

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 HEIGHTS AT WAILUNA, INCREMENT 2
Mauka End of Kaahumanu Street
Waiiau, Ewa, Oahu

REGISTRATION NO. 1719

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 25, 1986

Expires: March 25, 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 NOVEMBER 19, 1985, AND ADDITIONAL INFORMATION SUBSEQUENTLY FILED WITH THE COMMISSION AS OF FEBRUARY 12, 1986. THE DEVELOPER, BY NOTIFYING THE COMMISSION OF ITS INTENTION TO SELL, IS COMPLYING WITH THE REQUIREMENTS OF THE HORIZONTAL PROPERTY REGIMES ACT SET FORTH IN CHAPTER 514A, HAWAII REVISED STATUTES, AS AMENDED.

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02/18/86

1. Since the issuance of the Commission's Preliminary Public Report on THE HEIGHTS AT WAILUNA, INCREMENT 2, Registration No. 1719, on December 12, 1985, the Developer has prepared and forwarded additional information that is deemed material.

2. This Final Report is made a part of the registration on THE HEIGHTS AT WAILUNA, INCREMENT 2 condominium project. The Developer is held responsible for placing this Final Report (white paper stock), the Preliminary Public Report (yellow paper stock), and the attached Disclosure Abstract in the hands of all purchasers and prospective purchasers and securing a signed Receipt therefor.

3. Advertising and promotional matter has already been submitted to the Real Estate Commission.

4. The Developer of the project has submitted to the Commission for examination all documents deemed necessary for the registration of a condominium project and the issuance of this Final Public Report.

5. The basic documents (Declaration of Horizontal Property Regime, Bylaws of Association of Apartment Owners, and a copy of the floor plans) have been filed in the Bureau of Conveyances of the State of Hawaii, in Liber 19285, Page 693, and Liber 19285, Page 725, respectively. The Floor Plans have been designated Condominium Map No. 990. Said map shall be referred to as "Condo Map" herein.

6. The Declaration of Covenants, Conditions and Restrictions of Wailuna Recreation Association and amendments thereto, have been filed in the Office of the Recording Officer in Honolulu, Hawaii.

7. The purchaser or prospective purchaser is advised to acquaint himself with the provisions of Chapter 514A of the Hawaii Revised Statutes, as amended, and the Rules and Regulations of the Hawaii Real Estate Commission which relate to Horizontal Property Regimes.

8. This Final Public Report automatically expires thirteen (13) months after date of issuance, February 25, 1986, unless a Supplementary Public Report is issued or the Commission, upon review of the registration, issues an Order extending the effective period of this report.

The Developer has informed the Commission that there are no changes to the Commission's Preliminary Public Report issued on December 12, 1985, except for those set forth under the topical headings below:

DEVELOPER: The corporate name of John D. Lusk & Son has been changed to The Lusk Company.

COMMON ELEMENTS: The Declaration of Horizontal Property Regime states that the common elements shall include all of the remaining portions and appurtenances of the Project, including specifically, but not limited to:

(a) The land in fee simple described in Exhibit "A" attached to the Declaration of Horizontal Property Regime for this Project;

(b) All yards, grounds and landscaping, loading zone, roads, the sidewalks within the road areas, walls, fences, and driveways. (NOTE: All the foregoing is as shown on said Condo Map except for the landscaping. The fences and walls and sidewalks within the road that are common elements are shown on the Site Plan which is a part of said Condo Map);

(c) All ducts, electrical equipment, wiring, pipes and other central and appurtenant transmission facilities, installations over, under and across the land of the project which serve more than one apartment for services such as power, light, water, gas, drainage, sewer, telephone and radio and television signal distribution (NOTE: There are conduits within the Condo lots that are common elements, and there are conduits and a low voltage power source in the utility closets within the garage of each apartment that are also common elements); and

(d) The following easement areas that affect and are within the following separate land areas, as shown on said Condo Map:

<u>EASEMENT AREAS</u>	<u>SEPARATE LAND AREAS</u>
B	93
C	101
D	102

(NOTE: Easement Area D contains a drainage pipe installed underground that is located below the dwelling unit constructed on Condo Lot 102. In the event it becomes necessary to maintain or repair the drainage pipe within Easement D which affects Condo Lot 102, all such costs and expenses shall constitute common expenses; however, in the event such maintenance or repair results in damage to the residential unit constructed on said Condo Lot, then and in such event the owner of Apartment 102 shall be responsible to pay for the repair and reconstruction of said residential unit.)

(e) The rain gutters and downspouts on the roof of each apartment adjacent to the common boundary line and the water drainage patterns on the surface of each condo lot; and

(f) 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.

DISCLOSURES, EASEMENTS AND RESERVATIONS: Notwithstanding any of the other terms and conditions of the Declaration or the By-Laws, Developer may use any and all apartments for sales purposes, and Developer hereby discloses that Developer intends on constructing and selling additional housing on lands adjoining the Project, and that the construction activity of Developer shall continue on the site of the Project and on adjacent land after apartment owners occupy their apartments and that this activity may result in noise, dust or other annoyances to the apartment owners, and Developer further hereby makes the following disclosures and reservations:

(a) Apartment 90 has land areas 88, 89, 90 and 95 as appurtenant limited common elements. Developer reserves the right, with the consent of the Lessor, at any time and from time to time prior to December 31, 1991 (said date may be extended by the Lessor) to withdraw land areas 88, 89 and 95 from Apartment 90 and to convert Apartment 90 into four (4) separate apartments by constructing and/or reconstructing residential units and other improvements on land areas 88, 89, 90 and 95; and

Developer intends to retain ownership of apartments 90, 91, 92, 93 and 94 for use and occupancy in connection with Developer's sales activities concerning apartments within the Project and with respect to sales activities of other housing projects under the Developer in the vicinity of the Project; and

Developer reserves the right to construct and reconstruct improvements within land areas 88, 89, 90, 91, 92, 93, 94, and 95 or to change and modify and renovate said improvements from time to time; and in the event Developer should do so and/or should convert land areas 88, 89, 90 and 95 into separate apartments by constructing and/or reconstructing and/or renovating residential units and other improvements thereon, Developer reserves the right from time to time to amend the Declaration and the Condo Map and the By-Laws to appropriately reflect same without the consent or joinder of those persons then owning apartments so long as the ownership of common elements appurtenant to said separate apartments created from the separate land areas now constituting Apartment 90 shall always be equal to one-fourth (1/4) of the ownership now appurtenant to Apartment 90 as herein set forth on Exhibit "B";

(b) Developer reserves the right for itself and its employees, subcontractors, vendors and suppliers to use the common elements for access to construction areas within the Project and on adjacent land;

(c) Developer reserves the right to conduct sales activities, including the use of model dwelling units, signs and extensive sales displays and activities in the Project until Developer ceases development of additional housing in the vicinity of the Project; and

(d) Developer reserves the right for itself, its sales representatives and prospective purchasers to utilize

the common elements for ingress and egress to unsold apartments within the Project and within land areas in the vicinity of the Project in order to show apartments to prospective buyers.

In addition, purchasers should be aware that the Declaration of Horizontal Property Regime contains the following reservation and exception:

"SUBJECT ALSO, to, and excepting and reserving all rights-of-way and easements shown on the map (if any) attached hereto or shown on said Condominium Map or heretofore or hereafter granted, leased or required by Lessor to construct, install, operate, maintain, repair and replace lines and other transmission facilities and appurtenances for electricity, gas, telephone, water, sewer, drainage, radio and television signal distribution and other services and utilities over, across and under said easements according to the respective designations thereof, the right to enter for such purposes, and to trim any trees in the way of such lines and the right to grant or lease to any public utility, governmental authority, the Association, State of Hawaii, City and County of Honolulu, Board of Water Supply, or in favor of land in the general vicinity of the land being hereby submitted to the Horizontal Property Regime, or other corporation or entity such easements, rights and rights-of-way under the terms and conditions required by the grantee or lessee for such easement rights; provided, however, that such easements, rights and rights-of-way must be exercised in such manner as to not unreasonably interfere with the use of the land being hereby submitted to the Horizontal Property Regime, and in connection with the installation, maintenance or repair of any facilities pursuant to any of said easements, rights and rights-of-way, the premises shall be promptly restored by and at the expense of the person owning and exercising such easement rights to the condition of the premises immediately prior to the exercise thereof."

SUBJECT ALSO, to and excepting and reserving unto adjoining land utility easements and right-of-way easements for vehicular and pedestrian ingress and egress to and from said adjoining land over and across the roadways shown on said Condominium Map."

TITLE: The Developer has submitted to the Commission an updated preliminary title report dated January 10, 1986, prepared by Title Guaranty of Hawaii, Inc., which reaffirms leasehold title in the Developer.

ENCUMBRANCES AGAINST TITLE: Said preliminary report dated January 10, 1986 reflects that the title to said land is subject to:

1. Grant in favor of Hawaiian Electric Company, Inc. and Hawaiian Telephone Company dated September 5, 1985, recorded in Liber 19012 at Page 777; granting a

perpetual right and easement to build, construct, rebuild, reconstruct, repair, maintain and operate pull boxes, handholes, transformer vaults and underground power lines, etc., for the transmission and distribution of electricity, etc., over, under, upon, across and through Lot II-C (besides other land).

2. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : THE LUSK COMPANY, formerly known as
JOHN D. LUSK & SON, a California
corporation

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

DATED : December 6, 1985
RECORDED : Liber 19158 Page 41
AMOUNT : \$2,438,000.00

3. Real property taxes as may be due and owing.
4. Reservation in favor of the State of Hawaii of all mineral and metallic mines.
5. Easement "8" for access purposes, containing an area of 971 square feet. See Title Report if necessary.
6. Easement "4" for road and utility purposes, containing an area of 17,297 square feet. See Title Report if necessary.
7. Agreement for Issuance of Special Use Permit under Section 21-2.71 of the Comprehensive Zoning Code of the City and County of Honolulu (Am. Ord. 3234) dated December 17, 1981, recorded in Liber 16210 at Page 16, by the Trustees of the Estate of Bernice Pauahi Bishop, "Declarant", as amended by instruments dated June 15, 1982, recorded in Liber 16546 at Page 182, and dated June 15, 1982, recorded in Liber 16609 at Page 600.
8. Terms, agreements, reservations, covenants, conditions and provisions contained in Lease dated April 3, 1985 recorded in Liber 18561, Page 710.

9. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : JOHN D. LUSK & SON, a California
corporation

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

DATED : March 22, 1985
RECORDED : Liber 18561 Page 752

Mortgaging the land described herein, besides other land, to secure the repayment of the sum of \$4,400,000.00.

10. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : JOHN D. LUSK & SON, a California corporation

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

DATED : April 10, 1985

RECORDED : Liber 18600 Page 13

Mortgaging the land described herein, besides other land, to secure the repayment of the sum of \$700,000.00.

11. Declaration (Wailuna, Top of the Ridge) dated March 8, 1983, recorded in Liber 18437 at Page 711.

12. MORTGAGE, SECURITY AGREEMENT AND FINANCING STATEMENT

MORTGAGOR : JOHN D. LUSK & SON, a California corporation

MORTGAGEE : BANK OF HAWAII, a Hawaii corporation

DATED : June 26, 1985

RECORDED : Liber 18776 Page 427

Mortgaging the land described herein, besides other land, to secure the repayment of the sum of \$2,883,000.00.

- N O T E :-

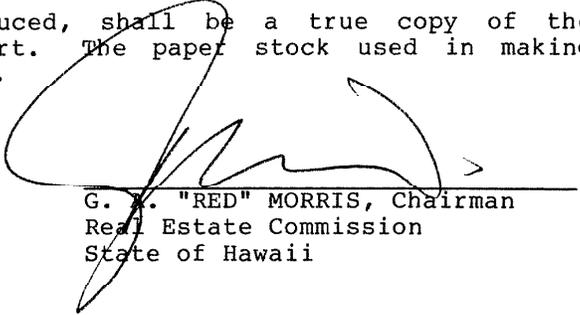
The name of JOHN D. LUSK & SON, a California corporation was changed to THE LUSK COMPANY, effective January 2, 1986.

In addition, the property is subject to the Declaration, Bylaws and Condo Map mentioned in paragraph 5 of page 2 of this Final Public Report.

The purchaser or prospective purchaser should be cognizant of the fact that this Public Report represents information disclosed by the Developer in the required Notice of Intention submitted November 19, 1985 and information subsequently filed on February 12, 1986.

This FINAL HORIZONTAL PROPERTY REGIMES (CONDOMINIUM) PUBLIC REPORT is made a part of REGISTRATION NO. 1719 filed with the Commission on November 19, 1985.

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



G. "RED" MORRIS, Chairman
Real Estate Commission
State of Hawaii

Distribution:

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

Registration No. 1719

February 25, 1986

THE HEIGHTS AT WAILUNA, INCREMENT 2
LEASEHOLD CONDOMINIUM
DEVELOPER'S DISCLOSURE ABSTRACT
(EXHIBIT A - NEW HOME LIMITED WARRANTY;
EXHIBIT B - PROPOSED OPERATING BUDGET FOR THE PROJECT)

Name of Project: THE HEIGHTS AT WAILUNA, INCREMENT 2
At the Mauka End of Kaahumanu Street
Pearl City, Hawaii 96782

Developer and LUSK-HAWAII, a Division of The Lusk Company,
formerly known as John D. Lusk & Son
Project Manager: Suite 1618, Davies Pacific Center
841 Bishop Street
Honolulu, Hawaii 96813
Telephone No. 537-4972

Number of Apartments and Use:

There are twenty-eight (28) residential apartments in the project. The residential apartments shall be occupied and used only for residential purposes by the respective owners thereof, their tenants, families, domestic servants and personal guests and shall not be used for transient or hotel purposes.

Warranties:

The Developer's warranty policy is attached hereto as Exhibit "A". THE DEVELOPER MAKES NO OTHER WARRANTIES, EXPRESS OR IMPLIED, WITH RESPECT TO THE PROPERTY OR ANY COMMON ELEMENT OR ANYTHING INSTALLED THEREIN.

Breakdown of Annual Maintenance Fees and Monthly Estimated Costs of the Project Payable by Each Apartment:

Attached hereto as Exhibit "B" is a copy of the initial estimated operating budget for the Association of Owners of the Project, and the breakdown of annual maintenance fees and monthly estimated costs of each apartment, which was prepared by Certified Management, a division of AR Corporation.

Payment of Maintenance Fees:

The Developer shall pay all of the actual common expenses of the project for a certain period of time. The apartment owner shall not be obligated for the payment of his respective share of the common expenses until the Developer files an Amended Disclosure Abstract with the Real Estate Commission, which shall provide that, after a date certain, the respective apartment owner shall thereafter be obligated to pay for his respective share of the common expenses that is allocated to his apartment. The Amended Disclosure Abstract shall be filed at least thirty (30) days in advance with the Real Estate Commission and after the filing a copy of the Amended Disclosure Abstract shall be delivered either by mail or personal delivery to each of the apartment owners in the project.

Please note that the Developer will not pay the monthly maintenance fee payable to Wailuna Recreation Association. The payment of this fee will be the responsibility of each apartment owner.

Breakdown of the Annual Maintenance Fees and Monthly Estimated Costs of the Project and WAILUNA RECREATION ASSOCIATION Payable by Each Residential Apartment:

	Monthly	Annually
The Heights at Wailuna	\$51.00	\$612.00
Wailuna Recreation Association	<u>19.00</u>	<u>228.00</u>
TOTALS	<u>\$70.00</u>	<u>\$840.00</u>

DATED: Honolulu, Hawaii, June 18, 1985.