

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
THE VILLAGES AT WAIPIO
PHASE II
Waipio Uka Street, Waipio, Oahu, Hawaii

Registration No. 1713

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: May 9, 1986
EXPIRES: June 9, 1987

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 or prospective purchaser is particularly directed to the following:

THIS REPORT REFLECTS INFORMATION DISCLOSED IN THE REQUIRED NOTICE OF INTENTION SUBMITTED OCTOBER 29, 1985, AND INFORMATION SUBSEQUENTLY FILED AS OF APRIL 30, 1986. THE DEVELOPER, BY 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 Commissions' Preliminary Report of November 19, 1985 on THE VILLAGES AT WAIPIO PHASE II, Registration No. 1713, the Developer reports that certain changes have been made in the Project.
2. The Developer has submitted to the Commission for examination all documents deemed necessary for the registration of the condominium project and the issuance of this Final Public Report.

The attached breakdown of estimated maintenance fees does not include the buyer's obligation for the payment of real property taxes or maintenance fees to the Gentry-Waipio Community Area Association. Estimates of real property taxes and such maintenance fees will be provided upon request.

3. Warranties: The Developer is giving you the EXPRESS LIMITED WARRANTY attached hereto as Exhibit "2" and that warranty only. Defects in any appliance or other consumer products installed or located on your Apartment or the Common Elements are not included in that warranty. THAT LIMITED EXPRESS WARRANTY IS GIVEN TO YOU INSTEAD OF ANY OTHER WARRANTY OF ANY KIND, EXPRESS OR IMPLIED. YOU DO NOT HAVE: (A) ANY OTHER WRITTEN WARRANTIES; OR (B) ANY WARRANTIES THAT THE LAW MIGHT OTHERWISE GIVE TO YOU, EXCEPT AS PROHIBITED BY EXPRESS PROVISION OF LAW. THE DEVELOPER IS NOT THE MANUFACTURER OR MANUFACTURER'S AGENT FOR ANY OF THE APPLIANCES, FURNISHINGS AND OTHER CONSUMERS PRODUCTS INSTALLED OR LOCATED IN YOUR APARTMENT OR THE COMMON ELEMENTS.

THEREFORE, YOU UNDERSTAND AND AGREE THAT, EXCEPT FOR THE EXPRESS LIMITED WARRANTY REFERRED TO ABOVE, THE DEVELOPER IS NOT GIVING YOU ANY WARRANTIES, EXPRESSED OR IMPLIED, ON YOUR APARTMENT, THE CONDOMINIUM, OR ANYTHING INSTALLED IN THEM. FOR SOME EXAMPLES, YOU DO NOT HAVE ANY WARRANTIES OF MERCHANTABILITY; OR FITNESS FOR A PARTICULAR PURPOSE; OR HABITABILITY; OR WORKMANLIKE CONSTRUCTION; OR SUFFICIENCY OF DESIGN; OR ANY OTHER WARRANTY.

Among other things, this also means that you cannot complain against the Developer or force the Developer to fix any other defects. It makes no difference what caused any other defect or when it was discovered. The Developer does not have to fix it or pay for it to be fixed.

YOU ALSO GIVE UP (IN LEGAL TERMS - RELEASE AND DISCHARGE) ALL CLAIMS AGAINST THE DEVELOPER OVER ANY DEFECTS. THIS INCLUDES ALL CLAIMS OF NEGLIGENCE. YOU ALSO AGREE THAT THE DEVELOPER HAS NO LIABILITY FOR ANY INJURY OR DAMAGE TO PEOPLE OR THINGS WHICH MIGHT BE CAUSED BY ANY DEFECT. YOU ALSO RELEASE AND DISCHARGE THE DEVELOPER FROM THIS KIND OF LIABILITY.

4. Residential Use: According to the Condominium Declaration, all of the 64 apartments may be used by apartment purchasers for residential purposes, but not as a tenement or rooming house or for any commercial purpose and not for rent for any period less than 30 days or where renters are given customary hotel services. Timesharing is prohibited.

You are referred to the Condominium Declaration, By-Laws, Rules and Regulations and your Sales Contract and form of Apartment Deed as to further use restrictions. For your convenience, however, Article V of the By-Laws which contains certain use restrictions, is attached hereto as Exhibit "3". You are also advised that the Rules and Regulations state that: (a) only common household pets may be kept in any part of the Condominium, but if these pets become a nuisance, they must be removed, and Apartment Owners are responsible for picking up the fecal matter of all their pets; and (b) water beds are not permitted, except upon approval by the Board of Directors and written evidence of adequate liability insurance coverage.

5. Commercial Use: There will be no commercial use permitted by apartment purchasers within the project.

amounts due under another mortgage (filed as Land Court Document No. 1346725 and affecting Phase I, not this Phase II) were further secured by the Development Mortgage and were charged against all of the Property covered by the Development Mortgage.

b. By the filing as Land Court Document No. 1356098 of a Phase II Additional Charge and Additional Security Mortgage (undated) from the Developer to First Hawaiian Bank, amounts due under the Phase II Mortgage were further secured by the Development Mortgage and were charged against all of the Property covered by the Development Mortgage.

NOTE: As disclosed in the Preliminary Report, the Phase II and the Development Mortgages are and will remain superior to the interests of all buyers under sales contracts held in escrow pending closing but must be released prior to closing and transfer of an apartment to purchaser.

3. A Declaration for Joint Use dated February 5, 1986 has been filed as Land Court Document No. 1353942. (Note: This is the Declaration for Joint Use which the Preliminary Report disclosed would be an encumbrance on title. It reflects changes from the proposed Declaration for Joint Use submitted by the Developer with the Notice of Intention.)

4. The Declaration of Horizontal Property Regime: The Villages at Waipio Phase II dated January 17, 1986 has been filed as Land Court Document No. 1363610.

5. The By-Laws of the Association of Apartment Owners of The Villages at Waipio Phase II dated January 17, 1986 has been filed as Land Court Document No. 1363611.

6. Condominium Map has also been filed as Condominium File Plan No. 587.

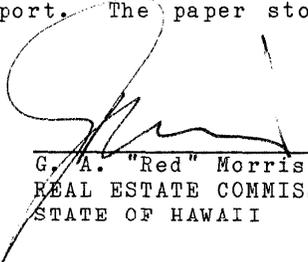
MANAGEMENT AND OPERATION OF THE CONDOMINIUM: Acting on behalf of the Association, the Developer has adopted the House Rules and has executed a Property Management Contract dated February 25, 1986 with Chaney Brooks & Company. This Contract appoints Chaney Brooks & Company as the managing agent for the Project.

STATUS OF PROJECT: Building permits for the construction of the Buildings have been issued. The contractor for the building work is Hawaiian Dredging & Construction Company. The contractor for the civil work is Oahu Construction Company. Such construction has commenced and is scheduled to be substantially completed on or about August 31, 1986, subject to extensions for certain unforeseen causes outside of the control of the contractor.

The buyer or prospective buyer should be cognizant of the fact that this published report represents information disclosed by the Developer in the required Notice of Intention submitted on October 29, 1985, and additional information subsequently filed as of April 30, 1986.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1713 filed with the Commission on October 29, 1985.

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



G. A. "Red" Morris, Chairman
REAL ESTATE COMMISSION
STATE OF HAWAII

Distribution:

DEPARTMENT OF FINANCE, CITY AND COUNTY OF HONOLULU
LAND COURT
PLANNING DEPARTMENT, CITY AND COUNTY OF HONOLULU
FEDERAL HOUSING ADMINISTRATION
ESCROW AGENT

Registration No. 1713

May 9, 1986