



**REAL ESTATE COMMISSION
STATE OF HAWAII**
DEPARTMENT OF COMMERCE AND CONSUMER AFFAIRS
PROFESSIONAL & VOCATIONAL LICENSING DIVISION
1010 Richards Street
P. O. Box 3469
Honolulu, Hawaii 96801

CONDOMINIUM PUBLIC REPORT

on

THE VILLAS AT DIAMOND HEAD POINT
2801-A Coconut Avenue
Honolulu, Hawaii 96816

Registration No. 1646

Issued: February 20, 1987
Expires: October 27, 1987

Report Purpose:

This report is based on information and documents submitted by the developer to the Real Estate Commission as of February 11, 1987 and is issued by the Commission for informational purposes only. It represents neither approval nor disapproval of the project. Buyers are encouraged to read this report carefully.

Type of Report:

- PRELIMINARY:** (yellow) The developer may not as yet have created the condominium but has filed with the Real Estate Commission minimal information sufficient for a Preliminary Public Report. A Final Public Report will be issued when complete information is filed.
- FINAL:** (white) The developer has legally created a condominium and has filed complete information with the Commission.
 - Supersedes all prior public reports
 - Must be read together with _____
- SUPPLEMENTARY:** (pink) Updates information contained in the
 - Prelim. Public Report dated _____
 - Final Public Report dated 12/4/84
 - Supp. Public Report dated _____

And Supersedes all prior public reports
 Must be read together with _____

 - This report reactivates the _____
public report(s) which expired on _____

Disclosure Abstract: Separate Disclosure Abstract on this condominium project:

Required Not Required -- disclosures covered in this report.

Summary of Changes from Earlier Public Reports:

This summary contains a general description of the changes, if any, made by the developer since the last public report was issued. It is not necessarily all inclusive. Prospective buyers should compare this public report with the earlier reports if they wish to know the specific changes that have been made.

1. Change in name and address of the developer, its attorney and the managing agent.
2. Change in name and address of fee owner.
3. Change in encumbrances against title.
4. Standard DROA forms will be used in all sales.

TABLE OF CONTENTS

	page
Report Purpose	1
Type of Report	1
Summary of Changes from Earlier Public Reports	2
Table of Contents	3
General Information on Condominiums	4
Summary of the Condominium Project	5
I. PEOPLE CONNECTED WITH THE PROJECT	6
Developer	
Real Estate Sales Agent	
Escrow Company	
Managing Agent	
Attorney for Developer	
II. CREATION OF THE CONDOMINIUM; CONDOMINIUM DOCUMENTS	
A. Declaration	7
B. Condominium Map (File Plan)	7
C. Bylaws	7
D. House Rules	8
E. Changes to Condominium Documents	8
III. THE CONDOMINIUM PROJECT	
A. Interest to be Conveyed to Buyer	9
B. Underlying Land	10
C. Buildings and Other Improvements	10
D. Common Elements, Limited Common Elements, Common Interest	14
E. Encumbrances Against Title	15
F. Management of the Common Elements	15
G. Maintenance Fees	16
H. Utility Charges	16
I. Construction Warranties	16
J. Status of Construction	17
K. Project Phases	17
L. Sales Documents Filed with the Real Estate Commission	17
IV. ADDITIONAL INFORMATION NOT COVERED ABOVE	18
Buyer's Right to Cancel Sales Contract	19
Signature of Real Estate Commission Chairman	20
EXHIBIT A: Restrictions as to Use	
EXHIBIT B: Permitted Alterations to Apartments	
EXHIBIT C: Description of Common Elements	
EXHIBIT D: Limited Common Elements	
EXHIBIT E: Encumbrances Against Title	
EXHIBIT F: Developer's Projection of Maintenance Fees and Operating Budget	
EXHIBIT G: Summary of the Escrow Agreement	
EXHIBIT H:	
EXHIBIT I:	
EXHIBIT J:	

GENERAL INFORMATION ON CONDOMINIUMS

A condominium is a special form of real property. To create a condominium in Hawaii, the requirements of Hawaii's "Horizontal Property Act" (Chapter 514A, Hawaii Revised Statutes) must be followed.

If you are a typical condominium apartment owner, you will have two kinds of ownership: (1) ownership in your individual apartment; and (2) an undivided interest in the common elements.

Common elements are the areas of the condominium project other than the individual apartments. They are owned jointly by all apartment owners and include the land, either in fee simple or leasehold, and those parts of the building or buildings intended for common use such as foundations, columns, roofs, halls, elevators, and the like. Your undivided interest in the common elements cannot be separated from ownership of your apartment.

In some condominium projects, some common elements are reserved for the exclusive use of the owners of certain apartments. These common elements are called limited common elements and may include parking stalls, patios, lanais, trash chutes, and the like.

You will be entitled to exclusive ownership and possession of your apartment. Condominium apartments may be individually bought, sold, rented, mortgaged, or encumbered, and they may be disposed of by will, gift, or operation of law.

Your apartment will, however, be part of the group of apartments that comprise the condominium project. Study the Declaration, Bylaws, and House Rules. These documents contain important information on the use and occupancy of apartments and the common elements as well as the rules of conduct for owners, tenants, and guests.

Some condominium projects are leasehold. This means that the land or the land, building(s) and other improvements are leased to the buyer. The lease for the land usually requires that at the end of the lease term, the lessees (apartment owner/tenant) deliver their interest in the land to the lessor (fee property owner). The lease also usually requires that the lessees either (1) convey to the lessor the building(s) and other improvements, including any improvements paid for by the lessees; or (2) remove or dispose of the improvements. The leases for individual apartments often require that at the end of the lease term, the lessee deliver to the lessor the apartment, including any improvements placed in the apartment by the lessee.

Operation of the Condominium Project

The Association of Apartment Owners is the entity through which apartment owners may take action with regard to the administration, management, and operation of the condominium project. Each apartment owner is automatically a member of the Association.

The Board of Directors is the governing body of the Association. Unless you serve as a board member or an officer, or are on a committee appointed by the board, your participation in the administration and operation of the condominium project will in most cases be limited to your right to vote as an apartment owner. The Board of Directors and officers can take certain actions without a vote of the owners. Some of these actions may significantly impact the quality of life for all apartment owners.

Until there is a sufficient number of purchasers of apartments to elect a majority of the Board of Directors, it is likely that the developer will effectively control the affairs of the Association. It is frequently necessary for the developer to do so during the early stages of development and the developer may reserve certain special rights to do so in the Declaration and Bylaws. Prospective buyers should understand that it is vitally important to all apartment owners that the transition from developer to owner control be accomplished in an orderly manner and in a spirit of cooperation.

SUMMARY OF THE CONDOMINIUM PROJECT

(cite to appropriate pages
in text of report)

Interest to be Conveyed to Buyer:

A fee-simple interest in an apartment and an undivided interest in the Project's common elements.

Type of Project:

- 1. New Building(s) Conversion
 Both New Building(s) and Conversion
- 2. Residential Commercial
 Mixed Residential and Commercial
 Other _____
- 3. High Rise (5 stories or more) Low Rise
- 4. Single or Multiple Buildings
- 5. Apartment Description

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
A	1	3/3	3,600 sq. ft.	155 sq. ft.
G**	1	N/A	440 sq. ft.	N/A
A-1	1	3/3	2,600 sq. ft. plus 400 sq. ft.	150 sq. ft. garage
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

Total Apartments: 3

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

**Apt. G is restricted to garage uses and must always be conveyed with Apt. A. Other documents and maps may give floor area figures which differ from those above because a different method of determining the floor area may have been used.

6. Parking:

	<u>Number of Stalls</u>
Assigned Stalls (Individual Units)	<u>0</u>
Guest Stalls	<u>0</u>
Unassigned Stalls	<u>0</u>
Extra Stalls Available for Purchase	<u>0</u>
Other: <u>two garages for two cars each</u>	<u>4</u>
Total Parking Stalls	<u>4</u>

7. Recreational amenities: None.

I. PEOPLE CONNECTED WITH THE PROJECT

Developer: Punaluu Properties, Inc. Phone: 732-2543
Name (Business)
2954-A Hibiscus Drive
Business Address
Honolulu, Hawaii 96815

Names of officers or general partners of developers who are corporations or partnerships:
Rex W. Sorensen, President

Real Estate Sales Agent: Sand Sea Realty, Inc. Phone: 524-6900
Name (Business)
1314 South King Street, Ste. 1060
Business Address
Honolulu, Hawaii 96814

Escrow: Title Guaranty Escrow Services, Inc. Phone: 521-0211
Name (Business)
235 Queen Street, First Floor
Business Address
Honolulu, Hawaii 96813

Managing Agent: Self-managed Phone: _____
Name (Business)
Business Address

Attorney for Developer: James A. Stubenberg
Name
1188 Bishop Street, Ste. 2108
Business Address
Honolulu, Hawaii 96813

**II. CREATION OF THE CONDOMINIUM;
CONDOMINIUM DOCUMENTS**

A condominium is created by recording in the Bureau of Conveyances and/or filing with the Land Court a Declaration of Horizontal Property Regime, a Condominium Map (File Plan), and the Bylaws of the Association of Apartment Owners.

- A. Declaration of Horizontal Property Regime contains a description of the land, buildings, apartments, common elements, limited common elements, common interests, and other information relating to the condominium project.

The Declaration for this condominium is:

Proposed
 Recorded – Bureau of Conveyances – Book 18187 Page 492
 Filed – Land Court – Document Number 1251107

Amendment date(s) and recording/filing information:

- B. Condominium Map (File Plan) shows the floor plan, elevation and layout of the condominium project. It also shows the floor plan, location, apartment number, and dimensions of each apartment.

The Condominium Map for this condominium project is:

Proposed
 Recorded – Bureau of Conveyance Condo Map No. 924
 Filed – Land Court Condo Map No. 526

Amendment date(s) and recording/filing information:

- C. Bylaws of the Association of Apartment Owners govern the operation of the condominium project. They provide for the manner in which the Board of Directors of the Association of Apartment Owners is elected, the powers and duties of the Board, the way in which meetings will be conducted, and other matters which affect how the condominium project will be governed.

The Bylaws for this condominium are:

Proposed
 Recorded – Bureau of Conveyances – Book 18187 Page 509
 Filed – Land Court – Document Number 1261108

Amendment date(s) and recording/filing information:

D. **House Rules.** The Board of Directors may adopt house rules to govern the use and operation of the common elements and individual apartments. House rules may cover matters such as parking regulations, hours of operation for common facilities such as recreation areas, use of lanais, keeping of pets, and occupancy limits. These rules must be followed by owners, tenants, and guests. They do not need to be recorded or filed to be effective. The initial house rules are usually adopted by the developer.

The House Rules for this condominium are:

Proposed Adopted

Developer does not plan to adopt house rules.

E. **Changes to Condominium Documents**

Changes to the Declaration, Condominium Map, and Bylaws are effective only if they are duly adopted and recorded and/or filed. Changes to House Rules do not need to be recorded or filed to be effective.

1. **Apartment Owners:** Minimum percentage of apartment owners who must vote for or give written consent to changes:

	<u>Minimum Set by Law</u>	<u>This Condominium</u>
Declaration (and Condo Map)	75%	<u>75%</u>
Bylaws	65%	<u>65%</u>
House Rules	-	<u>Board of Directors</u>

The percentages for individual condominium projects may be more than the minimum set by law.

2. **Developer:** The developer has reserved the following rights to change the Declaration, Condominium Map, Bylaws, or House Rules:

Developer has reserved the right to unilaterally change the percentage of common interest listed in the Declaration until the time affected units are sold.

The Condominium Statute (Chapter 514A, HRS), the Declaration, Bylaws, and House Rules control the rights and obligations of the apartment owners with respect to the common elements, to each other, and to their respective apartments. The provisions of these documents are intended to be, and in most cases are, enforceable in a court of law.

B. Underlying Land:

Address: 2801-A Coconut Avenue Tax Map Key: 3-1-33-66
Honolulu, Hawaii 96815 (TMK) First Division

Address TMK is expected to change because _____

Land Area: 7,404 square feet acre(s) Zoning: R-6
together with parcels claimed under the law of accretion containing
1,709 sq. ft.

Fee Owner: *City Bank, a Hawaii corporation
name
P. O. Box 3709
address
Honolulu, Hawaii 96811

Sublessor: _____
name

address

*See page 18.

C. Buildings and Other Improvements:

1. New Building(s) Conversion of Existing Building(s)
 Both New Building(s) and Conversion

2. Buildings: one Floors Per Building: two

Exhibit _____ contains further explanations.

3. Principal Construction Material:

Concrete Hollow Tile Wood

Other steel, masonry, stucco, glass and aluminum

4. Permitted Uses:

	<u>No. of Apts.</u>		<u>No. of Apts.</u>
<input type="checkbox"/> Commercial	_____	<input type="checkbox"/> Industrial	_____
<input checked="" type="checkbox"/> Residential	<u>3</u>	<input type="checkbox"/> Agricultural	_____
<input type="checkbox"/> Timeshare/Hotel	_____	<input type="checkbox"/> Recreational	_____
<input type="checkbox"/> Other: _____			_____

5. Special Use Restrictions:

The Declaration, Bylaws, and House Rules may contain restrictions on the use and occupancy of apartments. Restrictions for this condominium project include but are not limited to:

[] Pets: _____

[] Number of Occupants: _____

[X] Other: See Exhibit "A"

[] There are no special use restrictions.

6. Interior (fill in appropriate numbers):

Total Apartments 3

Elevators None Stairways _____ Trash Chutes None

Apt. Type	Qty	BR/Bath	Net Living Area*	Lanai/Patio
<u>A</u>	<u>1</u>	<u>3/3</u>	<u>3,600 sq. ft.</u>	<u>155 sq. ft.</u>
<u>G</u>	<u>1</u>	<u>N/A</u>	<u>440 sq. ft.</u>	<u>N/A</u>
<u>A-1</u>	<u>1</u>	<u>3/3</u>	<u>2,600 sq. ft.</u>	<u>150 st. ft.</u>
_____	_____	_____	<u>plus 400 sq. ft. garage</u>	_____
_____	_____	_____	_____	_____
_____	_____	_____	_____	_____

*Net Living Area is the floor area of the apartment measured from the interior surface of the apartment perimeter walls.

Other documents and maps may give floor area figures which differ from those above because a different method of determining floor area may have been used.

Boundaries of Each Apartment:

Each apartment shall be deemed to include spaces enclosed by and within the outside surfaces of the exterior walls and roof, and the bottom surface of the slabs, footings and foundations of each of the three (3) apartments of the Project.

Permitted Alterations to Apartments: See Exhibit "B".

7. Parking Stalls:

Total Parking Stalls: 4

	<u>Regular</u>		<u>Compact</u>		<u>Tandem</u>		<u>TOTAL</u>
	covered	open	covered	open	covered	open	
Assigned (for individual units)	_____	_____	_____	_____	_____	_____	_____
Guest Unassigned	_____	_____	_____	_____	_____	_____	_____
Extra Available for Purchase	_____	_____	_____	_____	_____	_____	_____
Other(2 car garage)	_____	_____	_____	_____	_____	_____	_____
Total Covered & Open	<u>4</u>	_____	_____	_____	_____	_____	_____

Each apartment will have the exclusive use of at least 2 parking stall(s).
Buyers are encouraged to find out which stall(s) will be available for their use.

- Commercial parking garage permitted in condominium project.
- Exhibit _____ contains additional information on parking stalls for this condominium project.

8. Recreational and Other Common Facilities:

- There are no recreational or common facilities.
- Swimming pool
- Recreation Area
- Tennis Court
- Other: _____
- Storage Area
- Laundry Area
- Trash Chute

9. Present Condition of Improvements

(For conversions of residential apartments in existence for five years):

a. Condition and Expected Useful Life of Structural Components, Mechanical, and Electrical Installations

N/A

b. Compliance with Building Code and Municipal Regulations; Cost to Cure Violations

N/A

10. Conformance to Present Zoning Code

a. No variances to zoning code have been granted.

Variance(s) to zoning code was/~~was~~ granted as follows:

Waiver of the side yard setback requirement of the Comprehensive Zoning Code by six inches. A copy of the approval has been submitted to the Commission and is available for inspection.

b. Conforming/Non-Conforming Uses, Structures, Lot

In general, a non-conforming use, structure, or lot is a use, structure, or lot which was lawful at one time but which does not now conform to present zoning requirements.

N/A.	<u>Conforming</u>	<u>Non-Conforming</u>	<u>Illegal</u>
Uses	_____	_____	_____
Structures	_____	_____	_____
Lot	_____	_____	_____

If a variance has been granted or if uses, improvements, or lot are either non-conforming or illegal, buyer should consult with county zoning authorities as to possible limitations which may apply.

Limitations may include restrictions on extending, enlarging, or continuing the non-conformity, and restrictions on altering and repairing structures. In some cases, a non-conforming structure that is destroyed or damaged cannot be reconstructed.

The buyer may not be able to obtain financing or insurance if the condominium project has a non-conforming or illegal use, structure, or lot.

D. Common Elements, Limited Common Elements, Common Interest:

1. Common Elements: Common Elements are those parts of the condominium project intended to be used by all apartment owners. They are owned jointly by all apartment owners.

Exhibit "C" describes the common elements.

2. Limited Common Elements: Limited Common Elements are those common elements which are reserved for the exclusive use of the owners of certain apartments.

There are no limited common elements in this project.

The limited common elements and the apartments which may use them are:

described in Exhibit "D"

as follows:

3. Common Interest: Each apartment will have an undivided fractional interest in all of the common elements. This interest is called the "common interest." It is often used to determine each apartment's share of the maintenance fees and other common profits and expenses of the condominium. It may also be used for other purposes, including voting on matters requiring action by apartment owners.

Exhibit _____ describes the common interests for each apartment.

as follows:

<u>Apartment Number</u>	<u>Percentage</u>
A	51.43%
A-1	42.86%
G	5.71%

E. **Encumbrances Against Title:** An encumbrance is a claim against or a liability on the property.

Exhibit "E" describes the encumbrances against the title contained in the title report dated January 14, 1987.

Blanket Liens:

A blanket lien is a mortgage on a condominium project that secures a construction loan. It is usually released on an apartment-by-apartment basis upon payment of specified sums so that individual apartments can be conveyed to buyers free and clear of the lien.

- There are no blanket liens affecting title to the individual apartments.
- There are blanket liens which may affect title to the individual apartments.

Blanket liens (except for improvement district or utility assessments) must be released before the developer conveys the apartment to a buyer. Buyer's interest will be affected only if the developer defaults prior to conveying the apartment to buyer.

<u>Type of Lien</u>	<u>Effect on Buyer's Interest If Developer Defaults</u>
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F. **Management of the Common Elements:** The Association of Apartment Owners is responsible for the management of the common elements and the overall operation of the condominium project. The Association may be permitted, and in some cases may be required, to employ or retain a managing agent to assist the Association in managing the condominium project.

Initial Managing Agent: When the developer or the developer's affiliate is the initial managing agent, the management contract must have a term of one year or less and the parties must be able to terminate the contract on notice of 60 days or less.

The initial managing agent for this condominium is:

- not affiliated with the Developer.
- the Developer or the Developer's affiliate.
- other Self-managed

G. Estimate of Initial Maintenance Fees:

The Association will make assessments against your apartment to provide funds for the operation and maintenance of the condominium project. If you are delinquent in paying the assessments, your apartment may be liened and sold through a foreclosure proceeding.

Initial maintenance fees are difficult to estimate and tend to increase as the condominium ages. Maintenance fees may vary depending on the services provided to each apartment.

Exhibit "F" contains a schedule of maintenance fees and maintenance fee disbursements.

H. Utility Charges for Apartments:

Each apartment will be billed separately for utilities except for the following checked utilities which are included in the maintenance fees:

- | | |
|--------------------------------------|---|
| <input type="checkbox"/> Electricity | <input type="checkbox"/> Television Cable |
| <input type="checkbox"/> Gas | <input type="checkbox"/> Water & Sewer |
| <input type="checkbox"/> Other _____ | |

I. Construction Warranties:

Warranties for individual apartments and the common elements, including the beginning and ending dates for each warranty, are as follows:

1. Building and Other Improvements:

The execution, delivery and recordation of the Apartment Deed shall constitute the assignment by Developer to Buyer of any and all warranties given Developer 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.

2. Appliances:

Buyer shall also have the direct benefit of any manufacturer's of dealer's warranties covering the appliances in the Apartment.

Developer has made no other warranties.

J. Status of Construction and Estimated Completion Date:

Project was completed in 1984.

K. Project Phases:

The developer [] has [X] has not reserved the right to add to, merge, or phase this condominium.

Summary of Developer's Present Plans for Future Development:

L. Sales Documents Filed with the Real Estate Commission:

Sales documents on file with the Real Estate Commission include but are not limited to:

[] Notice to Owner Occupants

[X] Specimen Sales Contract However, a standard DROA form will be used by the Developer in all sales.

~~Exhibit XXXXXXXXXXXXXXX contains a summary of the pertinent provisions of the sales contract.~~

[X] Escrow Agreement dated February 11, 1987 with Title Guaranty.

Exhibit "G" contains a summary of the pertinent provisions of the escrow agreement.

[] Other _____

IV. ADDITIONAL INFORMATION NOT COVERED ABOVE

On Nov.11, 1986, 3002 Corporation entered into a Sales Contract with City Bank to purchase the property in fee. On Feb. 11, 1987, 3002 Corporation assigned said Sale Contract to Punaluu Properties, Inc. The President of both assignor and assignee corporations is Rex Sorensen. Copies of said Sales Contract and Assignment of Contract have been submitted to the Commission and are available for inspection.

Buyer's Right to Cancel Sales Contract:

A. Rights Under the Condominium Statute:

Preliminary Report: Sales made by the Developer are not binding. A prospective buyer who cancels the sales contract is entitled to a refund of all moneys paid, less any escrow cancellation fee up to \$250.00.

Supplementary Report to a Preliminary Report: Same as for Preliminary Report.

Final Report, Supplementary Report to a Final Report: Sales made by the Developer are binding if:

1. The Developer delivers to the buyer a copy of:
 - a. Either the Final Public Report OR the Supplementary Public Report which has superseded the Final Public Report;
AND
 - b. Any other public report issued by the Commission prior to the date of delivery, if the report was not previously delivered to the buyer and if the report has not been superseded;
2. The buyer is given an opportunity to read the report(s); and
3. One of the following has occurred:
 - a. The buyer has signed a receipt for the report(s) and waived the right to cancel; or
 - b. Thirty (30) days have passed from the time the report(s) were delivered to the buyer; or
 - c. The apartment is conveyed to the buyer within 30 days from the date the report(s) were delivered to the buyer.

Material Change: Binding contracts with the Developer may be rescinded by the buyer if:

1. There is a material change in the condominium which directly, substantially, and adversely affects (a) the use or value of the buyer's apartment or its limited common elements; or (b) the amenities available for buyer's use; and
2. The buyer has not waived the right to rescind.

If the buyer rescinds a binding sales contract because there has been a material change, the buyer is entitled to a full and prompt refund of any moneys the buyer paid.

B. Rights Under the Sales Contract:

Before signing the sales contract, prospective buyers should ask to see and carefully review all documents relating to the condominium. These include but are not limited to the:

1. Condominium Public Reports issued by the Hawaii Real Estate Commission.
2. Declaration of Horizontal Property Regime and Condominium Map.
3. Bylaws of the Association of Apartment Owners.
4. House Rules.
5. Escrow Agreement.
6. Hawaii's Condominium Law (Chapter 514A, HRS, as amended; Hawaii Administrative Rules, Chapter 16-107, adopted by the Real Estate Commission).
7. Other _____

If these documents are not in final form, the buyer should ask to see the most recent draft.

Copies of the condominium and sales documents and amendments made by the developer are available for review through the developer and are on file at the Department of Commerce and Consumer Affairs. Reprints of Hawaii's Condominium Law (Chapter 514A, HRS and Hawaii Administrative Rules Chapter 16-107) are available at the Department of Commerce and Consumer Affairs.

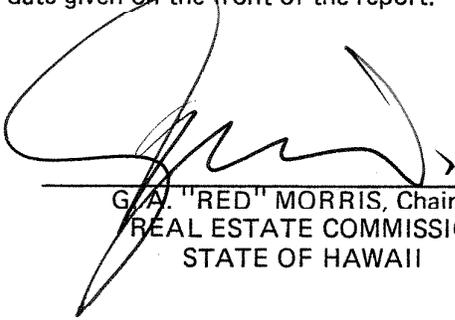
This Public Report is a part of Registration No. 1646 filed with the Real Estate Commission on November 13, 1984.

Reproduction of Report. When reproduced, this report must be on:

yellow paper stock white paper stock pink paper stock

Expiration Date of Reports. Preliminary Public Reports and Final Public Reports automatically expire thirteen (13) months from the date of issuance unless a Supplementary Public Report is issued or unless the Commission issues an order extending the effective period for the report.

Supplementary Public Reports expire on the expiration date given on the front of the report.



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

Distribution:

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

EXHIBIT "A"

Restrictions As To Use

1. The common interest and easements appurtenant to each apartment shall have a permanent character, shall not be altered without the consent of all owners of apartments affected thereby as expressed in an amendment to this Declaration duly recorded, shall not be separated from such apartment and shall be deemed to be conveyed or encumbered with such apartment even though not expressly mentioned or described in the conveyance or other instrument.

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

3. The apartments shall be occupied and used only as private dwellings by the respective owners thereof, their tenants, families, domestic servants and social guests, and for no other purpose; except that Apartment No. G shall be used only as a garage appurtenant to Apartment No. A. No time-sharing activities of any type or form shall be permitted. The owners of the respective apartments shall have the absolute right to lease such apartments subject to all provisions of this Declaration or the By-Laws of the Association of Apartment Owners; provided, however, that such leasing shall not be on a transient rental basis, but shall be for period of not less than one month.

4. Administration of the Project shall be vested in its Association of Apartment Owners, herein called the "Association," consisting of all apartment owners of the Project in accordance with the By-Laws of the Association. The owner of each apartment upon acquiring title thereto automatically shall become a member of the Association and shall remain a member thereof until such time as such apartment owner's ownership of such apartment ceases for any reason, at which time such apartment owner's membership in the Association automatically shall cease.

5. The House Rules submitted indicate certain restrictions and/or approvals required regarding use of lanais; barbecuing; awnings, shades and blinds; the keeping of pets; and changes in landscaping, among others. A careful examination of the House Rules is suggested.

EXHIBIT "B"

Permitted Alterations To Apartments

Notwithstanding anything in the Declaration to the contrary, any apartment owner desiring to do so is authorized to install upon the common elements and/or limited common elements located on such apartment owner's side of the building or appurtenant limited common element, the following:

(1) Interior finishing improvements and a covered lanai in size, shape, materials and design appropriate for the existing improvements, the architectural and structural plans for which shall be approved in advance and in writing by Dennis Kimura, A.I.A., or such other architect hereafter specified by the Association;

(2) Solar heating panels upon the roof; and/or

(3) Air conditioning units,

provided, however, that such apartment owner shall be fully responsible for the prior securing of all proper building permits, zoning variances, and for the compliance with all applicable laws, ordinances, rules, regulations and legislative pronouncements; and provide, further, that such apartment owner shall comply in full the bonding and other requirements provided in paragraph 10g of the Declaration.

Such improvements and/or fixtures shall be automatically designated as common elements and shall then be designated also as limited common elements appurtenant to the apartment of the installing apartment owner.

EXHIBIT "C"

Description Of Common Elements

Common Elements. One freehold estate is hereby designated in all remaining portions of the Project, being described and referred to herein as "Common Elements," including specifically, but not limited to:

1. Said land in fee simple.
2. All foundations, columns, girders, beams, supports, main walls, roofs, entrances and exits of said building.
3. All driveways, vehicular turnaround areas, refuse facilities, mailboxes, yards, gardens, walkways and open areas.
4. All central and appurtenant installations for common services including, power, sewer, gas, light, water, cable television and telephone.
5. All apparatus and installations existing for common use.

EXHIBIT "D"

Limited Common Elements

Certain parts of the common elements, called the limited common elements, are designated and set aside for the exclusive use of certain apartments, and such apartments shall have appurtenant thereto exclusive easements for the use of such limited common elements as follows:

1. Apartment No. A. The following limited common elements are appurtenant to and for the exclusive use of Apartment No. A:

(a) The mechanical and electrical systems within said Apartment No. A or on the roof of Apartment No. A.

(b) All ventilation shafts and equipment serving Apartment No. A.

(c) All electrical wiring with appurtenant ducts and related equipment located within Apartment No. A.

(d) The east sideyard, east rear yard, east refuse holding area, east walkways, entry landing, front tiled walkway and landscaping situated directly adjacent to Apartment No. A which is colored red on the Condominium Map.

(e) Mailbox No. A.

2. Apartment No. G. The following limited common elements are appurtenant to and for the exclusive use of Apartment No. G:

(a) The mechanical and electrical systems within said Apartment No. G.

(b) All ventilation shafts and equipment serving Apartment No. G.

(c) All electrical wiring with appurtenant ducts and related equipment located within Apartment No. G.

3. Apartment No. A-1. The following limited common elements are appurtenant to and for the exclusive use of Apartment No. A-1:

(a) The mechanical and electrical systems within said apartment or on the roof for Apartment No. A-1.

(b) All ventilating shafts and equipment serving the apartment herein mentioned.

(c) All electrical wiring with appurtenant ducts and related equipment located within Apartment No. A-1.

(d) The west sideyard, west rear yard, west refuse holding area, west walkways, entry landing, front tiled walkway and landscaping situated directly adjacent to Apartment No. A-1 which is colored yellow on the Condominium Map.

(e) Mailbox No. A-1.

All load-bearing walls exclusively within the perimeter walls of any apartment the entirety of perimeter nonparty walls, and the interior one half of all perimeter party walls of apartments (including the interior half of any hollow spaces in said perimeter party walls for mechanical or electrical systems) whether load bearing or non-load bearing, are limited common elements appurtenant to the apartments in which they are located; provided, however, that the interior painted or decorated surface of each such wall shall not be included in the limited common elements.

Unless otherwise specified, all costs of every kind pertaining to each limited common element including, but not limited to, cost of security, maintenance, repair, replacement, additions and improvements, shall be borne entirely by the apartment to which it is appurtenant. If any costs are charged to more than one apartment, each such apartment shall bear a portion of the cost equal to the ratio which its common interest bears to the total common interest of all apartments responsible for said cost, unless otherwise specified.

EXHIBIT "E"

Encumbrances Against Title

1. Location of the seaward boundary in accordance with the laws of the State of Hawaii and shoreline setback line in accordance with County regulation and/or ordinance and its effect, if any, upon the area of the land described herein.
2. Covenants in Agreement dated November 19, 1957, filed as Land Court Document No. 220718, recorded in Liber 3471 at Page 94.
3. As to Parcels Second and Third:

The confirmation of title in the Land Court of the State of Hawaii covering the accretion.
4. Agreement for Issuance of Special Use Permit Under Section 21.271, Revised Ordinances of Honolulu, 1978, As Amended, dated June 28, 1983, filed as Document No. 1181263, recorded in Liber 17194 at Page 556; re: zoning relating to joint development of Lot 21 (Lot A) and Parcel 67 (Lot B).
5. The restrictions on use and other restrictions and all other of the covenants, agreements, obligations, conditions, reservations, easements and other provisions set forth in Declaration of Horizontal Property Regime effective as of September 25, 1984, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1261107, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18187 at Page 492, as the same may hereafter be amended in accordance with law or with said Declaration. (Project covered by Condominium Maps Nos. 526 and 924).

NOTE: The above Declaration of Horizontal Property Regime fails to include that certain 12-foot easement for driveway, sanitary sewer and water line purposes over Lot 63 of Diamond Head Terrace, as shown on File Plan Number 214 and, as to Parcels Second and Third, incorrectly refers to Land Court Application No. 729; the correct Application Number being 739.

6. By-Laws of the Association of Apartment Owners of the condominium project known as "THE VILLAS AT DIAMOND HEAD POINT" dated September 25, 1984, filed in the Office of the Assistant Registrar of the Land Court of the State of Hawaii as Land Court Document No. 1261108, recorded in the Bureau of Conveyances of the State of Hawaii in Liber 18187 at Page 509, as the same may hereafter be amended.
7. Real property taxes as may be due and owing. For further information, check with the county tax assessor.

EXHIBIT "F"

Developer's Projection of Maintenance Fees
and Operating Budget for
The Villas At Diamond Head Point

Maintenance Fees:

<u>Apartment</u>	<u>Monthly Fee</u>	<u>Yearly Total</u>
A	\$ 218.58	\$ 2,622.95
A-1	182.15	2,185.80
G	<u>24.27</u>	<u>291.25</u>
TOTAL:	\$ 425.00	\$ 5,100.00

Maintenance Fee Disbursements:

	<u>Monthly</u>	<u>Yearly Total</u>
Yard Service	\$ 150.00	\$ 1,800.00
Insurance:		
Fire	125.00	1,500.00
Liability	12.00	144.00
Flood	23.00	276.00
Reserves	<u>115.00</u>	<u>1,380.00</u>
TOTAL:	\$ 425.00	\$ 5,100.00

The undersigned certifies that the above schedule of annual maintenance fees and monthly costs is based on generally accepted accounting principles.

PUNALUU PROPERTIES, INC.

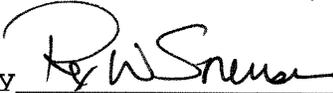
By 
Rex W. Sorensen
Its President
Date: 2/13/87

EXHIBIT "G"

SUMMARY OF ESCROW AGREEMENT

1. All monies payable by Purchasers under Sales Contracts shall be made to the Escrow Agent.

2. Purchasers' funds will be deposited by Escrow into federally-insured accounts. All interest earned on such deposits will belong to the Developer.

3. Purchaser's funds placed in the hands of the Escrow Agent can be used to pay for construction work performed on the Project according to the value of the work completed as verified by an architect or engineer and Developer's lender or some other financially disinterested person, and for architectural, engineering, financial and legal fees of the Project. However, a Purchaser's funds cannot be used until and unless Purchasers' Sales Contract has become fully effective and binding so that Purchaser and Developer are committed to the sale. Construction costs can only be paid if Escrow is satisfied that all mechanics' and materialmen's liens on the Project will be cleared or that a reserve is set aside in sufficient amount to cover any disputed lien.

4. Escrow will conduct the closing of each Purchaser's Sales Contract by arranging and supervising the execution of all documents related to the Project, recording all applicable real property documents, and doing all other acts required to close sales.

5. Purchasers will be entitled to a refund of their monies if any one of the following events has occurred:

- (a) Developer directs Escrow to make the refund;
- (b) Developer exercises any cancellation right available under the Sales Contract;
- (c) Purchaser is entitled to a refund under any provision of the Horizontal Property Act; or
- (d) Purchaser exercises any right of cancellation available under the Sales Contract.

Upon cancellation of any sale, Escrow has a right to receive a cancellation fee commensurate with the work Escrow has

performed, but in any event not less than Twenty Five Dollars (\$25.00) nor more than the escrow fee that would have been paid at closing.

6. If Developer terminates the Sales Contract due to a default on the part of Purchaser, Developer will so notify Escrow. Escrow will notify the Purchaser that the Sales Contract was cancelled because of default by certified or registered mail. If Escrow does not hear from Purchaser before the due date thereof or if the Purchaser fails to perform in any matter which is being handled by Escrow, Escrow will deduct its cancellation fee from Buyer's monies and treat the remainder as Seller's property.

7. Escrow's fee is \$1,800.00 on each apartment sold, plus general excise tax.