

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
WAILUNA I-A
Mauka End of Kaahumanu Street
Waiau, Ewa, Oahu
REGISTRATION NO. 1196

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: January 11, 1980
Expires: February 11, 1981

SPECIAL ATTENTION

A comprehensive reading of this report by prospective purchasers 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 ON NOVEMBER 1, 1979, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 3, 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. WAILUNA I-A is a leasehold condominium project consisting of sixty (60) residential apartments in fifteen (15) two (2) story buildings, all to be built in accordance with floor plans filed with the Real Estate Commission. Each residential apartment

shall include either a one (1) car or a two (2) car garage. In addition, the project will contain fifty-four (54) uncovered parking spaces.

2. Each residential apartment owner shall be a member of the Wailuna Recreation Association, a Hawaii nonprofit corporation. Wailuna Recreation Association has been formed to initially own and manage two (2) private parks.
3. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and issuance of this Final Public Report. The Developer shall be responsible for placing this Final Public Report (white paper stock) and the Disclosure Abstract in the hands of all purchasers and prospective purchasers and secure a signed receipt therefor.
4. Copies of certain advertising and promotional matter have been submitted to the Real Estate Commission.
5. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners, and a copy of the floor plans), together with the Declaration of Covenants, Conditions and Restrictions of Wailuna Recreation Association and amendment thereto, have been filed in the Office of the Recording Officer in Honolulu, Hawaii. The Declaration of Horizontal Property Regime dated December 5, 1979, together with the Bylaws of the Association of Apartment Owners, was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14351, page 81, and the plans were designated as Condominium Map No. 674 by the Bureau of Conveyances. In addition, the Declaration of Covenants, Conditions and Restrictions of Wailuna Recreation Association was recorded in the Bureau of Conveyances of the State of Hawaii in Liber 14026, page 566, and the First Amendment thereto was recorded in said Bureau in Liber 14026, page 599.
6. The documentation submitted by the Developer reflects that this project may be merged into the condominium project known as WAILUNA I, which abuts WAILUNA I-A. In addition, the documentation reflect an intent (but not an obligation) to construct and establish additional condominium projects on adjacent lands that may or may not be merged into WAILUNA I and a further intent (but not an obligation) to construct additional private parks for use by owners of apartments within WAILUNA I and WAILUNA I-A and for use by owners of any future units constructed by the Developer.
7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter

514A of the Hawaii Revised Statutes, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

8. This Final Public Report automatically expires thirteen (13) months after date of issuance, January 11, 1980, unless a Supplementary Public Report is issued or the Commission, upon review of the registration, issues an Order extending the effective period of this report.

NAME OF PROJECT: WAILUNA I-A

LOCATION: The project is located at the mauka end of Kaahumanu Street, Waiiau, Ewa, Oahu, and is situate on two (2) parcels of land consisting of 7.953 acres, more or less.

TAX KEY: First Division, 9-8-02; Portion 3 (lots 1 and 4)

ZONING: A-1

DEVELOPER: Lusk-Hawaii, a division of John D. Lusk & Son, a California corporation authorized to do business in the State of Hawaii, whose principal place of business in said State is Suite 1618, Davies Pacific Center, 841 Bishop Street, Honolulu, Hawaii 96813 (Telephone No: 537-4972).

The officers of the corporation are:

Chairman of the Board and Chief Executive Officer	John D. Lusk
Vice Chairman of the Board	William D. Lusk
President and Assistant Secretary	Donovan D. Huennekens
Vice President and Assistant Secretary	Donald D. Steffensen
Vice President and Assistant Secretary	William R. Brasher
Vice President	Ernest A. Harris
Vice President	James C. Waples
Vice President	George W. Lusk
Vice President	Donald B. Talcott
Secretary	Kathryn L. Lenz
Treasurer	W. Kent Weathers

ATTORNEY REPRESENTING DEVELOPER: Damon, Key, Char & Bocken, Tenth Floor, City Bank Building, Honolulu, Hawaii 96813 (Attn: Charles W. Key), Telephone No: 531-8031.

DESCRIPTION OF THE PROJECT: The project consists of fifteen (15) buildings (without any basement), each containing two (2) floors and constructed primarily of concrete slabs, wood, gypsum board interior partitions, masonite exterior siding, glass, aluminum and appropriate trim.

Each of the 15 buildings contains 4 residential condominium apartments. The Declaration of Horizontal

Property Regime provides for sixty (60) two (2) and three (3) bedroom condominium apartments within the perimeter walls, floors, ceilings and stairways of the sixty (60) apartments in the buildings.

The residential 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. There is included within each residential apartment a garage and a covered lanai, as set forth in Exhibit "A" attached hereto and as shown on the floor plans for the project (the Condominium Map). Each residential 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; any lanai, garage; any area outside of the perimeter walls of a residential apartment used to provide said apartment with air-conditioning, together with any machinery and appurtenant pipes, wires, ducts and conduits or other service lines; all stairways; entrances made for the exclusive use of an apartment and all fixtures originally installed therein.

Notwithstanding the designation of the limits of the residential apartments, the approximate square footage of each residential apartment (including garage and lanai) is measured from the exterior face of exterior walls and the center line of party walls (no reduction is made to account for interior load-bearing walls, stairways, ducts, vent shafts and the like, located within the perimeter walls) and includes the horizontal projection of all stairways.

Each building shall be designated either a "Type 1" or a "Type 2". This is shown on said Condominium Map, and is set forth in Exhibit "A". The basic difference between the two types of buildings is that the floor plan for the Type C apartment is different.

All residential apartments will be identified by building number and designated by A, B, C or D as set forth in Exhibit "A" and shown on the Condominium Map. The garages comprising a part of a residential apartment are also identified on the Condominium Map by the same building number and letter designation.

The number of rooms and approximate area of each of the residential apartments are set forth in Exhibit "A". It should be noted that the Disclosure Abstract identifies more than one type of Apartment C relative to area.

Each residential apartment has immediate access (or through a stairway) to a walkway and driveway on the grounds of the project to a public street.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime states that the common elements shall include all the remaining portions of the project (but for the apartments) including specifically, but not limited to:

(a) Said land in fee simple.

(b) All foundations, floor supports, columns, girders, beams, supportors, unfinished perimeter walls and load-bearing walls and roofs of the residential buildings.

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

NOTE: Parking spaces 3, 4, 11, 12, 19, 20, 21, 22, 23, 28, 29, 34, 35, 36, 37, 38 and 40 have been designated for use by guests.

(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.

LIMITED COMMON ELEMENTS: The Declaration of Horizontal Property Regime provides that certain parts of the common elements, called "limited common elements", are designated and set aside for the exclusive use of certain residential apartments, and such apartments shall have appurtenant thereto easements for the use of such limited common elements as follows:

(a) Each apartment that does not include a two (2) car garage shall have one (1) automobile parking space appurtenant to and for the exclusive use of such apartment, as designated in Exhibit "A" attached hereto.

(b) All entries of each residential apartment shall be appurtenant to and for the exclusive use of such apartment.

(c) 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 apartment shall have appurtenant thereto an undivided percentage interest in all common elements of the Project and the same proportionate share in all common profits and expenses of the Project and

for all other purposes, including voting, as set forth in Exhibit "A".

PURPOSE OF BUILDING AND RESTRICTIONS AS TO USE: The Declaration of Horizontal Property Regime provides that the residential apartments shall be occupied and used only as private dwellings. The residential apartments shall not be rented for transient or hotel purposes, which are defined as: (1) rental for any period less than thirty (30) days; or (2) any rental in which the occupants of the apartments are provided customary hotel services such as room service for food and beverages, maid service, laundry and linen or bellboy service. The apartments in the Project or any interest therein shall not be sold, transferred, conveyed, leased, occupied, rented or used for or in connection with any time-sharing purpose or under any time-sharing plan, arrangement or program, including without limitation any so-called "vacation license", "travel club membership" or "time-interval ownership" arrangement. The term "time-sharing" as used herein shall be deemed to include, but is not limited to, any plan, program or arrangement under which the right to use, occupy, own or possess an apartment or apartments in the Project rotates among various persons on a periodically recurring basis according to a fixed or floating interval or period of time, whether by way of deed, lease, association or club membership, license, rental or use agreement, co-tenancy agreement, partnership or otherwise. Except for the foregoing, the owners of the apartments shall have the absolute right to lease such apartments.

The House Rules provide, in part:

1. Occupancy will be limited to no more than two (2) adult persons per bedroom.
2. No waterbeds are permitted in any apartment.

MERGER OF PROJECTS: The Declaration provides that the Fee Owner-Lessor and Developer-Lessee have the right to merge the Project into WAILUNA I. In addition, the Declaration also provides that one or more condominium projects, whether or not adjacent to the Project, but which are part of the same incremental plan of development and in the same vicinity, may be merged together from time to time so as to permit the joint use of the common elements of the projects by all the owners of the apartments in the merged projects. Any such merger or mergers shall be effective upon execution of the merger documents by two (2) officers of WAILUNA I-A, the Lessor and the Developer and recordation thereof in the Bureau of Conveyances. The merger documents may provide for a single association of apartment owners and board of directors for the merged projects and for sharing of the common expenses of the projects among all the owners of the apartments in the merged projects.

WAILUNA RECREATION ASSOCIATION: Wailuna Recreation Association, a Hawaii nonprofit corporation, has been formed to hold Bishop Estate lease(s) to the parking apartment consisting of twelve (12) parking stalls within the condominium project known as WAILUNA I and to two (2) private parks for use by the owners of apartments in WAILUNA I and in this project, and for use by owners of apartments in any additional projects developed on adjacent property. The two (2) private parks are briefly described as follows:

(a) An active park on about 0.622 acres of land immediately abutting the project, consisting of certain landscaping, a recreation center, swimming pool and accessory items.

(b) A passive park on approximately 16.5 acres shall immediately abut the project, and said park shall remain in its natural state and will not be improved.

The Developer has informed the Commission that it intends (but is not obligated) to develop additional projects on adjoining lands and that it intends (but is not obligated) to construct additional private parks for use by Wailuna I and Wailuna I-A residential apartment owners and by owners of apartments in any additional projects developed on adjacent lands.

Each residential apartment owner shall be a member of Wailuna Recreation Association, a Hawaii nonprofit corporation, and each residential 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. Such membership shall be appurtenant to and may not be separate from ownership of a residential apartment and shall be deemed to be conveyed or encumbered with the residential apartment even though such membership is not expressly mentioned or described in the conveyance or other instrument.

OWNERSHIP OF LAND: The Developer has submitted to the Commission a preliminary title report dated December 10, 1979, prepared by Title Guaranty of Hawaii, Incorporated. This report reflects that the fee simple title to the property on which the project is situate is owned by the Trustees under the Will and of the Estate of Bernice Pauahi Bishop, deceased, and that the Lessee is John D. Lusk & Son, a California corporation.

ENCUMBRANCES AGAINST TITLE: Said preliminary report dated December 10, 1979, reflects that the title to the land is subject to:

1. As to parcel first only:

(a) Grant in favor of Hawaiian Electric Company, Inc., dated February 5, 1973, recorded in Liber 8936 at page 381; granting a perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate

a switching vault within easement E-1 (152 square feet) situate within the southwesterly boundary of the land described in Schedule C.

(b) Easement D-4 for drainage purposes situate within the southern portion of Lot 1 as shown on survey prepared by Harry M. Matsuo, Registered Professional Surveyor, dated October 31, 1978.

(c) Easement F-3 for flowage purposes situate within the southeasterly boundary of Lot 1 as shown on survey prepared by Harry K. Matsuo, Registered Professional Surveyor, dated October 31, 1978.

2. As to parcel second only: Easement M-1 for maintenance purposes situate within the southeasterly boundary of Lot 4 as shown on survey prepared by Harry K. Matsuo, Registered Professional Surveyor, dated October 31, 1978.

3. As to parcels first and second:

(a) Reservation in favor of the State of Hawaii of all mineral and metallic mines.

(b) Agreement for issuance of special use permit under Ordinance No. 4451, Bill No. 40 (1975), dated November 21, 1978, recorded in Liber 13512 at page 358; re: agreement made pursuant to and in compliance to provisions of said ordinance relating to joint development of Lots 2, 3 and 4.

(c) That certain unrecorded letter agreement dated August 29, 1960, made by Oahu Sugar Company, Limited, and Central Oahu Land Corporation and Hawaiian Pacific Industries, Inc., associated as a joint venture under the name of "Central Hawaiian". Re: lease participation rights, which rights were acquired by Central Oahu Land Corporation, as to an undivided one-half (1/2) interest, by instrument dated December 27, 1967, recorded in Liber 5915 at page 451; and by mesne assignments, by Lear Siegler Properties, Inc., as to an undivided one-half (1/2) interest, by instrument dated December 30, 1969, recorded in Liber 6976 at page 334, consent thereto recorded in Liber 6976 at page 339.

(d) Rights under that certain joint venture agreement made by and between Trousdale Construction Company and Waiahole Water Company, Limited, said joint venture being known as "Amfac-Trousdale", and under that certain joint venture agreement made by and between Trousdale Construction Company and Central Oahu Land Corporation, said joint venture being known as "Central-Trousdale".

(e) Unrecorded development agreement dated August 29, 1960, by and between the Trustees of Bernice Pauahi Bishop Estate and American Factors, Limited, as amended by unrecorded instrument dated November 23, 1960, March 14, 1963, June 23, 1964, September 5, 1967 and April 9, 1968, which development agreement, by mesne assignments, was acquired by Lear Siegler, Inc., successor to the interest of

Waiahole Water Company, Limited, as to an undivided one-half (1/2) interest, by instrument dated December 27, 1967, recorded in Liber 5915 at page 395, consent thereto recorded in Liber 5915 at page 407; and by Lear Siegler Properties, Inc., a Delaware corporation, as to an undivided one-half (1/2) interest, by instrument dated December 30, 1969, recorded in Liber 6976 at page 334, consent thereto recorded in Liber 6976 at page 339.

(f) Unrecorded sub-development agreement dated December 21, 1977, by and between Lear Siegler, Inc., and Lear Siegler Properties, Inc., each of which is a Delaware corporation, and John D. Lusk & Son, a California corporation. Confirmation of development rights dated April 10, 1979, recorded in Liber 13620 at page 198.

(g) (1) Mortgage, Security Agreement and Financing Statement -

Mortgagor : Lear Siegler, Inc. and Lear Siegler Properties, Inc., each of which is a Delaware corporation

Mortgagee : Bank of Hawaii, a Hawaii banking corporation

Dated : February 15, 1979

Recorded : Liber 13566, page 465

Amount : \$1,488,000.00 - covers said unrecorded development agreement, as amended.

(2) Addition charge mortgage and amendment to mortgage -

Mortgagor : Lear Siegler, Inc. and Lear Siegler Properties, Inc., each of which is a Delaware corporation

Mortgagee : Bank of Hawaii, a Hawaii banking corporation

Dated : March 14, 1979

Recorded : Liber 13566, page 538

Amount : \$3,696,000.00

(3) Addition charge mortgage and amendment to mortgage -

Mortgagor : Lear Siegler, Inc. and Lear Siegler Properties, Inc., each of which is a Delaware corporation

Mortgagee : Bank of Hawaii, a Hawaii banking corporation

Dated : November 5, 1979

Recorded : Liber 14134, page 769

Amount : \$3,810,000.00

(h) (1) Mortgage, Security Agreement and Financing Statement -

Mortgagor : John D. Lusk & Son, a California corporation

Mortgagee : Bank of Hawaii, a Hawaii banking corporation

Dated : December 20, 1978
Recorded : Liber 13566, page 484
Amount : \$1,488,000.00 - covers said unrecorded
sub-development agreement, as amended.

Consent and Estoppel Certificate dated February 15, 1979,
recorded in Liber 13566 at page 512, by Lear Siegler, Inc.
and Lear Siegler Properties, Inc.

Consent and Estoppel Certificate dated March 20, 1979,
recorded in Liber 13566 at page 525, by the Trustees of the
Bernice P. Bishop Estate.

(2) Addition charge mortgage and amendment to
mortgage -

Mortgagor : John D. Lusk & Son, a California corporation

Mortgagee : Bank of Hawaii, a Hawaii banking corporation

Dated : March 12, 1979
Recorded : Liber 13566, page 545
Amount : \$3,696,000.00

(3) Addition charge mortgage and additional
security mortgage and amendment to mortgages -

Mortgagor : John D. Lusk & Son, a California corporation

Mortgagee : Bank of Hawaii, a Hawaii banking corporation

Dated : November 27, 1979
Recorded : Liber 14134, page 776
Amount : \$3,810,000.00

(i) Lease No. 25,350 dated September 11, 1979,
recorded in Liber 14000 at page 581, entered into by and
between the Trustees of the Estate of Bernice Pauahi Bishop,
as lessors, and Central Oahu Land Corporation, a Hawaii
corporation, and Lear Siegler Properties, Inc., a Delaware
corporation, which corporations are associated in a joint
venture known as Central-Trousdale, as lessees; leasing and
demising the land upon which the Project is being con-
structed.

(j) Lease No. 25,350-B, dated September 14, 1979,
recorded in Liber 14001, at page 264, entered into by and
between the Trustees of the Estate of Bernice Pauahi Bishop,
as Owners, and Central Oahu Land Corporation, a Hawaii
corporation, and Lear Siegler Properties, Inc., a Delaware
corporation, which corporations are associated in a joint
venture known as Central Trousdale, as Tenant, and John D.
Lusk, a California corporation, as Lessee, for a term of 58
years commencing on January 1, 1979.

(k) Declaration of Covenants, Conditions and
Restrictions for the Wailuna Recreation Association dated
February 9, 1979, recorded in Liber 14026 at page 566, as

amended by amendment to Declaration of Covenants, Conditions and Restrictions for the Wailuna Recreation Association dated March 7, 1979, recorded in Liber 14026 at page 599.

(1) For any taxes that are due and owing, reference is made to the Office of the Tax Assessor, First Division.

In addition to the foregoing, the covenants, conditions, restrictions, easements, reservations and all other provisions set forth in said Declaration of Horizontal Property Regime and Bylaws dated December 5, 1979, and Condominium Map No. 674, encumber the property.

PURCHASE MONEY HANDLING: The Developer has submitted to the Commission a copy of a Specimen Sales Contract and an Escrow Agreement dated September 19, 1979, identifying Title Guaranty Escrow Services, Inc., as the Escrow agent. Upon examination, the specimen Sales Contract and the executed Escrow Agreement are found to be in compliance with Chapter 514A, Hawaii Revised Statutes.

It is incumbent upon the purchaser and prospective purchaser to read and understand the Escrow Agreement before executing the sales agreement, since the Escrow Agreement prescribes the procedure for receiving and disbursing purchasers' funds and the sales agreement specifically provides that funds may be disbursed for certain costs of the Project prior to completion of construction.

Among other provisions, the Specimen Sales Agreement provides that:

1. The Sales Agreement shall not be construed as a present transfer of any interest in the property covered by the Sales Agreement, but rather it is an agreement to transfer in the future; that Developer either has or shall enter into agreements with Bank of Hawaii (the "Lender") pursuant to which Lender may loan an aggregate of up to NINE MILLION DOLLARS (\$9,000,000.00) for construction costs, costs of acquiring Developer's leasehold interest in the Project, and other associated costs of the Project; that the interest rate on said loans shall not exceed one and one-fourth percent (1-1/4%) points higher than the prime interest rate of Lender; that the notes are payable by Developer to Lender on or before 18 months of the date of the notes; that to secure these loans, Developer has granted to the Lender security interests covering the Developer's interest in the land and the Project, including the Property covered by the Sales Agreement; that the purchaser acknowledges and agrees that all security interests obtained by the Lender in connection with such loans as well as any extensions, renewals and modifications thereof shall be and remain at all times a lien or charge on the Project, including the Property covered by the Sales Agreement, prior to and superior to any and all liens or charges on the Project arising from the Sales Agreement or any other prior reservation agreement; that the purchaser intentionally waives, relinquishes and subordinates the priority or superiority of any lien under the Sales

Agreement or any prior reservation agreement in favor of the lien or charge on the Project of the security interests of the Lender, including but not limited to any lien, mortgage or charge securing a loan made to finance the acquisition of the Developer's leasehold and the costs of construction and other costs during such construction and any and all advances therefor, whether contractual or voluntary; that the purchaser undertakes and agrees to execute any further documentation of subordination agreement required by the Lender to evidence this subordination and irrevocably appoints Developer as purchaser's attorney-in-fact to execute any such subordination agreement; and that purchaser consents to Developer's assignment by way of security of Developer's interests in the Sales Agreement and purchaser's escrow deposits to the Lender and agrees that in the event of passage of Developer's interests therein pursuant to said assignment, that the purchaser will, at Lender's option, perform to, attorn to and recognize Lender (its successors in interest, if any) as the Developer under the Sales Agreement, with all of the rights of the Developer thereunder, all as if the Lender were the original seller thereunder.

2. The Developer has made no representations with respect to the possibility or probability of rental or other income from the apartments, or other economical benefits to be derived from the rental of the apartments, including but not limited to, any representations to the effect that Developer or the managing agent of the project will provide services relating to the rental or sale of the apartments nor representations as to possible advantages from the rental of the apartments under federal or state tax laws. If a purchaser wishes to rent his apartment to third persons, purchaser must make his own arrangements.

3. The purchaser agrees for a period of two (2) years from and after the closing date that the purchaser shall not place anywhere within the Wailuna project any "For Sale" or "For Rent" signs.

4. The contract shall not become fully binding until the third day after the Developer has taken the Buyer's receipt for a copy of the Real Estate Commission's Final Public Report on this Project. The contract shall become fully binding automatically on said day without further notice to Buyer.

5. All taxes, assessments, lease rent and charges of any kind assessable against the Property shall be payable according to the terms of the Apartment Lease, the Declaration and the Bylaws, and will be prorated between Developer and Purchaser as of the final closing date. Purchaser shall pay all closing costs in connection with the sale, including without limitation, escrow fees, preparation of the Apartment Lease, preparation of assignment of Apartment Lease, preparation of any agreement of sale, preparation of any land trust and related documents, State of Hawaii conveyance tax, preparation of any mortgages and all costs related to obtaining the mortgage, all acknowledgment fees, all recording

fees, the escrow fee and any proof of title, including the cost of any title insurance premiums, and certain prepayments, all as set forth in the Contract.

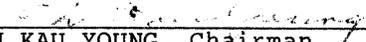
PROPERTY MANAGEMENT: Developer has submitted to the Commission copies of two agreements entitled "Agency and Property Management Agreement", which were executed by the Developer on behalf of the Association of Apartment Owners with Certified Management, a division of AR Corporation, as Agent. Said Agreements provide for property management of Wailuna I-A and for Wailuna Recreation Association for a period of one (1) year from the closing of the first sale of an apartment within the project (known as Wailuna I-A).

STATUS OF THE PROJECT: The Developer has stated that construction of the Project commenced on July 17, 1979, and that the estimated date of completion is March 15, 1980.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted on November 1, 1979, and information subsequently filed as of January 3, 1980.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1196 filed with the Commission on November 1, 1979.

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



AH KAU YOUNG, Chairman
Real Estate Commission
State of Hawaii

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

Registration No. 1196
January 11, 1980