

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

PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT

on
VALLEY VIEW ESTATES
Off Hui Iwa Street
Kahaluu, Hawaii

Registration No. 1545

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: May 16, 1983
Expires: June 16, 1984

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 APRIL 25, 1983, AND INFORMATION SUBSEQUENTLY FILED AS OF MAY 11, 1983. THE DEVELOPER, IN NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT, CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

1. VALLEY VIEW ESTATES is a proposed fee simple residential condominium project consisting of 36 apartments, each of which includes a double carport.
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 and a copy of approved floor plans) have not been recorded.
4. 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.
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. The Preliminary Public Report is made a part of the registration on VALLEY VIEW ESTATES condominium project. The Developer has the responsibility of placing a true copy of this Preliminary Public Report (yellow paper stock) and attached Developer's Disclosure Abstract in the hands of all purchasers and prospective purchasers and for securing a signed copy of the receipt therefor.
7. This Preliminary Public Report automatically expires thirteen (13) months from the date of issuance, May 16, 1983, 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: VALLEY VIEW ESTATES

LOCATION: The project is located off Hui Iwa Street, Kahaluu, Hawaii, and contains approximately 4.76 acres of apartment zoned land and 70.058 acres of conservation land; the latter acreage shall be restricted for park and recreational purposes. The description of the land and the reserved easements, rights, powers and privileges of the owners are more fully set forth in the proposed Declaration.

TAX KEY: First Division, 4-7-004-039

ZONING: A-1 (4.76 acres), and preservation (70.058 acres)

DEVELOPER: The Notice of Intention reveals the Developer to be KAHALUU PARTNERS, a Hawaii limited partnership, whose principal business and post office address is Suite 1885 Pacific Trade Center, 190 South King Street, Honolulu, Hawaii 96813, Telephone No. 524-5211, and whose general partner is RK Development, Inc., a Hawaii corporation, of the same address.

ATTORNEY REPRESENTING DEVELOPER: REX S. KUWASAKI, attorney at law, Suite 1885 Pacific Trade Center, 190 South King Street, Honolulu, Hawaii 96813, Telephone No. 524-5211. Rex S. Kuwasaki is also the principal officer of RK Development, Inc.

DESCRIPTION OF PROJECT: The proposed project is a residential housing development consisting of thirty-six (36) apartments, being built in thirty (30) free standing buildings and three (3) duplex buildings. The apartment models and the locations of units are more particularly described as follows:

Apartment Models and Location of Units:

<u>Model A-1</u>	<u>Net Floor Area</u>
Living Area	1,098 square feet
Covered Entry	50 square feet
Carport and Storage	428 square feet
	<u>1,576 square feet</u>

3 bedrooms, 2½ baths

There will be four Model A-1 units in the Project, located on Lot Nos. 2, 5, 9 and 24.

Model A-1 (Rev.)

Model A-1 (Rev.) is a reversed Model A-1 floor plan and design. There will be six Model A-1 (Rev.) units in the Project, located on Lot Nos. 7, 11, 12, 15, 18 and 35.

Model A-2

Similar to Model A-1, except for a difference in the roof design. There will be six Model A-2 units in the Project, located on Lot Nos. 3, 4, 6, 10, 34 and 36.

Model A-2 (Rev.)

Model A-2 (Rev.) is a reversed Model A-2 floor plan and design. There will be three Model A-2 (Rev.) units in the Project, located on Lot Nos. 16, 17 and 19.

Model B-3

Similar to A-1 except for the difference in the entry to the carport and the building placement on the lot.

There will be two Model B-3 units in the Project, located on Lot Nos. 28 and 31.

Model B-3 (Rev.)

Model B-3 (Rev.) is a reversed Model B-3 floor plan and design. There will be two model B-3 (Rev.) units in the Project, located on Lot Nos. 29 and 32.

Model B-4

Similar to Model B-3 except for the difference in the roof design. There will be one Model B-4 unit in the Project, located on Lot 20.

Model B-4 (Rev.)

Model B-4 (Rev.) is a reversed Model B-4 floor plan and design. There will be one Model B-4 (Rev.) unit in the Project, located on Lot 30.

Model B-1 (Rev.)

Model B-1 (Rev.) is similar to Model B-4 (Rev.) except for a difference in the roof design. There will be three Model B-1 (Rev.) units in the Project, located on Lot Nos. 8, 33 and 37.

Model C (Duplex)

Model C (Duplex) is the duplex model of Model A-1. There will be four Model C (Duplex) units in the Project, located on Lot Nos. 13, 14, 25 and 26.

The above models are located on 1½ story buildings and plotted on down-slope lots with slab elevations at street level, plus or minus one foot. The bedrooms, open carports and storage areas are located on the first level, and the living-dining areas are located on the lower levels.

Model D

Net Floor Area

Living Area	1,005 square feet
Covered Area	50 square feet
Carport and Storage	472 square feet
	<u>1,527 square feet</u>

3 bedrooms, 2 baths

There will be one Model D unit on the Project, located on Lot 27.

Model D (Rev.)

Model D (Rev.) is a reversed Model D floor plan and design. There will be one Model D (Rev.) unit in the Project, located on Lot No. 21.

Model E (Duplex)

Model E (Duplex) is the duplex model of Model D. There will be two Model E (Duplex) units in the project, located on Lot Nos. 22 and 23.

Models D & E are located on 1½ story buildings plotted on up-slope lots with the enclosed carports and storage areas located on ground level, and the entire living, dining, kitchen and bedrooms located on the second level.

General Description of all Model Construction

Roof	Fiber glass shingles
Exterior Walls	2" x 4" studs, 16" on center with ½" forest fiber siding with 2 coats heavy body stain and ½" gypsum board inside
Interior Walls and Ceiling	2" x 4" studs, 24" long on center with ½" gypsum board taped and textured
Finish on Interior Walls and Ceiling	One coat latex base paint, except kitchen and bath which shall receive two coats of semi-gloss latex enamel
Floor Base	Pier and Post construction, 2" x 8" studs, 16" on center with sub-flooring of 5/8" T & G plywood

Floor Covering

Carpet throughout except kitchen,
baths and utility which will re-
ceive vinyl asbestos floor tile

Each of the dwelling units shall have immediate access to the surrounding grounds which form a part of the "apartment space" and said "apartment space" shall have immediate access to the road which is a common element.

Inclusions and Limits of Apartment: Thirty-six (36) freehold estates shall be created consisting of the space or area described and delineated and numbered from 2 to 37 on the condominium map. Said spaces shall be deemed to include all of the air spaces enclosed, measured by its perimeter boundaries as delineated on said map, except as to lot numbers 13, 14, 22, 23, 25 and 26 (duplex units). Duplex unit spaces shall be measured along the perimeter lot boundaries and continuing along the inner surfaces of the center wall of the duplex building and extending to the outside fences, walls and other dividers separating the duplex units. Said walls, fences and dividers shall be deemed common elements and not part of the apartment space. The apartment spaces shall extend on a vertical plane upward from the surface of the lot, but not including the sub-surface or any area below except dwelling unit foundations, foundation footings for walls and structures and sub-surface planting. Each apartment shall include the specific dwelling unit and garage to be constructed therein as shown on the condominium map, and all ducts, pumps, pipes, conduits, wires and other utility lines running through such apartment space, but excluding any such which do serve or are utilized by any other apartment space, and excluding all easements shown on the condominium map, all of which shall be deemed common elements.

Appurtenant to each apartment shall be an interest in the non-exclusive easements in the common elements designed for purposes of ingress to and egress therefrom; utility services for and support of said apartment spaces; and in the other common elements for use according to their respective purposes.

COMMON ELEMENTS: A freehold estate consisting of the remaining portion of the real property, being the common areas and facilities and herein referred to as the "common elements". The common elements shall include, but are not limited to the following:

- (a) The land in fee simple;
- (b) The ducts, pumps, pipes, wires, conduits, and generally all equipment, apparatus, installations and personal property existing for common use on the land;
- (c) All roads, sidewalks and other common ways, street lights, landscaping within the common areas, sewers, drains, drainage canals, and ditches situate on the land and existing for common use and all easements shown on the Condominium Map;
- (d) All utility installations which serve more than one apartment space;

(e) All of the land including Lot No. 1 and the 70.058 acres as shown on Lot 41 on the Condominium Map, restricted for park and playground use;

(f) The building walls, fences and dividers constructed on the centerline of Lot Nos. 13, 14, 22, 23, 25 and 26;

(g) All portions of the Project not deemed to be included as an apartment space.

LIMITED COMMON ELEMENTS: Portions of the common elements are set aside and designated as "limited common elements". Each apartment space will have as an appurtenance thereto, all for the exclusive use of such apartment space, the site of each dwelling unit, consisting of the land beneath such dwelling, together with the land area adjacent to each dwelling unit enclosed by the perimeter boundaries of each lot, all as shown on the Condominium Map. The common building walls, outside walls, fences and dividers separating the duplex units shall be a limited common element appurtenant to the abutting units only.

INTEREST TO BE CONVEYED PURCHASER: The ownership of each apartment space shall include the dwelling unit constructed therein and the respective undivided interest in the common elements and the right to exclusive use of the limited common elements appurtenant to such apartment space. Each apartment space shall have appurtenant thereto an undivided 2.77 percentage interest, called the "common interest", in the common elements for all purposes, including voting.

Each apartment space owner shall be liable for and pay a share of the common expenses in proportion to the common interest in the common elements appurtenant to said apartment spaces.

USE AND RESTRICTIONS ON APARTMENT SPACES: The purpose for which the apartment spaces are intended and restricted as to use is residential; provided, that this shall not be construed to prohibit the renting or leasing of said apartment spaces for profit, individually or otherwise, so long as the ultimate tenant thereof uses the apartment space as a place in which to reside as distinguished from a place in which to carry on a trade or businesses; provided, further, that no apartment space shall be rented by the owner or owners thereof for transient or hotel purposes. No apartment space owner may lease less than the entire apartment space and all leases must be in writing.

The House Rules, which have been submitted to the Commission, provide in part that the Board of Directors of the Association of Apartment Owners may pass such rules relating to the painting of the exterior walls of the dwellings and rules relating to the riding of bicycles or skateboards in the common areas.

NOTE: The owners shall be responsible for the care and maintenance of any yards, dwelling units, lanais, fences, walls, entry courts, garages, etc., which are included in their respective apartment spaces.

OWNERSHIP OF TITLE: Title to the land is vested in Kahaluu Partners. The Preliminary Title Report dated March 8, 1983 by Security Title Corporation 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 Finance Director, City and County of Honolulu.
2. Reservation in favor of the State of Hawaii of all mineral and metallic mines reserved in Royal Patents 1423, 1554, 1555, 1664, 2013 and 6589.
3. Grant of easement in favor of the City and County of Honolulu and the Board of Water Supply to construct an underground water pipeline over, under and across said Easement 9, filed on June 26, 1961 as Land Court Order 19128, and as amended by Land Court Order 19141, filed June 30, 1961.
4. Grant of Easements in favor of the State of Hawaii for slope purposes (Easement 15) and drain purposes (Easement 18), which easements are shown on Map 11 and 40 as set forth by Land Court Order 21323, filed June 5, 1963.
5. Restriction as to access rights as shown on Map 11 and 40, as set forth by Land Court Order 21323, filed June 5, 1963.
6. Grant of Easement in favor of City and County of Honolulu and the Board of Water Supply to construct and underground pipeline over, under and across said Easement 4, and the right of ingress and egress in the nature of a roadway (Easement 3) to be used in common with Arnold S. Kirkeby, his heirs and assigns, both easements are shown on Maps 1 and 40.
7. The Conservation District boundary as set by the Land Use Commission on December 21, 1965, as shown on Maps 25 and 40, as set forth by Land Court Order 28326, filed April 4, 1968.
8. Grant of Easement for storm drainage purposes as shown on Easement 30 on Maps 30 and 40, as set forth by Land Court Order 31331, filed February 19, 1970.
9. Grant of Easement across Easement 57 in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company dated November 12, 1971, filed in said Office of the Assistant Registrar as Document No. 567313. (Upon completion of the site improvement of this project, Easement 57 shall be cancelled and easements designated as Easements 201, 202 and 203 as shown on Map 88, as set forth by Land Court Order No. 62470, filed April 12, 1982, shall be granted to said Hawaiian Electric Company, Inc. and Hawaiian Telephone Company.)
10. Grant of Easement dated November 17, 1972 in favor of Hawaiian Electric Company, Inc. for electrical line and right-of-way, filed in said Office of the Assistant Registrar as Document No. 609009 over and across Easement 82 and 83 as shown on Map 47, as set forth by Land Court Order 35467, filed July 12, 1972.

11. The Covenants, as set forth in that certain Deed dated May 11, 1976, filed in said Office of the Assistant Registrar as Document No. 765351. (The covenants, relative to when construction on the site can commence, are no longer applicable or binding).

PURCHASE MONEY HANDLING: A copy of the Specimen Sales Contract and the executed Escrow Agreement dated April 8, 1983 have been submitted as part of the registration. The Escrow Agreement identifies Security Title Corporation as the Escrow. Upon examination, the specimen 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.

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:

1. Escrow receives a written request from Developer to return to Purchaser the funds of such Purchaser then held by Escrow; or

2. 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

3. If a Purchaser's funds were obtained prior to the issuance of a final public report and the request is prior to the time of the final public report is issued; or

4. 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

5. If the final public report is not issued within one year from the date of issuance of the preliminary public report.

The specimen Sales Contract provides in part:

1. In the event the Sales Contract is executed prior to the issuance of a Final Horizontal Property Regimes Public Report for the project, then the Sales Contract shall constitute a "reservation" and shall not be a binding contract unless both Buyer and Seller execute a separate confirmation letter after a Final Public Report for the project is issued.

2. A late charge of one per cent (1%) per month shall be imposed on the amount of any payment due under the Sales Contract which is not paid in the manner specified therein.

3. Payments made under the Sales Contract may be disbursed by Escrow Agent prior to the designated date of occupancy to pay the costs of VALLEY VIEW ESTATES condominium project.

4. The execution, delivery and recordation of the Buyer's Apartment Deed or assignment thereof shall constitute the assignment by Seller to Buyer of any and all warranties given the Seller by the general contractor for the project, and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the apartment, as that term is defined in the construction contract for the project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any such warranties in asserting any claims based on such warranties. Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartment. Buyer acknowledges that Seller has made no other warranties, express or implied, with respect to the property or any common element or anything installed therein. At Seller's option, an inspection program may be instituted and, if so, Buyer agrees to inspect Buyer's apartment on a date and at a time to be specified by Seller and upon completion of such inspection, to sign an inspection sheet to be furnished by Seller which shall list all defects or damages to the property, if any. Buyer agrees to accept possession of the property despite the existence of such defects or damages to the property regardless of extent, including but not limited to any defects in appliances and fixtures, which may be listed in said inspection sheet, but which do not render the property uninhabitable. Seller will cooperate with and assist Buyer in having legitimate listed defects or damages corrected or repaired within a reasonable time thereafter by the general contractor or other warrantor. This guarantee shall survive the closing. Buyer agrees to indemnify Seller for any damages or losses, including interest and attorney's fee, resulting from any refusal to make such inspection, to sign such inspection sheet or to accept possession of the property upon request by Seller and if Buyer shall make any such refusal, Buyer shall be deemed to be in default under the Sales Contract and Seller at its option shall be entitled to cancel the Sales Contract and keep all payments made under the Sales Contract as liquidated damages. Buyer waives all rights of inspection and rights to Seller's cooperation and assistance with the general contractor or other warrantors if Buyer fails to inspect Buyer's apartment on the date and time specified by Seller and Buyer acknowledges that such waiver shall not in any way affect Buyer's obligations under the Sales Contract, including without limitation the making of the payments required under the Sales Contract and performance of Buyer's closing obligations.

5. All security interests obtained by Seller's Lender in connection with its construction loan as well as any extensions, renewals and modifications thereof shall be and remain at all times, until the final closing and delivery by Seller of an Apartment Deed to Buyer, a lien or charge on the Project, including the property covered by the Sales Contract, prior to and superior to any and all liens or charges on the Project arising from the Sales Contract or any prior agreement.

6. Any interest payable on monies deposited with escrow shall belong to and be payable to Seller.

7. Seller shall complete construction of the project so as to permit normal occupancy within one (1) year from the date the Sales Contract becomes a binding contract; provided, however, that such one (1) year period shall be extended for any period of time during which Seller is actually and necessarily delayed in beginning or completing construction if said delay is caused by fire, earthquake, acts of god, the elements, war or civil disturbances, strikes or other labor disturbances, or economic controls making it impossible to obtain the necessary labor or material, litigation concerning the Project or other matters or conditions beyond the control of Seller.

8. In the event development and construction of the Project is delayed due to governmental restrictions or regulations enacted after the date of the Sales Contract, or by occurrence of a contingency, the non-occurrence of which was a basic assumption which the Sales Contract was made, and Seller determines that increases in development and construction costs because of such delay require increases in sales prices to maintain financial feasibility of the Project, then and in any such event Seller may increase the total purchase price of the apartment only to the extent necessitated by said increases in development and construction costs and Seller shall notify Buyer in writing of any such increase in the total purchase price. After receipt of such notice, Buyer shall have fifteen (15) days within which to affirm or terminate the Sales Contract. If, within said fifteen-day period, Buyer does not notify Seller in writing that Buyer elects to terminate the Sales Contract, Buyer shall be deemed to have affirmed the Sales Contract at the increased purchase price. If Buyer elects to terminate the Sales Contract, Seller shall cause escrow to refund to Buyer all deposits made pursuant to the Sales Contract, without interest and less any escrow cancellation fee. Nothing in this paragraph shall be deemed to excuse Seller from the performance of Seller's obligations under the Sales Contract if Buyer timely affirms the Sales Contract at the increased purchase price.

9. Seller expressly reserves the right to sell or lease unsold apartments free from any restrictions on such sale or lease which may under the By-Laws apply to Buyer.

10. All apartments are to be used for residential purposes.

11. BUYER ACKNOWLEDGES THAT: (a) SELLER OR ITS AGENTS HAVE MADE NO REPRESENTATIONS OR REFERENCES CONCERNING RENTALS OF THE APARTMENTS AND THAT NO RENTAL MANAGEMENT ARRANGEMENTS ARE AVAILABLE BY THE ASSOCIATION MANAGING AGENT, SELLER OR ANY PERSON CONNECTED WITH SELLER. BUYER SHALL BE SOLELY RESPONSIBLE FOR THE USE OF BUYER'S UNIT INCLUDING THE RENTAL OR OTHER DISPOSITION THEREOF. (b) NEITHER SELLER NOR ITS AGENTS MAKE ANY REPRESENTATION REGARDING EITHER ECONOMIC BENEFITS TO BE DERIVED FROM RENTALS OR TAX TREATMENT OF THE BUYER OF AN APARTMENT. THE TAX TREATMENT AND ECONOMIC BENEFITS VARY WITH INDIVIDUAL CIRCUMSTANCES AND SELLER AND ITS AGENTS RECOMMEND THAT THE BUYER CONSULT WITH HIS OR HER OWN ATTORNEY, ACCOUNTANT OR OTHER TAX COUNSEL FOR ADVICE REGARDING TAX TREATMENT. (c) UNTIL SUCH TIME WHEN SELLER SHALL HAVE SOLD ALL APARTMENTS IN THE PROJECT, BUYER AGREES THAT BUYER SHALL NOT ENTER INTO OR OFFER TO ENTER INTO ANY ARRANGEMENT WITH ANY OTHER APARTMENT OWNER IN THE PROJECT WHEREBY ANY RENTAL POOL OF APARTMENTS OR ANY OTHER SHARING OF RENTAL INCOME OF APARTMENTS IS ESTABLISHED. (d) THE SELLER MAY, AS A CONDITION OF THE CLOSING, REQUIRE OF THE BUYER, ANY BROKERS INVOLVED IN THE SALE OR AGENTS OF SUCH BROKERS, OR ANYONE ELSE CONNECTED IN ANY WAY WITH THE OFFER TO SELL AND THE BUYER OF THE APARTMENT, THE EXECUTION AND DELIVERY TO SELLER OF SUCH WAIVERS, AFFIDAVITS OR OTHER DOCUMENTS AS MAY FROM TIME TO TIME BE REQUIRED BY SELLER TO SATISFY SELLER THAT THE OFFER TO SELL AND THE PURCHASE OF THE APARTMENT IS NOT IN VIOLATION OF ANY FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS. (e) IN THE EVENT THAT THE OFFER TO SELL, OR THE PURCHASE OF THE APARTMENT, OR THE ACTIVITIES OF THE BUYER WITH RESPECT TO THE APARTMENT ARE DETERMINED BY THE SELLER IN ITS SOLE DISCRETION TO GIVE RISE TO ANY VIOLATION (WHETHER BY BUYER OR SELLER OR ANY THIRD PARTIES) OF ANY FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS, OR ARE ALLEGED TO GIVE RISE TO ANY SUCH VIOLATION BY THE SECURITIES AND EXCHANGE COMMISSION OR ANY OTHER GOVERNMENTAL AGENCY, FEDERAL OR STATE, OR IN THE COURSE OF ANY LEGAL PROCEEDINGS, THE PARTIES HERETO UNDERSTAND AND AGREE THAT THE INJURY TO SELLER BY VIRTUE OF SUCH VIOLATION OR THE ALLEGATION THEREOF WILL BE UNCERTAIN AS TO NATURE AND AMOUNT AND DIFFICULT AND EXPENSIVE TO ASCERTAIN. THEREFORE, IN SUCH EVENT, THE PARTIES HERETO AGREE THAT SELLER MAY OBTAIN AN INJUNCTION FROM ANY COURT OF COMPETENT JURISDICTION ENJOINING ANY ACTS OF BUYER WHICH ARE OF MAY BE OR ARE ALLEGED TO GIVE RISE TO A VIOLATION OF ANY FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS. SELLER MAY, IN ADDITION TO OR AS AN ALTERNATIVE TO OBTAINING INJUNCTIVE RELIEF, PURSUE ANY OTHER REMEDIES CAUSED BY SUCH VIOLATIONS, AS ADMITTED IN LAW OR IN EQUITY. ALL COSTS, INCLUDING REASONABLE ATTORNEYS' FEES, INCURRED BY SELLER IN CONNECTION WITH BUYER'S ACTIONS IN VIOLATION OR ALLEGED TO BE IN VIOLATION OF FEDERAL OR STATE SECURITIES LAWS OR REGULATIONS SHALL BE BORNE BY THE BUYER. (f) IN THE EVENT THAT THE BUYER OR ANYONE CLAIMING THROUGH OR UNDER THE BUYER OR THE BUYER'S APARTMENT, ALLEGES THAT THE OFFER TO SELL OR THE PURCHASE OF THE APARTMENT GIVES RISE TO ANY VIOLATION OF ANY FEDERAL OR STATE DISCLOSURE LAWS OR REGULATIONS (INCLUDING, BUT NOT LIMITED TO, THE HORIZONTAL PROPERTY ACT), THEN THE PARTIES HERETO UNDERSTAND AND AGREE THAT THE INJURY CAUSED BY SUCH VIOLATION SHALL BE DIF-

FICULT OR IMPOSSIBLE TO ACCURATELY ESTIMATE AND EXPENSIVE TO ASCERTAIN. THEREFORE IN THE EVENT OF SUCH VIOLATION OR THE ALLEGATION THEREOF, THE PARTIES HERETO AGREE AND THE BUYER DOES HEREBY COVENANT THAT THE BUYER SHALL NEITHER SEEK NOR HAVE ANY REMEDY OTHER THAN TO SUE FOR A REFUND TO BUYER OF THE PURCHASE PRICE AND CLOSING COSTS ACTUALLY PAID, PLUS INTEREST AT THE RATE OF SIX PER CENT PER ANNUM FROM THE FINAL CLOSING UNTIL THE DATE OF REPAYMENT. THE PARTIES HERETO DO FURTHER AGREE THAT SAID AMOUNT SHALL BE DEEMED LIQUIDATED DAMAGES, AND NOT A PENALTY, AND BUYER DOES HEREBY SPECIFICALLY AGREE THAT ADDITIONAL CHARGES PAID BY BUYER WITH RESPECT TO THE APARTMENT, INCLUDING, BUT NOT LIMITED TO, MAINTENANCE FEES, REAL PROPERTY TAXES, AND MORTGAGE FEES AND INTEREST, SHALL BE ABSORBED BY BUYER AS THE REASONABLE USE VALUE OF THE APARTMENT TO THE BUYER FROM THE TIME OF FINAL CLOSING TO THE DATE OF REPAYMENT.

THE TERMS OF THE FOREGOING PARAGRAPH SHALL SURVIVE THE CLOSING AND OCCUPANCY BY BUYER AND THE DELIVERY OF THE APARTMENT LEASE AND RECORDING THEREOF, NOTWITHSTANDING ANYTHING TO THE CONTRARY CONTAINED IN THE SALES CONTRACT.

12. Except as otherwise provided by law, Escrow shall give each Buyer entitled to a refund of his funds notice thereof by certified or registered mail, addressed to such Buyer at his address shown on the Sales Contract or any address later made known in writing to Escrow by such Buyer. IF SUCH BUYER SHALL NOT HAVE CLAIMED SUCH REFUND WITHIN SIXTY (60) DAYS, ESCROW SHALL THEREAFTER TREAT ALL FUNDS OF SUCH BUYER AS THE ESCROWED FUNDS OF SELLER AND NOT OF BUYER, and shall disburse such funds as directed by Seller. After having sent the Seller written notice of the foregoing acts, Escrow shall thereupon be released from further liability with respect to such funds and such Buyer.

MANAGEMENT AND OPERATIONS: The proposed 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. Dynamic Business Management, Inc., a Hawaii corporation, whose business and post office address is 94-903 Farrington Highway, Suite 3, Waipahu, Hawaii 96797, has been named as the initial Managing Agent. H & K Associates, Inc., a Hawaii corporation, whose business and post office address is 1150 South King Street, Suite 1100, Honolulu, Hawaii 96814, Tel. No. 536-2764, has been designated as the agent to receive service of process until such time as the Board of Directors of the Association is elected.

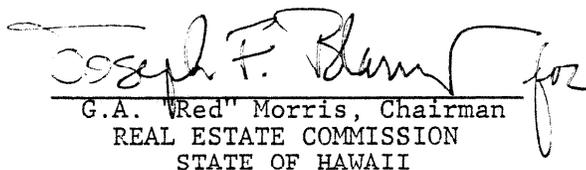
STATUS OF PROJECT: The Developer advises that building construction will commence on or about May 15, 1983, and the estimated date of completion of the project is on or about June 1, 1984.

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 April 25, 1983, and information subsequently filed as of May 15, 1983.

This PRELIMINARY HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1545, filed April 25, 1983.

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.


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. 1545

Dated: May 16, 1983

VALLEY VIEW ESTATES

DISCLOSURE ABSTRACT

1. NAME OF PROJECT: VALLEY VIEW ESTATES
Off Hui Iwa Street
Kahaluu, Hawaii 96744
2. DEVELOPER: KAHALUU PARTNERS, a Hawaii limited
partnership
190 South King Street
1885 Pacific Trade Center
Honolulu, HI 96813, PH: 524-5211
3. MANAGING AGENT: DYNAMIC BUSINESS MANAGEMENT, INC.
94-903 Farrington Highway, Suite 3
Waipahu, HI 96797, PH: 671-6426
4. RESIDENTIAL USE: All 36 apartments are to be used for
residential purposes.
5. COMMERCIAL USE: No apartment may be used for commercial
purposes.
6. WARRANTIES:

The Developer (Seller) makes no Warranties to the Buyer regarding the apartment, the common elements or any appliances. However, the execution, delivery and recordation of the Buyer's Apartment Deed shall constitute the assignment by Seller to Buyer of any and all warranties given the Seller by the general contractor for the project, and by any subcontractors or materialmen, including but not limited to said contractor's guarantee of materials and workmanship against faulty or deficient materials and installation for a period of one (1) year after "substantial completion" of the apartment, as that term is defined in the construction contract for the project, and the benefit of such warranties shall accrue to Buyer on closing without further instruments or documents. Seller agrees to cooperate with Buyer during the effective period of any such warranties in asserting any claims based on such warranties. Buyer shall also have the direct benefit of any manufacturer's or dealer's warranties covering the appliances in the apartment. Buyer acknowledges that Seller has made no other warranties, express or implied, with respect to the property or any common element or anything installed therein.

7. MAINTENANCE FEES: APPROXIMATELY \$30.00 PER MONTH FOR EACH
APARTMENT PER ATTACHED SCHEDULE.

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 any 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.

