measured to the interior of the walls, and the dimensions of the rooms are approximate measurements.

2. Commercial Units. There are two (2) commercial units, i.e. the Bar Space and the Office Space, both located on the first floor. The Bar Space has been used as a bar, with a total area of approximately 602 square feet, and has the exclusive use of a storage space located in the basement, containing approximately 142 square feet. The Office Space has been used as an office, with a total area of approximately 80 square feet.

The common elements to which the commercial units will have immediate access to are the outdoor patio and entranceway for the Bar, and the lobby for the office unit. The Office Space and the Bar Space will share the cost of the maintenance of these common areas on a pro-rata basis in the same ratio as each space bears to the total area of the two (2) commercial units.

3. Limits of Apartments. The respective apartments shall not be deemed to include the undecorated or unfinished surface of the perimeter walls or interior load bearing walls, the floors and ceilings surrounding each apartment or any pipes, wires, conduits, ducts or other utility lines running through such apartment, the same being deemed common elements as hereinafter provided. Each apartment shall be deemed to include all the walls and partitions which are not load bearing within its perimeter or party walls, the inner decorated or finished surfaces of all walls, floors and ceilings, doors and door frames, windows and window frames, and all fixtures originally installed therein.

EXHIBIT "C"

Alterations to Apartments

Amongst other provisions, the following are excerpts from the Bylaws recorded by the Developer. Capitalized terms have the same meaning ascribed to such terms in said Bylaws.

1. No apartment owner or occupant shall erect or place in the project any building or structure including fences and walls, nor make any additions or alterations to the common elements or exterior structure of his apartment or make any additions or alterations to his apartment which may affect any common elements or change the exterior appearance of the building, nor place or maintain thereon any signs, posters or bills whatsoever, except as approved by the Board of Directors.
2. No apartment owner shall decorate or landscape any entrance, planting area or lanai appurtenant to his apartment except in accordance with standards thereof established by the Board of Directors or specific plans approved in writing by the Board.
3. No apartment owner or occupant shall without written approval of the Board of Directors install any wiring for electrical or telephone installations, television antenna, machines or air-conditioning units, or other equipment or appurtenances whatsoever on the exterior of the project or protruding through the walls, windows or roof thereof.
4. Nothing shall be allowed, done or kept in any apartment or common elements of the project which would overload or impair the floors, walls or roofs thereof, or cause any increase in the ordinary premium rates or the cancellation or invalidation of any insurance thereon maintained by or for the Association.

EXHIBIT "D"

Common Elements

The following are excerpts from the Declaration recorded by the Developer. Capitalized terms have the same meaning ascribed to such terms in the Declaration.

The common elements will include the portions of the land and improvements other than the apartments, including the buildings, the land on which it is located and all elements mentioned in the Horizontal Property Act which are actually constructed on the land herein described, and specifically shall include, but not limited to:

- a. Land herein described in fee simple.
- b. All foundations, floor slabs, columns, girders, beams, supports, load bearing walls, interior walls separating adjacent apartments, fences and building roofs.
- c. All yards, grounds, landscaping, sprinkler system, refuse facilities, all utility rooms, trash rooms, common laundry areas and storage rooms.
- d. All building walkways, building sidewalks, stairways, pathways, parking areas, driveways, corridors or common balcony on each floor, except that the corridor on each floor is limited to the occupants of the two (2) units on that floor, and when anyone purchases the whole floor (two (2) units) the corridor of said floor becomes a limited common element to that owner(s)' unit(s).
- e. All ducts, house meters, electrical equipment wiring and other central and appurtenant installations, including power, light, water, sewer, gas and telephone, machine, meter room and switch room, all pipes, wires, conduits or other utility or service lines, including TV cables, if any, which run through an apartment, but which are utilized by or serve more than one apartment.
- f. Any and all other apparatus and installation of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

EXHIBIT "E"

Limited Common Elements

The following excerpts are from the Declaration recorded by the Developer. Capitalized terms have the same meaning ascribed to such terms in the Declaration.

1. **Parking Space.** There will be a total of thirty (30) parking stalls which will all be assigned to certain units as a limited common element. The stalls, and the units to which they are assigned, are shown on Exhibit "D" [to the Declaration] attached hereto and made a part hereof.
2. **Floor corridor.** The corridor on each floor is a limited common element to the two (2) units on that floor, and when anyone purchases the whole floor (two (2) units) the corridor of said floor becomes a limited common element to that owner(s)' unit(s).

EXHIBIT "F"

Common Interest

The following are excerpts from the Declaration recorded by the Developer. Capitalized terms have the same meaning ascribed to such terms in said Declaration.

Each apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the project, and the same interest in all expenses of the project and for all other purposes including voting. The interests are as indicated on Exhibit "B" attached [to the Declaration] and made a part hereof.

The common interest for each Apartment is as set forth on the next page.

COMMON INTEREST
BIG SURF CONDOMINIUM

<u>UNIT NO.</u>	<u>PERCENTAGE OF COMMON INTEREST</u>
201	3.6245
205	4.6007
301	3.6245
305	2.8143
401	3.6245
405	2.8143
501	3.6245
505	2.8143
601	3.6245
605	2.8143
701	3.6245
705	2.8143
801	3.6245
805	2.8143
901	3.6245
905	2.8143
1001	3.6245
1005	2.8143
1101	3.6245
1105	2.8143
1201	3.6245
1205	2.8143
1401	3.6245
1405	2.8143
1501	3.6245
1505	2.8143
1601	3.6245
1605	2.8143
1701	3.6245
1705	2.8143
BAR	1.4027
OFFICE COMMERCIAL	.2289
	<hr/>
	100.0000

EXHIBIT "G"

Encumbrances Against Title

1. Real Property Taxes for the following Tax Map Key Nos.:

Tax Key: (1) 2-6-011-021 C.P.R. No. 0004 Apt. No. 305
Tax Key: (1) 2-6-011-021 C.P.R. No. 0006 Apt. No. 405
Tax Key: (1) 2-6-011-021 C.P.R. No. 0011 Apt. No. 701
Tax Key: (1) 2-6-011-021 C.P.R. No. 0014 Apt. No. 805
Tax Key: (1) 2-6-011-021 C.P.R. No. 0025 Apt. No. 1501
Tax Key: (1) 2-6-011-021 C.P.R. No. 0031 Apt. No. BAR AREA

Check with the County Tax Assessor for additional information.

2. -AS TO APARTMENT NO. BAR AREA:-

Any and all improvement assessments that may be due and owing.

3. The terms and provisions contained in the following:

INSTRUMENT : DECLARATION OF HORIZONTAL PROPERTY
REGIME FOR "BIG SURF" CONDOMINIUM PROJECT
AND BY-LAWS

DATED : June 8, 1979
FILED : Land Court Document No. 969932
MAP : 394 and any amendments thereto

Said Declaration was amended by instruments dated October 20, 1980, filed as Land Court Document No. 1038939, dated November 15, 1983, filed as Land Court Document No. 1203059, dated December 12, 1983, filed as Land Court Document No. 1207856, dated October 5, 1984, filed as Land Court Document No. 1282640, and dated March 25, 2003, filed as Land Court Document No. 2908761.

Said Declaration was further amended by instruments dated December 23, 2005, filed as Land Court Document No. 3371519, dated August 13, 2007, filed as Land Court Document No. 3647616, and dated September 13, 2013, filed as Land Court Document No. T-8667153.

-Note:- Amendment filed as Land Court Document No. 3647616 is not noted on Transfer Certificate(s) of Title referred to herein.

Said Declaration was further amended by instrument dated May 27, 2014, but shall be effective as of May 12, 2014, recorded as Document No. T-8920125; re: Exhibit "B" to the Declaration is hereby deleted in its entirety and replaced with the Exhibit "B" attached thereto, which shall supersede any existing Exhibit to the Declaration regarding the percentage of undivided interest in the common elements of the project.

First Amendment of By-Laws of the Association of Apartment Owners of Big Surf dated March 18, 2003, filed as Land Court Document No. 2975712. Amendment incorrectly cites By-Laws as Land Court Document No. 96932.

Said By-Laws was further amended by instrument dated September 13, 2013, filed as Land Court Document No. T-8667154.

4. -AS TO APARTMENT NO. 405:-

REAL PROPERTY MORTGAGE AND FINANCING STATEMENT

LOAN/ACCOUNT NO. 1623214

MORTGAGOR	:	MAX SUNG HI LIM, Trustee of the Max Sung Hi Lim Self-Trusteed Trust dated February 26, 1990, as amended, and LILY SOOK MYENG LIM, Trustee of the Lily Sook Myeng Lim Self-Trusteed Trust dated February 26, 1990, as amended
MORTGAGEE	:	FIRST HAWAIIAN BANK, a Hawaii corporation
DATED	:	June 3, 2008
FILED	:	Land Court Document No. 3756067
AMOUNT	:	\$214,000.00

5. -AS TO APARTMENT NO. 1501:-

MORTGAGE

LOAN/ACCOUNT NO. 1459718 (LR)

MORTGAGOR : MAX SUNG HI LIM and LILY SOOK MYENG LIM,
husband and wife

MORTGAGEE : FIRST HAWAIIAN BANK, a Hawaii corporation

DATED : May 24, 2004

FILED : Land Court Document No. 3114960

AMOUNT : \$88,500.00

6. Any and all covenants, conditions, restrictions and easements encumbering the apartments herein mentioned, and/or the common interest appurtenant thereto, as created by or mentioned in said Declaration, as amended, and/or in the apartment Deed, and/or as delineated on the Condominium Map identified in the Declaration.

EXHIBIT “H”

**Maintenance Fees
AND
Maintenance Fee Disbursements**

Each Apartment owner shall be obligated for the payment of his or her respective share of the common expenses from and as of the date upon which the Apartment is conveyed to said owner.

Pursuant to the Tenth Amendment to the Declaration Submitting Property to the Horizontal Property Regime “Big Surf”, the common interests as set forth in the Declaration have been amended. Effective as of October 1, 2014, the amount of the maintenance fees will be adjusted accordingly.

Exhibit “H” includes the present budget, the current allocation of maintenance fees for each Apartment, the adjusted allocation of maintenance fees for each Apartment, effective as of October 1, 2014 and information on the Reserve Study for the Project.

The Real Estate Commission has not reviewed the estimates of maintenance fee assessments and disbursements for their accuracy or sufficiency

- * Mandatory reserves assessment and collection in effect beginning 1994 budget year. The Developer is to attach to this exhibit an explanation whether in arriving at the figure for “Reserves”, the Developer conducted a reserve study in accordance with 514A-83.6, HRS, and the replacement reserve rules, Subchapter 6, Title 16, Chapter 107, Hawaii Administrative Rules, as amended.

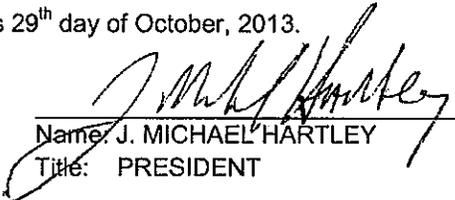
Pursuant to 514A-83.6, HRS, a new association created after January 1, 1993, need not collect estimated replacement reserves until the fiscal year which begins after the association’s first annual meeting.

CERTIFICATE

I, the undersigned, to the best of my knowledge, do hereby certify as follows:

1. I am the President of Hawaiiana Management Company, Ltd., a Hawaii corporation, designated by Developer of Big Surf condominium project (the "Project") to act as the Managing Agent for the management and administration of the Project.
2. Attached hereto is a true and correct copy of the projected budget for the Project. The estimates contained therein, including the maintenance fee assessments and disbursements, were prepared in good faith based upon generally accepted accounting principles.
3. The projected budget has been prepared on a cash basis.

Dated: Honolulu, Hawaii, this 29th day of October, 2013.


Name: J. MICHAEL HARTLEY
Title: PRESIDENT

Subscribed and sworn to before me
this 29th day of October, 2013.

State of Hawaii
City & County of Honolulu

Date: October 29, 2013 # of Pages: 4

Doc. Description: Certificate of Managing Agent & Estimated
Annual Disbursements for: Big Surf


Notary Signature
Name: Stephanie M. Angle



No. & Expiration: 10-134
My commission expires: 6/13/2014
First Circuit, State of Hawaii

NOTARY CERTIFICATION

Hawaiiana Management Company, Ltd

2014 Monthly Cash Operating Budget For

BIG SURF

Approved by Board of Directors on September 22, 2013

DESCRIPTION REVENUE	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUNE 2014	JULY 2014	AUG 2014	SEPT 2014	OCT 2014	NOV 2014	DEC 2014	ANNUAL TOTAL
MAINTENANCE FEES	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	29,914	358,968
LAUNDRY	500	500	500	500	500	500	500	500	500	500	500	500	6,000
TOTAL REVENUE	30,414	30,414	30,414	30,414	30,414	30,414	30,414	30,414	30,414	30,414	30,414	30,414	364,968

UTILITIES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
ELECTRICITY	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	2,025	24,300
TV CABLE	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	1,067	12,804
WATER	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	1,600	19,200
SEWER	4,325	4,325	4,325	4,325	4,325	4,325	4,325	4,325	4,325	4,325	4,325	4,325	51,900
TELEPHONE	64	64	64	64	64	64	64	64	64	64	64	64	768
TOTAL UTILITIES	9,081	9,081	9,081	9,081	9,081	9,081	9,081	9,081	9,081	9,081	9,081	9,081	108,972

MAINTENANCE	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
CLEANING SVC	2,460			2,460			2,460			2,460			9,840
ELEVATOR	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	1,345	16,140
PLUMBING	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	1,040	12,480
PEST CONTROL	400	400	400	400	400	400	400	400	400	400	400	400	4,800
REFUSE	682	682	682	682	682	682	682	682	682	682	682	682	8,184
MISC RPRS & PURCHS	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	2,200	26,400
TOTAL MAINTENANCE	8,127	5,667	5,667	8,127	5,667	5,667	8,127	5,667	5,667	8,127	5,667	5,667	77,844

2014 Monthly Operating Budget For BIG SURF

Approved by Board of Directors on September 22, 2013

DESCRIPTION	JAN 2014	FEB 2014	MAR 2014	APR 2014	MAY 2014	JUNE 2014	JULY 2014	AUG 2014	SEPT 2014	OCT 2014	NOV 2014	DEC 2014	ANNUAL TOTAL
PROFESSIONAL SVCS													
ADMIN SUPPLIES & SVCS	380	380	380	380	380	380	380	380	380	380	380	380	4,560
MANAGEMENT SRVCS	840	840	840	840	840	840	840	840	840	840	840	840	10,080
AUDIT	785												785
LEGAL FEES GENERAL	100	100	100	100	100	100	100	100	100	100	100	100	1,200
TOTAL PROF. SERVICES	2,105	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	1,320	16,625

OTHER EXPENSES	JAN	FEB	MAR	APR	MAY	JUNE	JULY	AUG	SEPT	OCT	NOV	DEC	TOTAL
INSURANCE MASTER POLICY				3,910	3,910	3,910	3,910	3,910					19,550
INSURANCE-FLOOD				32,305									32,305
MISCELLANEOUS EXPENSE	20	20	20	20	20	20	20	20	20	20	20	20	240
STATE GET	65			65			65						260
TOTAL OTHER EXP.	85	20	20	36,300	3,930	3,930	3,995	3,930	20	85	20	20	52,355

TOTAL OP EXPENSE	19,398	16,088	16,088	54,828	19,998	19,998	22,523	19,998	16,088	18,613	16,088	16,088	255,796
LOAN PAYMENTS	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	3,091	37,090
TRANSFER TO RESERVES	6,007	6,007	6,007	6,007	6,007	6,007	6,007	6,007	6,007	6,007	6,007	6,007	72,082

Maintenance Fees
(Effective as of October 1, 2014)

Unit Number	Common Interest	Monthly Fee	Yearly Total
201	3.6245%	\$1,084.22	\$13,010.64
205	4.6007%	\$1,376.23	\$16,514.76
301	3.6245%	\$1,084.22	\$13,010.64
305	2.8143%	\$841.86	\$10,102.32
401	3.6245%	\$1,084.22	\$13,010.64
405	2.8143%	\$841.86	\$10,102.32
501	3.6245%	\$1,084.22	\$13,010.64
505	2.8143%	\$841.86	\$10,102.32
601	3.6245%	\$1,084.22	\$13,010.64
605	2.8143%	\$841.86	\$10,102.32
701	3.6245%	\$1,084.22	\$13,010.64
705	2.8143%	\$841.86	\$10,102.32
801	3.6245%	\$1,084.22	\$13,010.64
805	2.8143%	\$841.86	\$10,102.32
901	3.6245%	\$1,084.22	\$13,010.64
905	2.8143%	\$841.86	\$10,102.32
1001	3.6245%	\$1,084.22	\$13,010.64
1005	2.8143%	\$841.86	\$10,102.32
1101	3.6245%	\$1,084.22	\$13,010.64
1105	2.8143%	\$841.86	\$10,102.32
1201	3.6245%	\$1,084.22	\$13,010.64
1205	2.8143%	\$841.86	\$10,102.32
1401	3.6245%	\$1,084.22	\$13,010.64
1405	2.8143%	\$841.86	\$10,102.32
1501	3.6245%	\$1,084.22	\$13,010.64
1505	2.8143%	\$841.86	\$10,102.32
1601	3.6245%	\$1,084.22	\$13,010.64
1605	2.8143%	\$841.86	\$10,102.32
1701	3.6245%	\$1,084.22	\$13,010.64
1705	2.8143%	\$841.86	\$10,102.32
Office Commercial	.2289%	\$68.47	\$821.64
Bar	1.4027%	\$419.60	\$5,035.20
Totals	100.0000%	\$29,914.00	\$358,968.00

BIG SURF

Calendar Year 2014 Operating Budget and Reserve Study

EXECUTIVE SUMMARY

Prepared By: BAMBI MASON and Hawaiiana Management Company, Ltd on September 18, 2013

Approved by Board of Directors on September 22, 2013

PRESENT RESERVE LEVELS

Projected 2013 Ending Reserve Balance		\$147,837
Required End of 2013 Balance to be 100% Funded		\$492,086
Projected End of Year 2013 Percent Funding		30.0%

2014 FULLY FUNDED MAINTENANCE FEES

Required End of Year 2014 Balance to be 100% Funded		\$518,307
Year 2014 Reserve Outlays		\$16,412
Year 2014 Reserve Contribution Required to be 100% Funded		\$386,882
Plus Projected Operating Expense and Loan Payments		\$292,886
Less Other Income		\$6,000
Fully Funded Maintenance Fee Change/Amount	87.7%	\$673,768
Management Executive Recommendation	0.0%	\$358,968

BOARD APPROVED YEAR 2014 MAINTENANCE FEES

Operating Expenses and Loan Payments		\$292,886
Less Other Income		\$6,000
Maintenance Fee Change/Amount	0.0%	\$358,968
Reserve Contribution		\$72,082
Projected Funding Level/Balance at the End of Year 2014	39.26%	\$203,507

BIG SURF

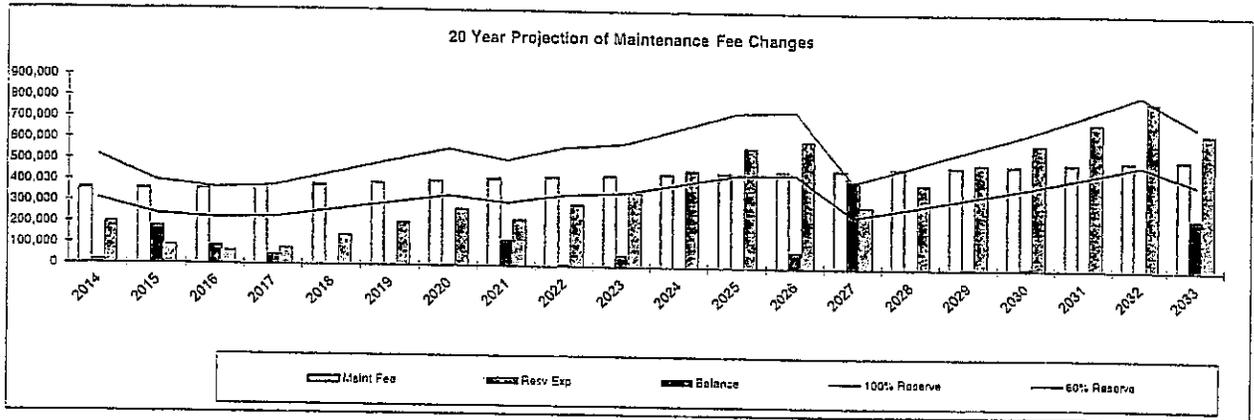
Board Approved 2014 Cash Flow Plan

Prepared By: BAMBI MASON and Hawaiiana Management Company, Ltd

Maintenance Fee Plan to Accomplish All Known Improvements and Repairs For Next 20 Years

Assumed Rate of Inflation: 3%

Assumed Savings Interest Rate: 2%



Contingency Reserve Fun \$0											
CY	Starting	-Reserve	-Loan	-Operating	+Maint.	+Other	+Interest	=Ending	% Maint. Fee	Net Reserve	Percent
Year	Balance	Expense	Payments	Expenses	Fees	Income	Income	Balance	Change	Contrib.	Funded
2014	147,837	16,412	37,090	255,796	358,968	6,000	Included	203,507	0.0%	55,670	39%
2015	203,507	178,041	37,090	263,470	358,968	6,000	2,934	92,808	0.0%	(113,633)	23%
2016	92,808	86,003	37,090	271,374	358,968	6,000	1,561	64,870	0.0%	(29,499)	18%
2017	64,870	45,374	37,090	279,515	369,737	6,000	1,435	80,063	3.0%	13,758	21%
2018	80,063	0	37,090	287,901	380,829	6,000	2,220	144,121	3.0%	61,839	33%
2019	144,121	1,839	37,090	296,538	392,254	6,000	3,510	210,419	3.0%	62,787	42%
2020	210,419	6,312	37,090	305,434	404,022	6,000	4,820	276,425	3.0%	61,186	50%
2021	276,425	123,036	37,090	314,597	416,142	6,000	5,003	228,847	3.0%	(52,580)	45%
2022	228,847	8,371	30,908	324,035	424,465	6,000	5,248	301,247	2.0%	67,151	53%
2023	301,247	53,835	0	333,756	432,954	6,000	6,539	359,149	2.0%	51,364	61%
2024	359,149	0	0	343,768	441,614	6,000	8,221	471,216	2.0%	103,845	71%
2025	471,216	0	0	354,081	450,446	6,000	10,448	584,028	2.0%	102,364	79%
2026	584,028	77,398	0	364,704	459,455	6,000	11,914	619,295	2.0%	23,353	83%
2027	619,295	419,711	0	375,645	468,644	6,000	9,179	307,762	2.0%	(320,712)	75%
2028	307,762	0	0	386,914	478,017	6,000	7,126	411,990	2.0%	97,102	84%
2029	411,990	2,471	0	398,522	487,577	6,000	9,166	513,740	2.0%	92,584	90%
2030	513,740	8,483	0	410,477	497,329	6,000	11,118	609,226	2.0%	84,368	94%
2031	609,226	0	0	422,792	507,275	6,000	13,089	712,799	2.0%	90,483	97%
2032	712,799	0	0	435,476	517,421	6,000	15,135	815,880	2.0%	87,945	98%
2033	815,880	247,769	0	448,540	527,769	6,000	14,692	668,032	2.0%	(162,540)	97%
2034	668,032	0	0	461,996	538,324	6,000	14,184	764,544	2.0%	82,328	96%
2035	764,544	0	0	475,856	549,091	6,000	16,083	859,863	2.0%	79,235	97%
2036	859,863	72,362	0	490,132	560,073	6,000	17,233	880,675	2.0%	3,579	95%
2037	880,675	714,407	0	504,836	571,274	6,000	11,194	249,900	2.0%	(641,968)	78%
2038	249,900	0	0	519,981	582,700	6,000	5,685	324,305	2.0%	68,719	77%
2039	324,305	226,616	0	535,580	594,354	6,000	4,868	167,330	2.0%	(161,842)	57%
2040	167,330	11,400	0	551,647	606,241	6,000	3,839	230,362	2.0%	49,193	57%
2041	230,362	0	0	568,197	618,366	6,000	4,969	281,499	2.0%	56,169	57%
2042	281,499	0	0	585,243	630,733	6,000	6,145	339,134	2.0%	51,490	56%
2043	339,134	97,232	0	602,800	643,348	6,000	6,276	294,726	2.0%	(50,685)	47%

BIG SURF YEAR 2014 RESERVE PROJECTS AS OF SEPTEMBER 22, 2013

COST NOW and NORM LIFE values are best estimates by Hawaiian Management and vendors who were nice enough to inspect the property or give a best guess.											
It may be advisable to employ an expert to evaluate those projects with high cost.											
				RESERVE FUND STATUS - COMPONENT METHOD				M. FEE	RESERVE.	MAINT.	
First Plan Year - Calendar	2014	Reference Year	2013	THE MODEL'S FINDINGS FOR % FUNDING			2013 Deficit	CHANGE	CONTRIB	FEEES	
Final Plan Year	2033			Recommended Reserve Funding	100%	344,249	88%	370,470	673,768		
2013 Maintenance Fees	358,968	2014 Maint Fees	358,968	Target Reserve Funding Level	60%	147,414	29.94%	163,147	466,445		
2013 Other Income	6,506	2014 Othr Inc	6,000	Minimum Reserve Funding Level	50%	98,206	16%	148,407	414,615		
2013 Operating Expenses	-245,232	2014 Exp	-292,886	EOY 2014 Funding % @ Approved Le	39.26%			55,670	358,968		
2013 Reserve Contribution	120,242	2014 Contribution	72,082	Condition Codes		Source Codes		Source Codes			
Projected Reserves At Start of 2014	147,837	Target Funding L	60%	EXCELNT	E	Contractor Proposal	1	Cost at Similar Project	5		
Projected Reserve % at Start of 2014	30.0%	Tgt Ann Contrib	21,757	GOOD	G	Contractor Estimate	2	Statistical Guideline	6		
Minimum Inflation	3.0%	Req Contrib-Tgt	169,172	FAIR	F	Engineer/Arch Estimate	3	Inflate First Year?	Yes		
Projected Savings Interest	2.0%	App. % Change		POOR	P	Cost When Last Done	4				
CAPITAL INVENTORY		NORM	DONE	LAST	CO	NEXT	COST	COST	FUNDING	EOY	
ITEM	ADJUSTMENT	LIFE	LAST	COST	ND	DUE DATE	NOW	SRC	QRMNT	RES	DEFICIT
ELEVATOR ROOM - SPALL	2	99	1913			2014	4,724	1	4,678	4,678	
BASEMENT ELEVATOR WALL SPALL	2	99	1913			2014	4,077	1	4,037	4,037	
MAILBOXES	2	40	1972			2014	3,183	2	3,107	3,107	
ROOF REPAIRS	2	99	1913			2014	2,228	1	2,206	2,206	
STAIRWELL TOWER - SPALL	2	99	1913			2014	2,105	1	2,085	2,085	
PAINT EXTERIOR	2	6	2007	54436		2015	97,126	1	72,845	72,845	
SPALL REPAIRS	1	99	1915			2015	75,000	3	73,515	58,879	14,636
WATERPROOFING - BASEMENT SEA WA	2	99	1915			2016	37,132	1	36,050		36,050
UP PKG DK, 2 RETP STAIR/LAND-WTRPR	34	10	1972			2016	36,665	1	34,165		34,165
BASEMENT COLUMN - DH/MAUKA	4	99	1913			2016	5,729	1	5,568		5,568
DRAINLINE RELO-BSMT GARAGE	4	99	1913			2016	3,077	2	2,991		2,991
UPPER PARKING GARAGE COATING	5	40	1972			2017	37,132	2	33,831		33,831
GATE VALVES	5	40	1972			2017	3,183	2	2,900		2,900
SUMP PUMPS		10	2009			2019	1,540	4	616		616
REPLACE ROOFTOP FANS (2)		10	2010			2020	5,132	2	1,540		1,540
BOOSTER PUMP - REPAIR	-5	17	2010			2022	6,416	4	1,604		1,604
WALKWAY RAILING - SPALL/REPAIRS		10	2013			2023	40,058	4			
ROOF REPLACEMENT		20	2006	14220		2026	16,039	4	5,614		5,614
DRAINLINE REPLACEMENT		55	1972			2027	180,353	5	134,445		134,445
ELEVATOR MOD		30	2007	289785		2037	351,441	4	70,288		70,288
2013 End Yr Totals							912,340		492,086	147,837	344,249

EXHIBIT "I"

Summary of Purchase Contract

The specimen Purchase Contract ("Contract") contains, among other things, the following terms and conditions (which may be modified or otherwise limited by provisions which are not summarized herein below):

A. The Seller (Developer) has engaged Title Guaranty Escrow Services, Inc. ("Escrow") to handle Buyer's funds and to close the transaction in accordance with the terms of the Contract. All payments to be made under the Contract shall be paid by Buyer to Escrow pursuant to the Escrow Agreement.

B. Buyer specifically acknowledges and agrees that the Declaration and Bylaws contains reservations of certain rights in favor of the Association and other owners, and contains certain other provisions to which the Buyer consents.

C. The "Scheduled Closing Date" shall be that date as set forth in the Contract. On the Scheduled Closing Date, Seller and Buyer shall be required to perform their respective obligations to purchase and sell the Apartment under the Contract. All payments shall be due and payable in full on the Scheduled Closing Date, and, if not paid on said date due to Buyer's failure to act in a diligent manner in order for said payment to be made on said date, then such nonpayment shall result in a default under the Contract.

D. The Purchase Price does not include closing costs which include, among other things, Buyer's share of the escrow fee and title policy, real property tax and other prorations, maintenance fees to the Association, all acknowledgment fees, conveyance taxes, cost of any lender's title insurance, appraisal fees, costs for drafting of any notes and mortgages, all recording costs or fees, loan fees, credit report costs and all other applicable mortgage costs, all of which the Buyer shall be responsible to pay at Closing.

E. Buyer shall not be entitled to possession of the Apartment as the owner thereof until Buyer has completed all required payments and has executed all documents relating to the purchase, and Buyer has performed the remaining terms and conditions of the Contract which are to be performed as of the Closing.

F. The laws of the State of Hawaii shall govern all matters with respect to the Agreement.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE CONTRACT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF BUYER'S RIGHTS AND OBLIGATIONS UNDER THE CONTRACT, BUYER MUST REFER TO THE CONTRACT TO DETERMINE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE CONTRACT, THE CONTRACT WILL CONTROL.

EXHIBIT "J"

Summary of Escrow Agreement

The Escrow Agreement for the Project dated December 20, 2012, as may be amended from time to time ("Agreement") contains the following provisions (which may be modified or otherwise limited by provisions which are not summarized herein below):

A. When Seller (Developer) enters into a Purchase Contract for the sale of an apartment or other interest in the Project ("Purchase Contract"), Seller shall deliver an executed copy of the Purchase Contract to Escrow together with the address of the Buyer and pay over to Escrow all monies (including checks) received by Seller from or on behalf of the Buyer.

B. Escrow shall receive, deposit and hold in an escrow account and disburse as set forth in the Agreement: (a) all payments received by it under Purchase Contracts, (b) such sums received by it under the Agreement from or for the account of Seller, and (c) all sums received by it from any other source with respect to the Project.

All funds and instruments received from Buyers or prospective Buyers shall be held by Escrow in accordance with the provisions contained in Chapter 514A of the Hawaii Revised Statutes. All monies received by Escrow hereunder shall be deposited, within a reasonable time of the receipt by Escrow, in an interest bearing account with a federally insured financial institution authorized to do business in the State of Hawaii under an escrow arrangement, and shall be held in immediately available funds in accordance with the terms of the Agreement. All income therefrom shall be credited to the account of Seller and interest shall accrue as specified in the Purchase Contract.

C. Escrow shall make no disbursements of Buyer's funds or proceeds from the sale of apartments in the Project (including any payments made on loan commitments from lending institutions), except by way of refunds thereof as provided in the Agreement, until Escrow has been instructed by Seller.

D. Each Buyer shall be entitled to a return of his or her funds, together with any interest which may have accrued to the credit of Buyer, and Escrow shall pay such funds to such Buyer, promptly after request for return by the Buyer if one of the following has occurred:

(1) Seller and Buyer have requested Escrow in writing to return to Buyer the funds of Buyer held by Escrow;

(2) Seller shall have notified Escrow of Seller's exercise of an option to cancel or rescind the contract pursuant to any right of cancellation or rescission provided therein or otherwise available to Seller;

(3) Buyer shall have notified Escrow of Buyer's exercise of Buyer's right to cancel the Purchase Contract pursuant to HRS Section 514A-62; or

(4) Buyer shall have notified Escrow of Buyer's exercise of Buyer's right to rescind the Purchase Contract pursuant to HRS Section 514A-63.

Upon the cancellation of the Purchase Contract as specified above, Escrow may be entitled to a cancellation fee. Notwithstanding anything in the Agreement or the Purchase Contract to the contrary, said compensation to Escrow shall be the sole expense of the individual Buyer and shall not in any way be the obligation of the Seller.

E. If the Buyer fails to make any payment to Escrow on or before the due date thereof, Escrow shall promptly give notice to Seller of such default. If Seller shall thereafter certify in writing to Escrow: (1) that Seller has elected to terminate the Purchase Contract in accordance with the terms of the Purchase Contract, and (2) provides to Escrow copies of any termination notices sent to Buyer, then Escrow shall thereafter treat all funds of the Buyer paid under such Purchase Contract, or any portion thereof as may be allowed by said Purchase Contract, less Escrow's cancellation fee, as funds of Seller and not of the Buyer. Thereafter, such funds shall be held free of the escrow established by the Agreement and shall be held by Escrow for the account of Seller. Escrow shall pay such funds to Seller, less any escrow cancellation fee.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE ESCROW AGREEMENT. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE ESCROW AGREEMENT, BUYER MUST REFER TO THE ESCROW AGREEMENT TO DETERMINE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE ESCROW AGREEMENT, THE ESCROW AGREEMENT WILL CONTROL.

EXHIBIT "K"

Summary of Deed

Capitalized terms shall have the same meaning ascribed to such terms in the Deed.

The specimen Deed ("Deed") contains, among others, the following provisions (which may be modified or otherwise limited by provisions which are not summarized hereinbelow):

A. The premises conveyed comprises a portion of the Big Surf condominium property regime situate at on Ala Moana at Kalia, Waikiki, Honolulu, City and County of Honolulu, State of Hawaii.

B. The Grantor is the lawful owner of the fee simple interest in the real property and the rights to be transferred to the Buyer; the same are free and clear of and from all encumbrances except as identified in the Deed and except for the lien of real property taxes not yet by law required to be paid; that the Grantor has good right and title to sell and convey said real property in the manner set forth in the Deed; and the Grantor will WARRANT AND DEFEND the same unto the Buyer forever against the lawful claims and demands of all persons, except as mentioned in the Deed.

C. Buyer agrees, for the benefit of all other owners of the other apartments in the Project, to at all times observe, perform, comply with and abide by all of the covenants, agreements, obligations, conditions and other provisions set forth in the Declaration, the Bylaws and the House Rules, as any of the same exist or may hereafter be amended in accordance with law, and does accept and approve of the Declaration, Bylaws and House Rules.

THE ABOVE SUMMARY IS NOT INTENDED TO BE A THOROUGH AND EXHAUSTIVE EXPLANATION OF ALL TERMS AND PROVISIONS CONTAINED IN THE DEED. WHILE A BUYER CAN USE THIS SUMMARY AS A GENERAL SUMMARY OF THE DEED, BUYER MUST REFER TO THE DEED TO DETERMINE BUYER'S ACTUAL RIGHTS AND OBLIGATIONS. IF ANY CONFLICT OR DIFFERENCE EXISTS BETWEEN THIS SUMMARY AND THE DEED, THE DEED WILL CONTROL.