REAL ESTATE COMMISSION
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF REGULATORY AGENCIES
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

PRELIMINARY
HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on

WAIAU GARDEN COURT, PHASE I
Kamahao and Hookanike Streets
Waiau, Ewa, Hawaii

REGISTRATION NO. 1038

IMPORTANT — Read This Report Before Buying

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

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

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

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

Issued: October 13, 1978
Expires: November 13, 1979

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 and prospective purchaser is particularly directed to the following:

THE REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED SEPTEMBER 20, 1978, AND INFORMATION SUBSEQUENTLY FILED AS OF OCTOBER 12, 1978. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES LAW, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. WAIAU GARDEN COURT, PHASE I is a proposed leasehold condominium project consisting of four (4) residential buildings, containing thirty-seven (37) apartments, and sixty-three (63) parking spaces. Each apartment shall have one (1) parking space appurtenant to it, except for Apartments 1, 6, 11, 19, 20, 24, 28, 29 and 37, which shall have two (2) parking spaces. The remaining seventeen (17) parking spaces are reserved and set aside for apartments owners in Phase II.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Preliminary Public Report.

3. The basic documents (Declaration of Horizontal Property Regime, with By-Laws of Association of Apartment Owners attached) have not been recorded.

4. The Developer intends for the Federal Housing Administration to endorse notes for mortgage insurance, pursuant to Section 234 of the National Housing Act, of individual mortgages by qualified purchasers of apartments in the project. As a condition to its endorsement of notes for mortgage insurance, the FHA requires that the Association may be regulated and restricted by that agency. Purchasers should familiarize themselves with the provisions of the Regulatory Agreement attached to and made a part of the proposed Declaration as Exhibit "J".

5. Advertising and promotional matter required to be filed pursuant to the rules and regulations promulgated by the Commission will be submitted prior to public dissemination.

6. 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.

7. This Preliminary Public Report is made a part of the registration on WAIAU GARDEN COURT, PHASE I condominium project. The Developer has the responsibility of placing a true copy of the Preliminary Public Report (yellow paper stock) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt for Horizontal Property Regime Public Report from each purchaser or prospective purchaser.

8. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, October 13, 1978, unless a Supplementary or Final Public Report is published or the Commission, upon review of the registration, issues an order extending the effective period of this report.

NAME OF PROJECT: WAIAU GARDEN COURT, PHASE I

LOCATION: The project is located at Waiau, in the District of Ewa, Oahu, Hawaii, and contains 93,383 square feet or thereabouts. The description of the land and the reserved easements, rights, powers and privileges of the owners are more fully set forth in the Declaration.

TAX KEY: First Division, 9-8-59-03 (portion)

ZONING: A-1

DEVELOPER: The Notice of Intention reveals the Developer to be LEAR SIEGLER PROPERTIES, INC., a Delaware corporation authorized to do business in Hawaii, Suite 1112, Amfac Building, 700 Bishop Street, Honolulu, Hawaii 96813, Tel. No. 521-8781. The officers of the corporation are: Robert T. Campion, President; Charles F. Petts, Vice President; Charles K. Hamane, Vice President; Henry F. Alves, Vice President; and James N. Thayer, Secretary-Treasurer.

ATTORNEY REPRESENTING DEVELOPER: OKUMURA TAKUSHI FUNAKI & WEE, ATTORNEYS AT LAW, A LAW CORPORATION (Alfred M. K. Wong), Suite 500, Alexander Young Building, 1015 Bishop Street, Honolulu, Hawaii 96813, Tel. No. 536-1791.

DESCRIPTION OF PROJECT: The four (4) residential buildings in the project are designated on the plans for said project by the numbers Building 1 through Building 4 and are two-story wooden frame structures on wooden floors with exterior sidings and asphalt shingle roofs. The apartments in the project are more particularly described as follows:

(a) There will be thirty-seven (37) freehold estates in the spaces within the perimeter walls, floors and ceilings of the 37 apartments in said buildings. The 37 apartments shall not be deemed to include the undecorated or unfinished surfaces of the perimeter walls or of the interior load-bearing walls, the floors and perimeter ceilings surrounding each apartment, or any pipes, wires, ducts, conduits, or other utility or service lines running through such apartments which are utilized for or serve more than one apartment, all of which are common elements as provided in the proposed Declaration. Each apartment shall be deemed to include the walls and partitions which are not load-bearing and which are within its perimeter walls; doors and door frames; windows and window frames; the inner decorated or finished surfaces of walls, floors and ceilings, adjoining and connected thereto; and all fixtures originally installed therein. Notwithstanding the designation of the limits of the apartments, the square footage of each respective apartment as enumerated below is measured from the exterior face of exterior walls and the center line of party walls, and no reduction is made to account for interior load bearing walls, ducts, vent shafts and the like, located within the perimeter walls.

(b) All apartments will be numbered and located as shown on the proposed Condominium Map.

(c) Each of the 37 apartments will have immediate access or through a hall and stairway to a walkway on the grounds of the Project.

(d) Each of the 37 apartments will be one of six (6) types, designated Models A, B, C, D, E, and F, as enumerated in Exhibit "A" attached hereto and made a part hereof.

(e) The number of rooms, approximate area and total number of each model in the project are enumerated in said Exhibit "A".

COMMON ELEMENTS: The proposed Declaration states that the owners of apartments will have an undivided interest in the common elements, including specifically but not limited to:

(a) Said land in fee simple.

(b) All foundations, floor supports, columns, girders, beams, supporters, unfinished perimeter walls and loadbearing walls and roofs of the residential buildings.

(c) All yards, grounds and landscaping, roads, walkways, loading areas, parking areas, driveways and all refuse facilities.

(d) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities, installations over, under and across the project which serve more than one apartment for services such as power, light, water, gas, sewer, telephone and radio and television signal distribution.

(e) Any and all apparatus and installations of common use and all other parts of the property necessary or convenient to its existence, maintenance and safety, or normally in common use.

(f) An easement for park and recreational purposes in common with the owners of apartments in Waiau Gardens Kai, Unit "A", situate on Lot 3 of File Plan 1305, Waiau Gardens Kai, Unit "B", situate on Lot 2, of File Plan 1305, Waiau Gardens Kai, Unit "D", situate on Lot 2 of File Plan 1317, Waiau Gardens Kai, Unit "E", situate on Lot 1 of File Plan 1317, Waiau Gardens Kai, Unit G-1, situate on Lot 1 of File Plan 1415, Waiau Gardens Kai, Unit G-II, situate on Lot 2, File Plan No. 1415 and all of the owners of apartments in the condominium projects proposed to be developed on the remainder of Lot 3 of File Plan 1317 and Lot 2 of File Plan 1366, in all recreational areas and facilities developed on Lot 5 of File Plan 1305; subject to and with the benefit of the Declaration of Protective Provisions for said Lot 5 dated December 5, 1974, which was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 10299 at Page 1, and subject also to all reasonable rules and regulations from time to time made by the Lessor and Developer or their lessee thereof.

LIMITED COMMON ELEMENTS: Certain parts of the common elements, herein called and designated "limited common elements", are reserved for the exclusive use of certain apartments and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements. The limited common elements so set aside and reserved are as follows:

(a) One (1) or more automobile parking space so designated on the proposed Condominium Map by the number corresponding to each apartment number shall be assigned to each of the apartments upon the original conveyance thereof and shall be appurtenant to and for the exclusive use of

such apartment. Each apartment shall always have at least one parking space appurtenant to it but otherwise any automobile parking space easement may be transferred from apartment to apartment in the project.

(b) Privacy yard areas as shown on said proposed Condominium Map.

(c) Common entry ways outside of each main entrance.

(d) All other common elements of the project which are rationally related to less than all of said apartments shall be limited to the use of such apartments.

INTEREST TO BE CONVEYED TO PURCHASER: Each of the thirty-seven (37) apartments in Phase I shall have appurtenant thereto an undivided percentage interest in all the common elements of the project as shown on Exhibit "B" attached hereto and made a part hereof, such interest being defined and referred to as the "common interest", and the same proportionate share in all common profits and expenses of the project and for all other purposes, including voting.

Upon merger of additional phases, the common interest for each apartment shall change in accordance with said Exhibit "B" and paragraph 18 of the proposed Declaration.

PURPOSES AND RESTRICTIONS: The purposes for which said buildings and other improvements and each of the apartments are intended and shall be restricted as to use are as follows:

(a) The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby and Lessor except that apartment owners shall have the right to change the designation of parking stalls which are appurtenant to their respective apartments by amendment of the Declaration and respective apartment leases. Such amendment shall be effective only upon recording or filing of the same with the Bureau of Conveyances.

(b) The common elements shall remain undivided, and no right shall exist to partition or divide any part thereof except as provided by said Horizontal Property Act.

(c) The apartments shall be occupied and used only for residential purposes and no apartment shall be used as a tenement or rooming house or for or in connection with the carrying on of any business, trade or profession whatsoever. The foregoing notwithstanding, the owners of the respective apartments shall have the absolute right to lease such apartments for residential rental purposes on a daily or longer term subject to all provisions of the Declaration.

The proposed House Rules states in part: (1) Two bedroom apartments shall be occupied by no more than four (4) persons, and three bedroom apartments shall be occupied by no more than

six (6) persons; (2) All dogs shall be leashed; all dogs will be walked on perimeter sideways; and (3) Cooking and fires of any kind are prohibited on lanais.

MERGER OF ADDITIONAL INCREMENTS: The proposed Declaration provides that Phase I may be merged with up to five (5) additional increments as set forth in Paragraph 18 of said Declaration, which reads in part as follows:

"(18.1) Any provision of this Declaration to the contrary notwithstanding, the Lessor and Developer shall have the right at their option to amend the project, by way of merger, as hereinafter provided, at any time up to, but not later than October 1, 1985, the construction and addition to the Project of one hundred forty (140) additional apartments, together with such supporting and servicing common elements which the Lessor and Developer determine in their discretion are beneficial to the project, on up to an additional approximate 285,545 square feet of adjoining land, which land is described in Exhibits "B", "C", "D", "E" and "F", attached hereto and for every purpose made a part hereof; such additions may be added in five increments as follows:

(1) Phase 2. Approximately thirty-one (31) apartments on approximately 59,821 square feet of land described in said Exhibit "B".

(2) Phase 3. Approximately twenty-seven (27) apartments, on approximately 62,050 square feet of land described in said Exhibit "C".

(3) Phase 4. Approximately thirty-two (32) apartments on approximately 70,922 square feet of land described in said Exhibit "D".

(4) Phase 5. Approximately thirty (30) apartments on approximately 61,038 square feet of land described in said Exhibit "E".

(5) Phase 6. Approximately twenty (20) apartments on approximately 31,714 square feet of land described in said Exhibit "F".

(18.2) The project described herein is the first phase of a proposed six (6) phase project as described in this paragraph 18, which may be developed in two or more phases, all at the option of the Lessor and Developer. The purpose of the merger provisions of this paragraph 18 is to provide for a merger of all phases just as if the phases involved had been developed as one single project. A merger may occur with respect to the second phase or any subsequent phases, or any one of them, at the same or different times and merger with respect to one of said phases shall not affect the right of the Lessor and Developer to merge another phase or phases at a later date subject to all of the provisions of this Declaration.

(18.3) Merger shall take effect with respect to a particular additional phase upon the happening of all of the following conditions with respect thereto:

(1) Recordation in the Bureau of Conveyances of the State of Hawaii by the Lessor and Developer of a Declaration of Horizontal Property Regime and By-Laws covering the additional phase in a form substantially identical hereto (except for the descriptions of apartments and the common elements and the percentage of common interest therein) and a Condominium File Plan depicting the plot and floor plans of the additional phase, both complying with the requirements of Chapter 514, Hawaii Revised Statutes, as amended, and

(2) Recordation in the Bureau of Conveyances of the State of Hawaii by the Lessor and Developer of a "Certificate of Merger" which certificate shall contain:

(i) A certificate by a Hawaii registered architect or professional engineer depicting fully the layout, location, apartment numbers and dimensions of the apartments as built;

(ii) A certification by Developer that the increment has been substantially completed, that a notice of completion has been filed and that the period for filing of mechanics' and materialmen's liens has expired;

(iii) The common interest of each apartment of the project after completion of the subject merger; and

(iv) A revised plot plan showing the location of the buildings of the project after completion of the subject merger.

(18.4) The percentage of common interest of each apartment upon merger with an additional phase shall be as provided in said Exhibit "H". (Exhibit "B" attached to this Report).

OWNERSHIP OF TITLE: Title to the land is vested in the Trustees of the Estate of Bernice Pauahi Bishop. The Preliminary Title Report dated August 31, 1978 by Title Guaranty of Hawaii, Inc. confirms such ownership.

ENCUMBRANCES AGAINST TITLE: Said Preliminary Title Report reports that title to the land is subject to the following:

1. For real property taxes that may be due and owing, reference is hereby made to the Office of the Tax Assessor, First Division.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines.

3. Easement "1" (9.50 feet wide) for electrical purposes, as shown on File Plan No. 1317.

4. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease No. 22,870

between TRUSTEES OF THE ESTATE OF BERNICE PAUAHI BISHOP, as Lessor, and CENTRAL OAHU LAND CORPORATION, a Hawaii corporation, and LEAR SIEGLER PROPERTIES, INC., a Delaware corporation authorized to do business in Hawaii, which corporations are associated in a joint venture known as CENTRAL-TROUSDALE, as Lessee, dated December 7, 1973, recorded in the Bureau of Conveyances of Hawaii in Liber 9652 at Page 367.

PURCHASE MONEY HANDLING. A copy of the Specimen Sales Contract and the executed Escrow Agreement dated September 5, 1978 have been submitted as part of the registration. The Escrow Agreement identified Title Guaranty Escrow Services, Inc. as the Escrow. Upon examination, the Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes, as amended. It is incumbent upon the purchaser and prospective purchaser that he reads with care the Sales Contract and the executed Escrow Agreement. The latter agreement establishes how proceeds from the sale of apartments and all sums received from any source are placed in escrow, as well as the methods of disbursement of said funds. The former provides that purchaser's rights under the Sales Contract are subordinate to any interim or construction mortgages and that purchaser must be qualified under FHA inasmuch as this is an FHA project.

Among other provisions, the executed Escrow Agreement states that a purchaser shall be entitled to a refund of his funds, and Escrow shall pay said funds to said purchaser, without interest if purchaser shall in writing request refund of his funds and any one of the following shall have occurred:

(a) Escrow receives a written request from Developer to return to purchaser the funds of such purchaser then held hereunder by Escrow; or

(b) If a purchaser's funds were obtained prior to the issuance of a Final Public Report and if there is any change in the condominium building plans, subsequent to the execution of purchaser's Sales Contract, requiring the approval of a county officer having jurisdiction over the issuance of permits for construction of buildings, unless the purchaser has given written approval or acceptance of the specific change; or

(c) If a purchaser's funds were obtained prior to the issuance of a Final Public Report and the request is prior to the time the Final Public Report is issued; or

(d) If the Final Public Report differs in any material respect from the Preliminary Public Report, unless the purchaser has given written approval or acceptance of the difference; or

(e) If the Final Public Report is not issued within one year from the date of issuance of the Preliminary Public Report.

MANAGEMENT AND OPERATIONS: The Declaration discloses that the administration of the project shall be vested in the Association of Apartment Owners. Operation of the project shall be conducted for the Association by a responsible corporate Managing Agent who shall be appointed by the Association in accordance with the By-Laws except that the initial Managing Agent shall be appointed by the Developer. TROPIC SHORES REALTY, LTD., whose principal place of business and post office address is 33 South King Street, Suite 206, Honolulu, Hawaii 96813 has been named as the initial Managing Agent and is designated as the agent to receive service of process until such time as the Board of Directors of the Association is elected. The Management Agreement shall be for a term of three (3) years from the date of execution, July 7, 1978, and may be terminated by mutual consent of the parties at the end of any calendar month but not without the consent of the FHA. The FHA shall also have the right to terminate said Agreement at the end of any calendar month upon 30 days written notice to the Association and the Agent.

WAIAU GARDENS KAI RECREATION ASSOCIATION: Each apartment owner of the project shall become a member of Waiau Gardens Kai Recreation Association, a Hawaii non-profit corporation, the lessee of Lot 5 as shown on File Plan 1305, for park and recreational purposes, along with apartment owners of other projects as enumerated in Paragraph 12 of the Declaration, and each apartment owner shall remain a member thereof until such time as his ownership of such apartment ceases for any reason, at which time his membership in said corporation shall automatically cease.

NOTE: The common expenses of Lot 5 shall include a proportionate share of all reasonable expenses of maintenance, operation, repair, replacement, insurance, rent, real property taxes and assessments of the proposed park and recreational facilities thereon, for which all apartment owners shall be liable in equal shares (and not in the proportionate shares as set forth in Exhibit "B" attached hereto) with all other apartment owners of the project and with all other apartment owners of the condominium projects proposed to be developed on Lot 2 and Lot 3 on File Plan 1305, Lot 1, Lot 2 and the remainder of Lot 3 on File Plan 1317, Lot 2 on File Plan 1366 and Lot 1 and Lot 2 on File Plan 1415; provided, that until the completion of the uncompleted proposed condominium projects, the apartment owners of Waiau Gardens Kai, Unit "A", Waiau Gardens Kai, Unit "B", Waiau Gardens Kai, Unit "D", Waiau Gardens Kai, Unit "E", Waiau Gardens Kai, Unit "G-I", Waiau Gardens Kai, Unit "G-II", and Waiau Garden Court, Phase I shall pay in equal shares all expenses of the recreation center.

REGULATORY AGREEMENT: The Developer intends to qualify this project for home mortgage insurance under Section 234 of the National Housing Act. As a condition for qualification, the Developer shall enter into a Regulatory Agreement with the Federal Housing Commissioner which governs the management, operation and maintenance of the project in accordance with standards required by the Federal Housing Commissioner. The project shall be subject to the Regulatory Agreement, a copy of which has been filed with the Commission.

PARK AND RECREATION AREA: The Developer states that an area containing approximately 14,831 square feet and which is a part of Lot 3, File Plan 1317, will be restricted for use as a park and playground for all occupants of Phases I through VI, Waiau Garden Court, as required by Rule 10 of the Park Dedication Rules and Regulations of the City and County of Honolulu, State of Hawaii, adopted pursuant to Ordinance 4621 of the City and County of Honolulu, and that all apartment owners will contribute proportionately according to their common interest to the perpetual maintenance of the park. The full details of the restrictions and obligations of apartment owners are currently being negotiated with the City and County of Honolulu.

STATUS OF PROJECT: The estimated date of completion of all apartments in the project is April 30, 1979.

The purchaser or prospective purchaser should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted September 20, 1978 and information subsequently filed as of October 12, 1978.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1038.

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

Ah Kau Young

AH KAU YOUNG, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

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

Registration No. 1038

October 13, 1978

EXHIBIT "A"

LOCATION, UNIT NUMBER AND MODEL TYPE

Building No.	Apartment No.	Model	Building No.	Apartment No.	Model
1	1	A	2	11	A
	2	D		12	D
	3	D		13	D
	4	D		14	D
	5	D		15	B
	6	A		16	E
	7	E		17	E
	8	E		18	E
	9	E		19	C
	10	E			
3	20	A	4	29	A
	21	D		30	D
	22	D		31	D
	23	D		32	D
	24	F		33	B
	25	E		34	E
	26	E		35	E
	27	E		36	E
	28	C		37	C

DESCRIPTION OF MODELS

Model A — 3 Bedroom, 1-1/2 Bath Townhouse; end unit with living/dining room, 3 bedrooms, 1-1/2 bathrooms, kitchen, covered lanai, front porch and privacy yard area; apartment area 1194 square feet, lanai area 72 square feet, front porch area 16 square feet; total area approximately 1282 square feet.

Models B & F — 2 Bedroom, 1 Bath Townhouse; end unit on first floor with living/dining room, 2 bedrooms, 1 bathroom, kitchen, covered lanai, front porch and privacy yard area; apartment area 776 square feet, lanai area 72 square feet, front porch area 16 square feet; total area approximately 864 square feet.

Model C — 2 Bedroom, 1 Bath Townhouse; end unit on second floor with living/dining room, 2 bedrooms, 1 bathroom, kitchen, covered lanai and front porch; apartment area 776 square feet, lanai area 72 square feet, front porch area 48 square feet; total area approximately 896 square feet.

Model D	2 Bedroom, 1 Bath Townhouse; center unit on first floor with living/dining room, 2 bedrooms, 1 bathroom, kitchen, covered lanai, front porch and privacy yard area; apartment area 759 square feet, lanai area 72 square feet, front porch area 16 square feet, total area approximately 847 square feet.
Model E	2 Bedroom, 1 Bath Townhouse; center unit on second floor with living/dining room, 2 bedrooms, 1 bathroom, kitchen, covered lanai and front porch; apartment area 759 square feet, lanai area 72 square feet, front porch area 48 square feet; total area approximately 879 square feet.

TOTAL NUMBER OF EACH MODEL IN PHASE I

Model A	5 apartments
Model B	2 apartments
Model C	3 apartments
Model D	13 apartments
Model E	13 apartments
Model F	1 apartment
Total	37 apartments

EXHIBIT "B"

COMMON INTEREST

	Phase I	Upon Merger of Phases I & II	Upon Merger of Phases I, II & III	Upon Merger of Phases I, II, III & IV	Upon Merger of Phases I, II, III, IV, & V	Upon Merger of Phases I, II, III, IV, V & VI
Three Bedroom 1-1/2 Bath Model A	3.9328%	2.165%	1.545%	1.155%	0.9413%	0.8315%
Except: Apartment No. 1				1.156%	0.9412%	0.8310%
Two Bedroom 1 Bath Models B, C, F & G	2.556%	1.400%	1.0055%	0.750%	0.613%	0.5405%
Two Bedroom 1 Bath Models D & E	2.500%	1.370%	0.982%	0.733%	0.600%	0.5287%

(There are no Model G apartments in Phase I)