

REAL ESTATE COMMISSION

PROFESSIONAL & VOCATIONAL LICENSING DIVISION
DEPARTMENT OF COMMERCE & CONSUMER AFFAIRS
STATE OF HAWAII
1010 RICHARDS STREET
P. O. BOX 3469
HONOLULU, HAWAII 96801

FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
PHASE II, COLLEGE GARDENS
Waiawa Road
Pearl City, Hawaii

REGISTRATION NO. 1533

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: February 1, 1984
Expires: March 1, 1985

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:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED FEBRUARY 18, 1983 AND INFORMATION SUBSEQUENTLY FILED AS OF JANUARY 30, 1984. 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. Since the issuance of the Commission's Preliminary Public Report of March 3, 1983 on PHASE II, COLLEGE GARDENS, the Developer has filed additional information as part of the registration on the project.

2. The Developer of the project has submitted to the Commission for examination all documents and exhibits deemed necessary for the issuance of this Final Public Report.
3. The basic documents (Declaration of Horizontal Property Regime, By-Laws of Association of Apartment Owners, and approved floor plans) for the project have been recorded in the office of the recording officer. The Declaration dated August 3, 1983, has been filed in the Bureau of Conveyances of the State of Hawaii in Liber 17568 at Page 269, and the By-Laws also dated August 3, 1983, has been recorded in said Bureau in Liber 17568 at Page 297. Condominium Map No. 892 has been assigned to the project.

The Regulatory Agreement between Developer and the Federal Housing Commissioner dated September 15, 1983, has been recorded in said Bureau in Liber 17568 at Page 322.

4. No advertising or promotional matter has been filed 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 is made a part of the registration on PHASE II, COLLEGE GARDENS condominium project. The Developer has the responsibility of placing a true copy of the Final Public Report (white paper stock) along with the Preliminary Public Report (yellow paper stock) and latest Disclosure Abstract (dated November 7, 1983) in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor.
7. This Final Public Report automatically expires thirteen (13) months from the date of issuance, February 1, 1984, unless a Supplementary Public Report is published, or the Commission, upon review of the registration, issues an order extending the effective period of this report.

The information under the topical headings of the Preliminary Public Report of March 3, 1983 remains unchanged, except for the following:

COMMON ELEMENTS: One freehold estate is designated in all of the remaining portions and appurtenances of the project (the "common elements") including specifically, but not limited to:

- (a) Said land in fee simple.
- (b) All foundations, floor supports, columns, girders, beams, supports, unfinished perimeter walls and loadbearing walls and roofs of the residential buildings.

(c) All yards, grounds and landscaping, roads, walkways, loading zone, parking areas, driveways and all trash enclosures.

(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 owners of apartments in the condominium projects developed or proposed to be developed as Phases I, III and IV, College Gardens, on Lots 1, 3 and 4, respectively, of File Plan 1785, in the park area of approximately 21,502 square feet located in Lots 1 and 2, File Plan 1785, of this Phase I and the proposed Phase II; subject, however, to all of the terms and conditions of the Declaration of Restrictive Covenants (Private Park) dated March 22, 1983, recorded in said Bureau of Conveyances in Liber 17069 at Page 261, including without limitation, the obligation to contribute proportionately to the perpetual maintenance thereof.

(g) Apartment No. 43 in Building 5, together with Parking Stall No. 96, for the use of the Resident Manager.

LIMITED COMMON ELEMENTS: The attached Exhibit "A-1" amends and supersedes Exhibit "A-1" attached to and made a part of the Preliminary Report of March 3, 1983.

INTEREST TO BE CONVEYED TO PURCHASER: The following is added to the information reported in the Preliminary Public Report:

The common interest is based upon the total area in square feet of each apartment divided by the total area of all apartments in each phase. As phases are merged, the common interest is based upon the area of each apartment divided by the total area of all apartments in the phases merged.

NOTE: The attached Exhibit "B" amends and supersedes Exhibit "B" attached to and made a part of the Preliminary Report of March 3, 1983.

ENCUMBRANCES AGAINST TITLE: The Developer has filed with the Commission an updated Preliminary Report dated January 4, 1984 by Security Title Corporation. Said Preliminary Report indicates that title to the land is subject to the following:

1. Real property taxes that may be due and owing: Reference is made to the Office of Finance Director, City and County of Honolulu.

2. Reservation in favor of the State of Hawaii of all mineral and metallic mines as reserved in Royal Patent No. 4475.

3. Terms and provisions of that certain unrecorded Agreement, dated August 29, 1960, as amended, as disclosed by Agreement dated October 14, 1980, recorded in Liber 15086 at Page 583.

4. Unilateral Agreement and Declaration for Conditional Zoning dated April 14, 1982, recorded in Liber 16277 at Page 651.

5. Terms, provisions and agreements of that certain Declaration (College Gardens) dated December 29, 1982, recorded in Liber 16780 at Page 407.

6. Terms and provisions of that certain Master Lease No. 27,210, dated April 22, 1983, recorded in Liber 17062 at Page 624, as amended by instrument dated August 15, 1983, recorded in Liber 17276 at Page 447.

7. Terms and provisions of that certain Development Sublease No. 27,210-A, dated February 18, 1983, recorded in Liber 17062 at Page 647.

8. Declaration of Restrictive Covenants (Private Park) (being Lease No. 27,204) dated March 22, 1983, recorded in Liber 17069 at Page 261.

9. Conditions and agreements contained in that certain "Agreement for Issuance of Special Use Permit Under Ordinance No. 4451, Bill No. 40 (1975)" dated May 13, 1983, recorded in Liber 17135 at Page 596.

10. Grant dated August 10, 1983, recorded in Liber 17357 at Page 480, in favor of Hawaiian Electric Company, Inc.

11. Covenants, agreements, obligations, conditions and other provisions set forth in that certain Phase II, College Gardens Declaration of Horizontal Property Regime under the Horizontal Property Act dated August 3, 1983, recorded in Liber 17568 at Page 269, and By-Laws of the Association of Apartment Owners of Phase II, College Gardens dated August 3, 1983, recorded in Liber 17568 at Page 297.

12. Condominium Map No. 892, filed in said Bureau of Conveyances on January 4, 1984.

13. Terms and provisions of that certain U.S. Department of Housing and Urban Development Federal Housing Administration Regulatory Agreement for Condominium Leasehold-Hawaii dated September 15, 1983, recorded in Liber 17568 at Page 322.

MERGER OF ADDITIONAL INCREMENTS: The land on which the project is located has been subdivided into Lots 1 through 4, as shown on File Plan 1785. Phase I will be developed on Lot 1, Phase II on Lot 2, Phase III on Lot 3, and Phase IV on Lot 4. This Phase II may be merged with up to three (3) additional increments (at any time up to but not later than December 1, 1988) described as follows:

(1) Merger of Phases I and II. This Phase II added to the previous Phase I which consists of thirty-two (32) apartments on Lot 1, containing an area of

approximately 104,007 square feet, as described in that certain Declaration of Horizontal Property Regime for Phase I, College Gardens dated August 3, 1983, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 17422 at Page 430, in accordance with plans filed in said Bureau as Condominium Map No. 887.

(2) The proposed Phase III which will consist of approximately thirty-six (36) apartments on Lot 3 of File Plan 1785, containing an area of approximately 80,306 square feet.

(3) The proposed Phase IV which will consist of approximately twenty-four (24) apartments on Lot 4 of File Plan 1785, containing an area of approximately 35,650 square feet.

Phase II is the second phase of a proposed four (4) phase project, which may be developed in two or more phases, all at the option of the Lessor and Developer. The purpose of the merger provisions, as more fully set forth in Paragraph 18 of the Declaration for Phase II, 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 Phase II with the first and any subsequent phase, 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 the Declaration for Phase II.

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 514A, Hawaii Revised Statutes, as amended.

(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 and that there are no tax liens;

(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.

(3) Prior written consent of the Secretary of the U. S. Department of Housing and Urban Development.

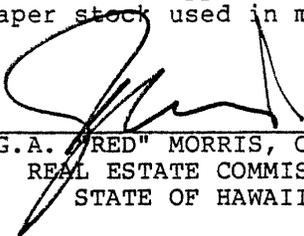
SALES PRICES OF APARTMENTS: Exhibit "A" to the Subscription and Sales Agreement lists the sales prices of all apartments. The City and County of Honolulu, State of Hawaii (the "City") will require that approximately twelve (12) apartments within the project be sold at prices to be determined by the City which will be lower than the amounts listed in said Exhibit "A" of the Subscription and Sales Agreement. The conditions of sale and amounts are not known at this time.

STATUS OF PROJECT: The project will be completed on or about March 15, 1984.

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 February 18, 1983 and information subsequently filed as of January 30, 1984.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1533.

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



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

Distribution:

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

Registration No. 1533

Dated: February 1, 1984

**PHASE II, COLLEGE GARDENS
INITIAL PARKING STALL ASSIGNMENT**

<u>APARTMENT NO.</u>	<u>*PARKING STALL(S) NO(S).</u>
33	105 & 104
34	106 & 103
35	124
36	123 & 156
37	110 & 171
38	107 & 163
39	108 & 100
40	109 & 157
41	98
42	97 & 99
43 (Resident Manager's Unit)	96
44	95
45	94
46	93 & 179
47	92
48	91 & 167
49	90
50	89 & 170
51	88
52	87 & 174
53	86 & 175
54	85 & 176
55	84 & 177
56	83 & 181
57	82
58	81 & 180
59	80 & 182
60	79

*NOTE: All of the parking stalls noted above are presently assigned to Apartment No. 1 in Phase I, College Gardens. Developer has reserved the right to transfer the above parking stalls from said Apartment No. 1 to the apartments noted above by way of an amendment to the Declaration for Phase I.

PHASE II
COLLEGE GARDENS

SCHEDULE OF COMMON INTERESTS

<u>Model</u>	<u>Phase II</u>	<u>*Upon Merger of Phases I & II</u>	<u>*Upon Merger of Phases I, II & III</u>	<u>*Upon Merger of Phases I, II, III & IV</u>
Ae (2 Bedrooms, 1 Bath) (except Apt. No. 120)	3.5039%	1.6265%	0.9922%	0.8137%
Apt. No. 120 (Model Ae)	--	--	--	0.8133%
Ai (2 Bedrooms, 1 Bath)	3.0848%	1.4320%	0.8732%	0.7164%
Be (2 Bedrooms, 2 Baths)	3.9088%	1.8145%	1.1065%	0.9076%
Bi (2 Bedrooms, 2 Baths)	3.7883%	1.7585%	1.0724%	0.8797%

*Apartment No. 43 in Phase II will be the Resident Manager's apartment and will be a common element.

PHASE II
COLLEGE GARDENS

DISCLOSURE ABSTRACT
NOVEMBER 7, 1983

1. NAME OF PROJECT PHASE II, COLLEGE GARDENS
 Waiawa Road
 Pearl City, Hawaii
2. DEVELOPER LEAR SIEGLER PROPERTIES, INC.
 Suite 1112, Amfac Building
 700 Bishop Street
 Honolulu, Hawaii 96813
 Ph. No. 521-8781
3. MANAGING AGENT: HAWAII MANAGEMENT CORPORATION
 1221 Kapiolani Boulevard
 Honolulu, Hawaii 96814
 Ph. No. 531-9941
4. WARRANTIES: Apartments - one-year warranty
 per attached FHA/VA forms.

 Appliances - none, but
 Developer will assign to
 purchasers the manufacturers'
 warranties.
5. RESIDENTIAL USE: All 28 apartments are to be for
 residential purposes.
 (Apartment No. 43 in Building 5
 of the project shall be the
 resident manager's apartment.)
6. COMMERCIAL USE: There will be no commercial use
 within the project.
7. MAINTENANCE FEES:

The Developer advises that costs and expenses of maintenance and operation of a condominium project are difficult to estimate initially and even if such maintenance fees have been accurately estimated, such fees will tend to increase in an inflationary economy and as the improvements age. Maintenance fees can vary depending on services desired by apartment owners. The buyers should check the attached maintenance fee schedule to see what services are included therein. The initial estimate has been made well in advance of the completion of the project and may be subject to substantial revision upon completion.

PHASE II
COLLEGE GARDENS

ESTIMATED MONTHLY MAINTENANCE FEES

In accordance with the attached annual operating budget dated November 22, 1982, the estimated monthly maintenance fees for each apartment in the PHASE II, COLLEGE GARDENS condominium project are as follows:

<u>Model Type</u>	<u>Estimated Monthly Maintenance Fee</u>
Ae (2 bedroom, 1 bath)	\$76.12
Ai (2 bedroom, 1 bath)	\$67.02
Be (2 bedroom, 2 bath)	\$84.92
Bi (2 bedroom, 2 bath)	\$82.30



**HAWAII
MANAGEMENT
CORPORATION**

1221 KAPIOLANI BOULEVARD
SUITE 700
HONOLULU, HAWAII 96814
(808) 531-9941

The undersigned hereby certifies that the estimate set forth in the annual operating budget dated 11/22/82 were based on Generally Accepted Accounting Principles, and that there is no change as of 11/7/83.

HAWAII MANAGEMENT CORPORATION

By Frank Anderson

Date 11-8-83

RECEIVED
AUG 1983

U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT

ANNUAL OPERATING BUDGET FOR COOPERATIVE HOUSING CORPORATIONS

PROJECT NO.(S) _____

PROJECT NAME College Gardens Phase I & II ADDRESS Waipahu, Hawaii

COVERING PERIOD FROM Start-up TO _____

EXPENSES	ACCT. NO.	1 Prior Year Budget	2 Prior Year Actual	3 Over (Under)	4 Adjustments Incr. (Decr.)	5 New Annual Budget	6 Adjustments By HUD
1. Vacancy & Collection Loss	6370						
2. Employee Apartment Rent	6330						
3. Apartment Resale Expense	6200						
4. Management Fee	6320					8,040.00	
5. Legal Expense	6240						
6. Audit Expense	6350						
7. Telephone	6360						
8. Office & Adm. Salaries	6310						
9. Office Expenses	6311					200.00	
10. Misc. Administrative Exp.	6390					448.00	
11.							
12.							
13.							
14.							
15. Fuel	6420						
16. Electricity	6450					580.00	
17. Water & Sewer	6451					10,472.00	
18. Veh. & Equip. Oper. Exp.	6441						
19. Janitor's Payroll	6430						
20. Janitor's Supplies	6431						
21. Exterminating	6462						
22. Rubbish Removal	6470					2,200.00	
23. Parking Area Expense	6480						
24.							
25.							
26.							
27. Grounds Maintenance	6520					10,800.00	
28. Painting & Decorating	6560						
29. Structural Repairs	6540						
30. Heating & Air Cond. Maint.	6510						
31. Plumbing Maintenance	6511						
32. Electrical Maintenance	6512					80.00	
33. Elevator Maintenance	6530						
34. Pool Maintenance	6521						
35. Maintenance Supplies	6515						
36. Maintenance Payroll	6585						
37. Misc. Maintenance Repair	6590						
38.							
39. Real Estate Taxes	6710						
40. Employer's Payroll Taxes	6711						
41. Miscellaneous Taxes	6719						
42. Property & Liability Insurance	6720					4,800.00	
43. Workmen's Compensation	6721						
44. Fidelity Bonds	6723						
45. Miscellaneous Insurance	6729					600.00	
46.							
47.							
48.							
49. Ground Rent	6815						
50. Mortgage Ins. Premium	6850						
51. Mortgage Interest	6820						
52. Mortgage Principal	2320						
53. Replacement Reserve	1320					13,560.00	
54. General Operating Reserve	1365					1,690.00	
55. Painting Reserve	1330					2,690.00	
56. Project Equipment Purch.	1470						
57. Capital Improvements	1400						
58. TOTAL EXPENSE						56,160.00	

Column #4 reflects necessary or desirable increases and decreases over prior year's budget (Col. #1) to arrive at New Annual Budget (Col. #5). Carrying Charges and other budgeted income (line #68) must at least equal the total expenses on line #58. Lines #52-57 provide for capital contributions by members, in excess of their downpayments, and should be entered in the books thru Account #3241 (Paid-in-Plus). Surcharges received from over-income occupants in Section 221(d)(3) and Section 236 cases are not budget items and should not be reflected in any of the columns in Line 59 nor in the Schedule of Carrying Charges, but should be reflected in a separate Schedule. Additional instructions for the preparation of this form are contained in HUD Handbook HM 4371.2, the Uniform System of Accounts for Cooperative Housing Corporations.

WARRANTY OF COMPLETION OF CONSTRUCTION IN SUBSTANTIAL CONFORMITY WITH APPROVED PLANS AND SPECIFICATIONS

Property Location:

Purchaser(s)/Owner(s):

For good and valuable consideration, and in accordance with section 801 of the Housing Act of 1954, and Public Law 85-857 (38 U.S.C. 1805), the undersigned Warrantor hereby warrants to the Purchaser(s) or Owner(s) identified in the caption hereof, and to his (their) successors or transferees, that:

The dwelling located on the property identified in the caption hereof is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein) which have been approved in writing by the Federal Housing Commissioner or the Administrator of Veterans Affairs on which the Federal Housing Commissioner or the Administrator of Veterans Affairs based his valuation of the dwelling: *Provided, however,* That this warranty shall apply only to such instances of substantial nonconformity as to which the Purchaser(s)/Owner(s) or his (their) successors or transferees shall have given written notice to the Warrantor at any time or times within 1 year from the date of original conveyance of title to such Purchaser(s)/Owner(s) or the date of initial occupancy of the dwelling, whichever first occurs: *Provided further, however,* That in the event the Purchaser(s)/Owner(s) acquired title to the captioned property prior to the completion of construction of the dwelling thereon, such notice of nonconformity to the Warrantor may be given at any time or times within 1 year from the date of completion or initial occupancy of such dwelling, whichever first occurs.

The term "dwelling" as used herein shall be deemed to include all improvements or appurtenances set forth in the plans and specifications upon which the Federal Housing Commissioner or the Administrator of Veterans Affairs has based his valuation of the property, excepting those constructed by a municipality or other governmental authority.

This warranty shall be in addition to, and not in derogation of, all other rights and privileges which such Purchaser(s)/Owner(s) may have under any other law or instrument, and shall survive the conveyance of title, delivery of possession of the property, or other final settlement made by the Purchaser(s)/Owner(s), and shall be binding on the Warrantor notwithstanding any provision to the contrary contained in the contract of purchase or other writing executed by the Purchaser(s)/Owner(s) heretofore or contemporaneously with the execution of this agreement or prior to final settlement.

IN TESTIMONY WHEREOF, the Warrantor has signed and sealed this warranty this _____ day of _____, 196_____

(Warrantor's Address) By _____ (SEAL)
Warrantor (Signature and Title)

This warranty is executed for the purpose of inducing the Federal Housing Commissioner or the Administrator of Veterans Affairs to make, to guarantee or to insure a mortgage on the captioned property, and the person signing for the Warrantor represents and certifies that he is authorized to execute the same by the Warrantor and by his signature the Warrantor is duly bound under the terms and conditions of said warranty.

WARNING

Section 1010 of Title 18, U. S. C., "Federal Housing Administration transactions," provides: "Whoever, for the purpose of—influencing in any way the action of such Administration—makes, passes, utters, or publishes any statement, knowing the same to be false—shall be fined not more than \$5,000 or imprisoned not more than two years, or both." Other Federal Statutes provide severe penalties for any fraud as intentional misrepresentation made for the purpose of influencing the issuance of any guaranty or insurance or the making of any loan by the Administrator of Veterans Affairs.

NOTICE TO PURCHASER: ANY NOTICE OF NONCONFORMITY MUST BE DELIVERED TO THE WARRANTOR NO LATER THAN _____ (Warrantor shall insert date 1 year from initial occupancy, date of conveyance of title or date of completion, whichever event is applicable.)

Receipt of this warranty is acknowledged this _____ day of _____, 196_____

PURCHASER(S)/OWNER(S)

Property location:

Purchaser(s)/Owner(s):

For good and valuable consideration, and in accordance with section 801 of the Housing Act of 1954, and Public Law 85-857 (38 U.S.C. 1805), the undersigned Warrantor hereby warrants to the Purchaser(s) or Owner(s) identified in the caption hereof, and to his (their) successors or transferees, that:

The dwelling located on the property identified in the caption hereof is constructed in substantial conformity with the plans and specifications (including any amendments thereof, or changes and variations therein) which have been approved in writing by the Federal Housing Commissioner or the Administrator of Veterans Affairs on which the Federal Housing Commissioner or the Administrator of Veterans Affairs based his valuation of the dwelling: Provided, however, That this warranty shall apply only to structural defects and such instances of substantial nonconformity as to which the Purchaser(s)/Owner(s) or his (their) successors or transferees shall have given written notice to the Warrantor at any time or times within 1 year from the date of original conveyance of title to such Purchaser(s)/Owner(s) or the date of initial occupancy of the dwelling, whichever first occurs: Provided further, however, That in the event the Purchaser(s)/Owner(s) acquired title to the captioned property prior to the completion of construction of the dwelling thereon, such notice of nonconformity to the Warrantor may be given at any time or times within 1 year from the date of completion or initial occupancy of such dwelling, whichever occurs first. Warranty on all of the common elements is for 1 year from such time as units to which 60 percent of the votes in the unit owners association appertain have been transferred to unit owners other than the Warrantor.

The term "dwelling" as used herein shall be deemed to include all improvements or appurtenances set forth in the plans and specifications upon which the Federal Housing Commissioner or the Administrator of Veterans Affairs has based his valuation of the property, excepting those constructed by a municipality or other governmental authority.

This warranty shall be in addition to, and not in derogation of, all other rights and privileges which such Purchaser(s)/Owner(s) may have under any other law or instrument, and shall survive the conveyance of title, delivery of possession of the property, or other final settlement made by the Purchaser(s)/Owner(s), and shall be binding on the Warrantor notwithstanding any provisions to the contrary contained in the contract of purchase or other writing executed by the Purchaser(s)/Owner(s) heretofore or contemporaneously with the execution of this agreement or prior to final settlement.

IN TESTIMONY WHEREOF, the Warrantor has signed and sealed this warranty this

day of _____, 197__.

(Warrantor's Address)

BY _____ (seal)
Warrantor (Signature & Title)

This warranty is executed for the purpose of inducing the Federal Housing Commissioner or the Administrator of Veterans Affairs to make, to guarantee or to insure a mortgage on the captioned property, and the person signing for the Warrantor represents and certifies that he is authorized to execute the same by the Warrantor and by his signature the Warrantor is duly bound under the terms and conditions of said warranty.

WARNING

Section 1010 of Title 18, U.S.C., "Federal Housing Administration transactions," provides: "Whoever, for the purpose of influencing in any way the action of such Administration--makes, passes, utters, or publishes any statement, knowing the same to be false--shall be fined not more than \$5,000 or imprisoned not more than two years, or both." Other Federal Statutes provide severe penalties for any fraud as intentional misrepresentation made for the purpose of influencing the issuance of any guaranty or insurance or the making of any loan by the Administrator of Veterans Affairs.

NOTICE TO PURCHASER: Any notice of nonconformity must be delivered to the Warrantor no later than _____ (Warrantor shall insert date 1 year from initial occupancy, date of conveyance of title or date of completion, whichever event is applicable.)

Receipt of this warranty is acknowledged this _____ day of _____, 197__.

Purchaser(s)/Owner(s)