

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES

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

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

WAIKALANI WOODLANDS
Phase II (Buildings "A" and "B")
Waipio, Ewa
Honolulu, Hawaii
REGISTRATION NO. 811

IMPORTANT — Read This Report Before Buying

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

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

The developer shall not enter into a binding contract or agreement for the sale of any unit in a Condominium Project until

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

Issued: December 30, 1980
Expires: January 30, 1982

SPECIAL ATTENTION

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

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED SEPTEMBER 29, 1975, AND INFORMATION SUBSEQUENTLY FILED AS OF DECEMBER 26, 1980. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. Since the issuance of the Commission's Supplementary Public Report on WAIKALANI WOODLANDS dated July 2, 1980, Registration No. 811, which report superseded in entirety the Preliminary Public Report on subject project issued on October 23, 1975, the Developer reports that certain information presented in the Supplementary Public Report has changed.

2. The Developer is responsible for placing a true copy of this Final Public Report (white paper stock), the Supplementary Public Report (pink paper stock) and the Disclosure Abstract in the hands of all purchasers and prospective purchasers. The Developer is further required, upon request of a prospective purchaser, to deliver a copy of the Preliminary Public Report (yellow paper stock) issued October 23, 1975. It is also the responsibility of the Developer to obtain the required receipts therefor.

3. The Developer reports that the basic documents (Declaration Submitting Property to the Horizontal Property Regime, By-Laws of the Association of Apartment Owners, and a copy of the approved floor plans) for Phase I of the project have been filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii. The Declaration Submitting Property to the Horizontal Property Regime executed on August 12, 1975, with the By-Laws attached, as amended by Amendment dated March 16, 1976, ("Declaration"), were filed in said Office of the Assistant Registrar as Document Nos. 731956 and 757321, respectively. The Amendment to and Restated Declaration Submitting Property to Horizontal Property Regime dated November 14, 1980, adding Phase II to the project has been filed with said Office of the Assistant Registrar of the Land Court as Document No. 1042744. Condominium Map No. 439 has been assigned to the project. Additionally, an Amendment to Amendment to and Restated Declaration Submitting Property to the Horizontal Property Regime dated November 28, 1980 has been filed with the Land Court as Document No. 1048377.

4. Advertising material has 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 Horizontal Property Regime.

6. This Final Public Report automatically expires thirteen months after date of issuance, December 30, 1980, unless a second Supplementary Public Report issues or the Commission upon review of the registration issues an order extending the effective period of this Report.

The information in the Supplementary Public Report of July 2, 1980, with the exception of that information contained under the topical headings DESCRIPTION, ENCUMBRANCES AGAINST TITLE, and STATUS OF PROJECT has not changed.

DESCRIPTION: Paragraphs 4 and 5 under the topical heading DESCRIPTION (page 5 of the Supplementary Public Report), describing the areas of the apartments, were incorrect as to the ground floor apartments only. Said paragraphs are recited in their entirety below, as the Commission is of the opinion that all purchasers and prospective purchasers should be cognizant of the changes.

The 2-bedroom apartments will be similar in layout and in size, each containing 5 rooms with connecting hall and either one or two exclusive lanais. Each apartment will include a complete bathroom with tub-shower combination; 2 bedrooms with closets; a kitchen with appliances, including a refrigerator and a range with oven and a hood ventilator; and a living room, which will be the largest room in the apartment. Each apartment will contain 889.96 square feet, more or less, including a lanai of 96.64 square feet, more or less, except for all ground floor apartments A-101, A-102, A-103, A-104, B-101, B-102, B-103 and B-104, which contain 1,046.39 square feet, more or less, including two (2) lanais totalling 253.07 square feet, more or less, measuring from the inside surface of the perimeter walls and the exterior edge of the lanai(s). Included in each apartment's sale price will be wall to wall carpeting in all rooms, except the kitchen and bathroom.

The 3-bedroom apartments will be similar in layout and in size, each containing 7 rooms with connecting hall and either one or three exclusive lanais. Each apartment will include 2 complete bathrooms with tub-shower combinations; 2 bedrooms with closets and 1 bedroom with walk-in closet; a kitchen with the same appliances included in the 2-bedroom apartments; and a living room which will be the largest room in the apartment. Each apartment will contain 1,119.95 square feet, more or less, including a lanai of 96.64 square feet, more or less, except for all ground floor apartments A-105, A-106, A-107 and A-108, which contain 1,424.38 square feet, more or less, including three (3) lanais totalling 401.07 square feet, more or less, measuring from the inside surface of the perimeter walls and the exterior edges of the lanai(s). Included in the apartment's sale price

will be wall to wall carpeting in all rooms except the kitchen and bathrooms.

ENCUMBRANCES AGAINST TITLE: The Preliminary Title Report dated November 6, 1980 issued by Title Guaranty of Hawaii, Inc., reflects the following encumbrances:

1. Real Property Taxes that may be due and owing; reference is made to the Office of the Tax Assessor, First Division.

2. "Subject, also, to a non-exclusive easement 20-feet wide in favor of Lot 537, Map 68, Land Court Application 1000, across said Lot 2008 for roadway, pipeline and utility purposes along that certain roadway and bridge now existing on said Lot 2008 connecting said Road Lot 2007 with Easement 127, as shown on Map 230, Land Court Application 1000.", as set forth in Deed made by Harold Thornton Stearns and Claudia Davis Stearns, husband and wife, to L & H, Inc., a Hawaii corporation, dated March 24, 1971 and filed as Land Court Document No. 531643.

3. A Lis Pendens filed in Civil No. 39075 in the Circuit Court, First Circuit, State of Hawaii, dated April 13, 1973 and filed as Land Court Document No. 626122, in favor of State of Hawaii, re suit to condemn portions of the within premises together with any and all abutter's rights of access appurtenant to the remainder of said lands and easements over said lands.

4. Declaration of Covenant dated July 19, 1976, filed as Land Court Document No. 773994.

5. Mortgage dated April 22, 1980, in favor of First of Boston Mortgage Corporation, a Massachusetts corporation, made by Towne Realty, Inc., a Wisconsin corporation, filed as Land Court Document No. 1009882, in the amount of \$6,600,000.00.

6. Mortgage dated October 3, 1972 in favor of James Vincent Tomai, Jr., Robert Marsh Morgan and Peter Chung Ren Huang, as Trustees of C. I. Mortgage Group, a real estate investment trust, organized and existing under the laws of the Commonwealth of Massachusetts, pursuant to a Declaration of Trust, dated as of May 15, 1969, amended October 29, 1969, as further amended by an amended Declaration of Trust, dated January 27,

1971, amended January 26, 1972, said Declaration of Trust, the Amended Declaration of Trust and the amendments thereto being on file with the Secretary of Commonwealth of Massachusetts, as joint tenants, filed as Land Court Document No. 601596, in the amount of \$1,500,000.00. The Mortgage was amended by instrument dated July 9, 1976 and filed as Land Court Document No. 803843 and by mesne assignments was assigned to Title Guaranty Escrow Services, Inc., a Hawaii corporation, by instrument dated January 9, 1980, filed as Land Court Document No. 1009885; and by instrument dated April 28, 1980, filed as Land Court Document No. 1009890, said Mortgage, as amended, was subordinated to the lien of that certain Mortgage referred to as encumbrance no. 5.

7. Mortgage dated July 21, 1975 in favor of Commercial Finance, Limited, a Hawaii corporation, Servco Financial Corp., a Hawaii corporation, Standard Finance Company, Limited, a Hawaii corporation, and Imperial Finance Corporation, filed as Land Court Document No. 796187, in the amount of \$750,000.00 made by Servco Financial Corp., Standard Finance Company, Limited, and Imperial Finance Corporation, as evidenced by a promissory note dated January 16, 1973; \$750,000.00 made by Commercial Finance, Limited, as evidenced by a promissory note dated May 29, 1973; and a loan of \$100,000.00 to Raymond George Headrick and Grace Virginia Headrick, husband and wife, made by Mortgagee (Commercial Finance, Limited, a Hawaii corporation, Servco Financial Corp., a Hawaii corporation, Standard Finance Company, Limited, a Hawaii corporation, and Imperial Finance Corporation), as evidenced by promissory note dated February 28, 1975, on the premises described in Schedule C (of said Preliminary Title Report), besides other land, which Mortgage was assigned to Title Guaranty Escrow Services, Inc., a Hawaii corporation, by instrument dated January 11, 1980, filed as Land Court Document No. 1009887, and which Mortgage, by instrument dated April 28, 1980, filed as Land Court Document No. 1009890, was subordinated to the lien of that certain Mortgage referred to as encumbrance no 5.

8. As to Lot 5809-A only, Mortgage dated September 20, 1976, in favor of The Hawaiian Insurance & Guaranty Company, Limited, a Hawaii corporation, filed as Land Court Document No. 782215, to secure the performance under that certain General Indemnity Agreement executed by Mortgagor (Headrick Development, Inc., a Hawaii corporation) in connection with the issuance of Performance Bond and Labor and Material Payment Bond, Bond Nos. FS 104002 and NB 669810 issued to L & H, Inc., as principal therein, and also the repayment of any and all indebtedness now or hereafter be or become owing, which Mortgage was assigned to Title Guaranty Escrow Services, Inc., a Hawaii corporation, by instrument dated January 2, 1980, filed as Land Court Document No. 1009889, and which Mortgage by instrument dated April 28, 1980 filed as Land Court Document No. 1009890, was subordinated to the lien of that certain Mortgage referred to as encumbrance no. 5.

9. Terms and conditions contained in unrecorded Agreement dated August 10, 1979, by and between Towne Realty, Inc. and Headrick Development, Inc., as approved by the Bankruptcy Court.

10. Collateral Assignment of Rents dated April 22, 1980, filed as Land Court Document No. 1009883, Towne Realty, Inc., a Wisconsin corporation, assigns to First of Boston Mortgage Corporation, a Massachusetts corporation, all right, title and interest in the rents, income and profits of the premises described in Schedule C (of the said Preliminary Title Report), as security to that certain Mortgage referred to as encumbrance no. 5.

In addition to the foregoing encumbrances, the Developer advises that the Amendment to and Restated Declaration referred to in paragraph 3, page 2 of this Final Public Report was filed in the Office of the Assistant Registrar of the Land Court and that the Developer further amended said Amendment by replacing the previously filed Architect's Certificate with a corrected Engineer's Certificate.

STATUS OF PROJECT: The Developer has reported, and its contractor and engineer have verified, that Building A, the recreation area, lift station, landscaping and other construction items referred to in the construction contract for the project between Towne Realty, Inc., as Owner, and Towne Realty of Hawaii, Inc., as Contractor, dated March 1, 1980, have all been completed. An Owner's Notice of Completion

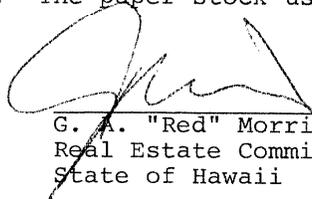
was published on November 3, 1980, and Title Guaranty Escrow Services, Inc., by letter dated November 26, 1980, has agreed to indemnify any purchasers from the attachment of any mechanics' lien as to said completed improvements.

The Developer has also reported that it is now in the process of constructing Building B and that it anticipates completion of such work in February, 1981. In this connection, the Developer has delivered to the Commission copies of payment and performance bonds for the entire cost of Building B.

The purchaser or prospective purchaser should be cognizant of the fact that this report represents information disclosed by the Developer in the required Notice of Intention submitted September 25, 1975, and information subsequently filed as of December 26, 1980.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 811, filed with the Commission on September 29, 1975.

The report, when reproduced, shall be a true copy of the Commission's public report. The paper stock used in making facsimiles must be white.


G. A. "Red" Morris, Chairman
Real Estate Commission
State of Hawaii

Distribution:

DEPARTMENT OF TAXATION
BUREAU OF CONVEYANCES
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING AUTHORITY
ESCROW AGENT

Registration No. 811

December 30, 1980.